

# Health and Life Science Leaders Herald New Era of Digital Transformation

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**On 22nd October 2020, IRC Global Executive Search Partners convened a virtual roundtable with leading health and life science executives based in Europe and the Asia Pacific region to discuss how digital transformation is impacting the industry.**

## **Executive Summary**

- The acceleration of digital transformation in healthcare and life sciences is reshaping how the industry engages with medical professionals and patients.
- Remote technologies are playing a growing role, allowing the provision of healthcare services to become increasingly decentralized.
- Business continuity programs are key to maintaining engagement as face time falls.
- Strategic, targeted communications are more critical than ever to assure the public of compliance with stringent health and safety protocols.
- Covid crisis is a strong impetus for step-change in technological transformation, but the pace of change is creating a knowledge gap and a shortage of digital talent.

The health and life sciences sector has been one of the most aggressive in spurring innovation historically, with tremendous resources allocated to technology-driven research and development (R&D). Pharmaceutical and biotech companies spent nearly USD 200bn on R&D in 2019, with health spending representing about 10.5% of global GDP, or some US\$15trn, according to Deloitte. With a global health crisis dominating headlines in 2020, and prescription drug sales set to rise to US\$1.2trn by 2024, it's no wonder the industry was among the first to embrace digital transformation to improve the efficiency of internal operations and enhance the way it engages with medical professionals, health insurance providers, and ultimately, patients. Most large international pharmaceutical and biotech companies embarked on their digitalization

journey years, if not decades ago, but the process has accelerated rapidly in 2020, along with a clearer vision of the destination.

There are three key capabilities organizations need to develop to efficiently implement a digital strategy, according to John Bessis, Country Manager Greece & Cyprus at Allergan Aesthetics, a subsidiary of Chicago-based AbbVie. Firstly, organizations need to develop digital capabilities that allow them to be closer to their customers and to understand their needs, he said. Secondly, with greater access to granular data that these digital capabilities provide, organizations need to extract precise insights and convert these insights to actions that can address the unmet needs of the physicians and the patients, he added. Third, these digital capabilities need to be used to develop new ways of engagement to sustain those relationships, he said.



"This is the paradox," Bessis said. "Relationships can be reinforced through face-to-face interactions. However, It seems that now, even though face-to-face interaction has been dramatically reduced, relationships with health care providers and patients are taking on new dimensions. It's a new era for us." Adaptability and resilience are among the core competencies pharma companies should be looking for to build within their working environment to meet the challenges of this new era, he said.

"The post-pandemic world will heavily favour companies, including the pharmaceutical industry, that use digital strategies to get closer to their patients and customers in order to apply more insightful actions, doing so with data-driven intelligence from across the organization," Bessis noted, adding, "we have to take advantage of this." The pharmaceutical industry is increasingly turning its focus towards developing special treatments, Bessis said, for which better insights are crucial. "The more insightful actions that we take, and digital transformation will help us, the more we make a difference in physicians' and patients' lives."

The shift from brick-and-mortar to virtual retail has been underway for the past few decades, but many consumers had never made a purchase online until 2020 when the digital sales channel became an existential necessity for virtually every business.

Bausch Health Companies (Bausch+Lomb), a Quebec-based global healthcare company, sells its products to hospitals and clinics, as well as to retailers. Like in many other industries also some OTC/Consumer areas of medical devices started observing a growth of the internet/e-commerce channel. The progressive shift from brick-and-mortar retailers in favour of online retailers started becoming visible also in the Japanese market in recent years. In 2020, this dynamic was further triggered by Covid 19. During the State of Emergency (lockdown) a number of retail stores were closed and also the "prescriptions" market via hospitals and clinics witnessed decreasing foot traffic, according to Gianni Cossar, President of Bausch + Lomb Japan. "Our responsibilities to Japanese patients, doctors and retailers was to keep operating also during Covid, ensuring Business Continuity and continuous shipments of our products. As our physical / on-the-field capability was reduced, digitalization became very important also for us" Cossar said.

On the one hand, Japanese consumers started exploring online versus offline purchases, on the other hand, Covid has also fueled innovation in the industry. For example, some clinics and hospitals have been developing ways to use digital technology to offer remote tests and remote prescriptions to reduce the need for patient visits or the length of chair-time during visits. Our Sales personnel started moving to online meetings, so we had to invest in new and robust platforms to engage clinics and doctors for conference calls to keep supporting and delivering information, he said.

"Our program of online seminars became so relevant that we decided to introduce Bausch + Lomb TV," Cossar said.



Society was pushed towards a step-change in 2020, in many cases without being ready for it, said Roberto Greco, General Manager, Greece and Cluster Area at UK-based pharmaceutical giant GlaxoSmithKline. Now, many companies and sectors are playing catch-up, he said. There's opportunity in every crisis, Greco noted, and this new dynamism in the market is prompting a number of decisions that would have never been made otherwise because it's very difficult to abandon a traditional way of doing business, he said. "We have to respect what has been successful for decades, and transition towards something that is quite unknown," he said.

"Technology is moving so fast, it's created a knowledge gap, and this is an across Industries with organizations needing support and motivation in the face of steep learning curves and transformation challenges, Greco said. GlaxoSmithKline has become more efficient, closer to its end customers and more linked to its mission, Greco said, noting the company has been successful during and because of the global health crisis in 2020. Nonetheless, the industry is still a long way from being at an optimal stage in terms of preparedness to respond to another such challenge in the future, he said. The commitment from organizations and communities to go for that step change is often still lacking, he added. Commitment, Greco said, is a basic precursor to have all stakeholders on board to get to the next level of the digital era.

There is a tendency to extrapolate from where we are to try to get to where we would like to go, Greco said. "The solution, however, lies in visualizing the end destination and then going back to determine the changes that need to be driven and implemented to reach it."

A deep internal analysis needs to be carried out to really deliver digital transformation, but it also requires substantial external engagement, he said. This requires well-organized, shared effort among all the relevant stakeholders, including physicians, health organizations, governments, healthcare authorities and information technology companies, he said.

"I'm wondering, is there room here for all these stakeholders to come together and write a kind of manifesto, where everybody is really committing to the destination and defining how they will contribute? This is not only about having a digital detailing of products, it's about acknowledging a new patient journey, a new way of interaction between physicians and their patients, and new ways of working with health care systems and stakeholders," Greco said.

Despite his inclusive vision for the industry's transformation, Greco said digital strategies need to be implemented through well-planned steps, striking the right balance between stretching the organization and transforming at a sustainable pace. The introduction of a new, dedicated role within organizations, like a chief digital officer, and the development of a roadmap are important first steps, he said. New capabilities can be created from within the organization but will have to be coupled with the injection of new resources with diverse background. Ultimately, all the stakeholders within the organization should be able to visualize the destination rather than extrapolate from the status quo, he said. Leaders of companies need to undertake an active role in identifying the need for change and driving it.





"If we try just to gradually improve the way we are operating nowadays, we will always be behind the demand, the needs and the opportunities in the market. Sometimes a more disruptive and bold approach, as in the case of the current pandemic, is necessary to trigger an acceleration" Greco said, adding, "We need people with a real ability to capture superior customer, payer, patient and employee insight and able to leverage the many opportunities that the adoption of a portfolio of technologies can offer. Always having in mind that we're not doing digital for the sake of doing digital. We are doing digital with the objective of satisfying a demand that is out there in the market, in an effort to provide more innovative and qualitative solutions while targeting efficiency at the same time. Yet, it's a discovery journey and improvising and failing are part of it."

Notwithstanding the growing role of technology and the impact of digital transformation in the health and life sciences sector, human resources remain critical to successful implementation, Greco said. "We need people who are able to correlate, to interact, to engage with a variety of stakeholders, both qualitatively and quantitatively," he said. Critically, organizations also need to come up with a set of indicators to measure the success of the digital transformation they are implementing, he added.

Digitalization has led to important gains in efficiency within large organizations that have centralized shared services, according to Medline Industries Japan President Tomohiro Hasegawa. Medline has taken a more decentralized approach despite being a large

global business, Hasegawa said, letting its regional offices operate with a high degree of autonomy. When demand skyrocketed for the company's personal protective equipment products amid the global health crisis in early 2020, business continuity was directly dependent on resolving supply chain challenges as output in China fell flat, Hasegawa said.

When the health crisis began impacting Medline's corporate operations in Japan, communications became critical, and the entire staff migrated to common conferencing tools. "It's not really about the tool, it's more the prioritization," Hasegawa said, noting internal meetings became much more frequent, but were much shorter than usual and very focused on coordination to stay on top of operations. The company rapidly deployed infrastructure to allow its team to optimize remote work and renewed its focus on supply chain continuity, innovating on the fly to create add-ons to conventional digital tools to manage things like product allocations automatically, Hasegawa noted.

The role for IT within Medline is very different, Hasegawa said. "It's not about implementing someone else's solution, it's really about architecting, creating that vision of where we're supposed to be, and finding a way to integrate all this as efficiently as possible." Meeting the demand for this unique skill set is a challenge for multinationals, he said, especially in Japan, where capable CIOs fluent in English are in short supply.

Keeping employees connected and productive is a critical top priority to ensure business continuity in the face of exogenous disruptions, said Sachin Indane, VP and Country Leader, India and VP Laboratory Business Unit APAC at Pall Corporation, a subsidiary of Washington D.C.-based Danaher Corporation that offers high-tech filtration, separation and purification technology to the health and life sciences industry, among others. With the right digital tools and engagement solutions in place to ensure productivity, the company has been working assiduously to meet the increased demand for its products as clients sought to scale-up production in 2020, he said.



"Like any other multinational company we also have responsibilities towards our stakeholders, so in the end, even in a remote work environment we had to establish a process to ensure that the job was always done also during Covid," said Gianni Cossar, noting it was incumbent upon business leaders to provide the framework, or processes, while talent should be trusted to execute, no matter whether they're working remotely or in an office. Leaders must set goals and objectives that are achievable, but still push employees to stretch their capabilities, agreed Mike Van Zandt, President and General Manager Japan and Southeast Asia Development Manager at Genesis Medtech Group, a Singapore-based company focused on interventional cardiology, peripheral vascular, neurovascular, surgical, and oncology treatments.

Digital transformation is driving knowledge sharing and the push towards robotic surgery, Van Zandt said. Technology is enabling augmented reality-powered robotic surgeries from hundreds of miles away, bringing sophisticated capabilities to a much wider patients' population, he said. Augmented reality and robotics can enable community hospital with the right hardware and trained staff to host complex procedures, like placing a carotid stent or a coil in a brain aneurysm, for example, by allowing an interventional neuroradiologist or surgeon to scrub in from hundreds of miles away, he explained. This is not the future; this is now. There was a long-distance procedure already performed at a conference in India using the Corindus (now Siemens) technology from approximately 100 km away.

Robotic surgery is among the pinnacles of digital transformation in the health and life sciences sector, but basic unanswered questions remain about how technology can



improve modes of internal and external engagement to shape the business environment of the future. "My real concern is, how sustainable is this? Two years from now, what should we really look like? How do we onboard people? How do we generate tribal knowledge? How do we do this thing called culture when we're all over the place, and how does digital work to support all that?" asked Medline Industries' Tomohiro Hasegawa.

Emergencies can be managed, but the real challenge is the sustainability, shaping a new way of doing business that cannot even be described yet, agreed GlaxoSmithKline's Roberto Greco. "This whole crisis has actually helped us accelerate the digital initiatives across the organization and especially around the marketing going to customers and using those digital channels," he said.

"Organizations that can harness the technological advances that are happening will be the ones that will be successful, and that's what we need to do," said Pall Corporation's Sachin Indane. It's not only about hiring the right marketing people or digital people, it's a mindset of the leadership that must transition from a brick and mortar world to a digital one to ensure organizational success, he concluded.



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