Current perspectives on Medical Affairs in Japan

February 8, 2018
Five+ years ago, Medical Affairs played primarily a support role.

“Commercial roles matter, Medical Affairs is there to support”
Today, the demands on Medical Affairs are rapidly growing globally

- New decision-makers
- Changing regulatory environment
- Broader definition of value
- Evolving commercial model
- Increasingly complex science
- More data and transparency
- Wide-spread adoption of technology

SOURCE: Medical Affairs Leader Forum
Similar changes and demands are arising in Japan

New decision-makers
- Increasing use of clinical guidelines by the government

Increasingly complex science
- New technology such as CAR-T and gene therapy in pipeline

Wide-spread adoption of technology
- Increasing adoption of digital channel by HCPs

Broader definition of value
- Ongoing HTA pilot and future integration into price revision scheme

More data and transparency
- Full launch of MID-NET from FY 2018

Evolving commercial model
- MR visit restrictions
- Rise of multi-channel

Increasingly stringent regulatory environment
- Recent pricing reform

SOURCE: Medical Affairs Leader Forum
The scope of medical activities continues to increase

- **Relationship management and communication of product information**
- **Medical education**
- **Medical information services**
- **Medical communications, including publications**

### Historical focus

- **Post-launch clinical trials** (e.g., Phase IIIb/IV trials, IIS and observational studies)
- **Medical strategy**
- **Health Economics and Outcomes Research (HEOR)**
- **Real world evidence**

### Growing focus

### New focus
We see medical taking more prominent role as the “Third Pillar” of the business in Japan

“The third pillar”

R&D

Highly strategic

Medical Affairs

In-market data generation

Commercial

In-market monitoring

SOURCE: Medical Affairs Leader Forum
Four priorities for Medical Affairs leadership in Japan

**A**

*Deeper understanding of the customers* to better target the different needs of physicians and be able to provide tangible value

**B**

*Getting ahead in digital leadership* to facilitate coordination and integration across different medical data and knowledge

**C**

*More integrated working model with commercial & other internal partners* to enhance patient access to and best use of optimal medical treatment

**D**

*Develop and acquire talent* to cultivate and to build a strong, multi-faceted Medical Affairs organization that encompasses the new set of competencies
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Quality of MSL interaction have clear correlation with the satisfaction and scientific influence of the company

Correlation between quality and quantity of the MSL activities and overall impact of a pharma company
Percentage of respondents per case; n = 460

<table>
<thead>
<tr>
<th>Quality</th>
<th>Level of satisfaction with the company</th>
<th>“Scientific influence” of the company</th>
<th>Likelihood of recommendation to peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process management skills of MSL</td>
<td>0.66</td>
<td>0.47</td>
<td>0.49</td>
</tr>
<tr>
<td>Level of scientific and medical knowledge of MSL</td>
<td>0.64</td>
<td>0.44</td>
<td>0.49</td>
</tr>
<tr>
<td>Interpersonal communication skills of MSL</td>
<td>0.60</td>
<td>0.45</td>
<td>0.46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Number of MSL visits</th>
<th>0.33</th>
<th>0.25</th>
<th>0.28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of MSL related activities</td>
<td>0.27</td>
<td>0.17</td>
<td>0.35</td>
<td></td>
</tr>
<tr>
<td>Average duration of MSL visits</td>
<td>0.10</td>
<td>0.10</td>
<td>0.15</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: Japan MAPES 2016
Yet, most companies are measuring quantity metrics of MSL activities than quality or impact metrics

**Performance management & metrics, 2015**
Percentage of respondents gathering the metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantify of activity</td>
<td>78</td>
</tr>
<tr>
<td>Quality of activity</td>
<td>40</td>
</tr>
<tr>
<td>Impact of interaction</td>
<td>20</td>
</tr>
</tbody>
</table>

- What are the quality and impact metrics that are representative of Medical performance in Japan?
- How can we find more practical and objective ways to measure these metrics? More real time?
- How can we build a better feedback mechanism for continuous performance improvement?
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**D**
Develop and acquire talent to cultivate and to build a strong, multi-faceted Medical Affairs organization that encompasses the new set of competencies
Pharma players in Japan generally lag behind digital leaders across most elements of digital enablement

Rating on 5 point scale by 40 digital leaders across industry in Japan

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Digital leaders</th>
<th>Japan PMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>How aligned are your digital and corporate strategies?</td>
<td>4.1</td>
<td>2.6</td>
</tr>
<tr>
<td>How customer-centric is your digital strategy?</td>
<td>3.8</td>
<td>2.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization</th>
<th>Digital leaders</th>
<th>Japan PMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>What share of your digital talent has experience from outside?</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Can your senior managers articulate their digital KPIs?</td>
<td>3.6</td>
<td>2.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Culture</th>
<th>Digital leaders</th>
<th>Japan PMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is your company’s comfort level in taking risks regarding digital initiatives?</td>
<td>3.9</td>
<td>3.0</td>
</tr>
<tr>
<td>To what extent do you use external partners to build digital capabilities?</td>
<td>3.5</td>
<td>3.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>Digital leaders</th>
<th>Japan PMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>How well does your company leverage the data you collect to generate insights?</td>
<td>3.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Are your core back-office processes digitized?</td>
<td>4.0</td>
<td>3.5</td>
</tr>
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</table>

Digital has potential to change ways of working across whole Medical Affairs value chain

<table>
<thead>
<tr>
<th>Medical strategy</th>
<th>Field Medical/Engagement</th>
<th>Medical support</th>
<th>Data generation &amp; HEOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ How advanced is my organization in digital Medical versus other Pharmacos?</td>
<td>▪ What are the most effective ways to engage Medical KOLs in the digital world?</td>
<td>▪ Can we use digital to make compliance more efficient and simple?</td>
<td>▪ How to leverage digital and analytics to collect more granular data and better insights about patient’s?</td>
</tr>
<tr>
<td>▪ What are customer preferences and potential future disruptors?</td>
<td>▪ How to build optimal continuum of Medical engagement using mix of digital and physical interactions?</td>
<td>▪ Can we digitize our support (e.g. Medical Information processes) to make them more efficient and user friendly?</td>
<td>▪ Can we use digital to source new ideas for data generation?</td>
</tr>
<tr>
<td>▪ How to measure effectiveness of digital approaches?</td>
<td>▪ How to bring our content to places where HCPs and patients normally search for content (e.g. search engine optimization)</td>
<td>▪ How to run Medical Communication campaigns in digital world (e.g. which channels, what is calendar)?</td>
<td>▪ Are digital tools a potential threat to our current approach while enabling payors and other stake-holders to have granular data about our patients? How to respond?</td>
</tr>
<tr>
<td>▪ How to evolve engagement model over Lifecycle using digital?</td>
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There are already numerous sources of data available in Japan

<table>
<thead>
<tr>
<th>Treatment data</th>
<th>Medical claims data</th>
<th>Health checkup data</th>
<th>Wholesale sales data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Available now</strong></td>
<td><strong>Medical claims data</strong></td>
<td><strong>Health checkup data</strong></td>
<td><strong>Wholesale sales data</strong></td>
</tr>
<tr>
<td>HCEI</td>
<td>NDB open data by prefecture (National database)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUCHI HEALTH UNIVERSITY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pharma can use by 2020</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pmda</td>
<td>MID-NET</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>May open-up going forward</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DPC database</td>
<td>NDB (National database)</td>
<td></td>
<td></td>
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Coordination with other functions is critical in creating Medical impact

Typical company interaction with a KOL

What we often hear from KOLs

“I meet at least 4-5 different people from one company. But they don’t seem to talk to each other.”

“What I hear from one person is sometimes different from what I hear from another. It is quite confusing”

“Sometimes it takes weeks to get an answer to my questions. I don’t know why. By then I am wrestling with another problem”
Role as a true 3rd pillar will require close collaboration with other functions

“The third pillar”

- Where can we find the largest opportunity for impact? What are customers expecting?
- Where can Medical take immediate leadership in these collaborations? And how?
- What are current barriers in realizing better collaboration with others? Internal policy? Cultural?
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A strength-based approach to Medical Affairs talent

**Medical Affairs capabilities**

- Learning agility
- Business leadership
- Strategic vision
- Emotional intelligence
- Scientific and technological thought leadership
- Deep understanding of compliance

**A strength-based approach**

- **Skills and competencies examined at level of the group, e.g.,**
  - Cultivate individual's strengths for the benefit of the group
  - Seek candidates that fill gaps in the group, not the “perfect” candidate

- **Comprehensive talent strategy** supports and builds skills and capabilities of group

- **“Field and Forum”** approach integrates learning modules and real work experiences (as reinforcement)

SOURCE: Managing talent in the Medical Affairs function: Creating value through strengths-based approach
Medical *is* the “Third Pillar” of pharmaceutical business

**“The third pillar”**

- **R&D**
  - Deeper understanding of the customers

- **Medical Affairs**
  - Getting ahead in digital leadership
  - Integrated working model with internal partners

- **Commercial**
  - Develop and acquire talent