

Business Information, Silver Bullets and other Fairy Tales

In recent discussions with pharmaceutical analysts some genuine insights have emerged that have huge implications for the pharmaceutical industry and are worth repeating here.

Analytics has been conflated with data reporting by senior management within the pharmaceutical industry, thereby downgrading the importance of robust analytical techniques. This limits the scope to optimize promotional resource allocation, as well as relegates Business Information to a service function rather than an influential partner in the commercial decision-making process.

Commercial data gathering has been constrained by corporate management in an effort to create common global CRM templates. This “dumbed-down” dataset has been forced to accommodate the lowest common denominator between major markets, often at the expense of a wealth of potentially valuable local market data. This is exemplified by the aggregation of “call” data that no longer differentiates between an appointment call, follow-up call or “on spec” call. The original dataset could allow leading-edge analytics to answer valuable questions about a representative’s planning, persistence and opportunism.

The proliferation of the use of clever visualisation software (eg Tableau or Qlikview) and the incorporation of its output into dashboards, although undoubtedly useful in some cases, has legitimised the underlying analytics by stealth. The fact that this analytical engine is Excel rather than a dedicated statistical programme is a great cause for concern. Excel, despite being a remarkable spreadsheet package and offering basic statistical functions, does not pretend to offer sophisticated analysis for large datasets which invalidate the basic assumption underlying the use of linear regression.

Predictive analytics remains an elusive concept that is somehow perceived to be separate from the development of a robust context-specific model. The reality is that predictive capability starts and ends with a robust context-specific model. One is a natural consequence of the other and is not a separate “add-on”.

The mind-set of the pharmaceutical industry remains blinkered to the potential for new and powerful ways to analyse commercial data. The high levels of profitability and the power of incumbent management of affiliates does not invite novelty unless it is in addition to tried and tested approaches. This belt and braces approach has led to a plethora of digital activities as part of a multi-channel strategy with only half-hearted attempts to untangle the return on investment.

A prescription for a better way forward.

Pharmaceutical companies should embrace “Data” and its associated demands as a core competence. To change affiliate mindsets it should consider pilot studies using leading edge analytical techniques, thus putting little at risk but offering huge upside in the event that these techniques prove useful. Business Analysts should be given more authority and resources to provide genuine insights to their sales and marketing colleagues and expect to have a valuable input into promotion allocation decisions. Ultimately business analysts should become so embedded within the commercial organisation that the traditionally reactive approach to ad hoc information requests becomes a proactive approach anticipating changes in the competitive and environmental landscape.

The backdrop for all this remains an industry that still spends more on promotional activities in their widest sense than on R&D. While product pricing in a resource-constrained payer environment remains such a contentious issue it seems incongruous that money should be wasted on activities that yield no return. The industry must remember its social contract and balance the desire to influence demand with the need to provide widest possible access to its products.

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