Pharmaceutical Marketing
Summer 2017: May/June
Healthcare and Pharmaceutical Management Program
Columbia Business School

Faculty:
M. Jamil email: drj8666@hotmail.com; mobile: +1.862.400.6412
C. Zak email: cecizak@gmail.com; mobile: +1.908.872.8453

Course Overview
In today’s environment, many stakeholders (governments, regulators, payers, purchasing organizations, hospitals, physicians, pharmacies, patients, care givers and advocacy groups) play a critical role along a brand’s lifecycle and in achieving a pharmaceutical brand’s commercial success. This course is aimed at students interested in better understanding an increasingly complex market environment, how to navigate these influencers and set the stage for commercialization & product development of pharmaceuticals, while considering lifecycle management.

Course Objectives
1. Recognize the role marketing plays within a pharmaceutical enterprise and the responsibilities in which it is accountable.
2. Understanding pharmaceutical marketing and gaining an appreciation of working with other functions in a pharmaceutical company for brand success.
3. Developing perspectives on how environmental trends will shape marketing opportunities (& challenges) in the pharmaceutical sector.

Deliverables
Course grades will be based on participation, case reports and a written brand plan
- Class Participation 20%
- Case Reports 30%
- Written Presentation 50%

Class Participation
Each session, students are expected to review the background readings and come to class prepared to discuss the assigned readings and cases. Students should focus on the quality of the contributions to class discussions versus the quantity of contributions.

Final Project (Written Presentation)
Students will be asked to choose a pharmaceutical brand (either from faculty or individual choice) and develop a written “annual” brand plan presentation, assumed to be delivered to Senior Executives from Pharma Companies.

Guest Speakers
Prominent guest speakers from the pharmaceutical and biotechnology industry will provide additional real-world insight on key industry challenges and trends.
Class Schedule and Topics

Week 1: Pharmaceutical Industry Overview & the New Healthcare Customer

- US and Global Industry Review & Trends
  o Size and projections of the industry
  o Key global markets, GDP and geo drivers
    ▪ Revenue, Rx’s and geographic trends
    ▪ Where is Pharma focusing and why?
- Types of scientific innovation and its significance in pharma marketing
  o Innovation and the gaps
  o Disease types
  o Types of pharmaceuticals
  o Shifts from treatment to prevention and wellness
- “New” Customer expectations – defining the new healthcare consumer
  o The consumer/patient experience of today
  o Implications on B2C
- “New” Customer expectations - defining the new business customer
  o The value driven proposition.
  o Implications on B2B – the power shift

Suggested Readings:
- 2015_PHRMA_Profile
- IMS Global Pharmaceuticals Marketing Channel Reference 2015
- IMS_Institute_Medicines_Use_and_Spending_in_2015 (executive summary)

Guest Speaker: Consumer Expert
Week 2: Company Culture & Pharma Marketing

- What is the company culture in Pharma
  - Understanding the rationale and differences, as well as the strengths and weaknesses of four different cultures in the pharma industry:
    - Sales
    - Product Innovation
    - Market-led
    - Innovative
  - Is culture the culprit in pharmaceutical companies?

- Pharma Marketing
  - Accountabilities of marketing
    - P&L revenue and cost centers
    - Differences between pharma marketing and consumer goods marketing
    - The four “old” 4 “P’s” and the four “new P’s”
  - Pharmaceutical marketing constraints
    - Ethical considerations & public-policy scrutiny
    - Promotional regulations and impact
    - Multiple decision makers, often with competing economic interests
    - Variation in levels of patient knowledge and motivation

- Promise of big data: Creating actionable insights - the driver of competitive differentiation.
  - Patient Flow: quantifying a brand’s market potential by analyzing patient population data & dynamics
  - Patient Journey: gaining insight from the patient’s interaction with his/her environment
    - Analyzing the beliefs & behaviors of stakeholders along the patient journey to identify the true leverage points
  - Multiplicity of channels within which information is gathered, shared and exploited

Suggested Readings:
- http://www.pharmexec.com/new-four-ps-marketing
- https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3411231/

Guest Speaker: Big Data Expert
Week 3: Brand Strategy Development – creating marketing & business strategies for sustainable profitable growth

- What is a pharma environmental overview?
- What is a strategic choice and how does it apply to the marketing of pharmaceuticals?
- Gaining KEY insights into the situation: The SWOT analysis
- Process and tools pharma marketers use to determine the brand’s optimal positioning
- What is a good segmentation in pharma?
- Stages in the prescription adoption process
- Typical marketing tactics used to influence decision making of healthcare practitioners and the ROI trap
- Best practice methodology used to select the optimal tactical mix for a brand or franchise
- How can a marketing executive maintain control over information and brand identity today?

Suggested Cases:

- HBS Case Collection | July 2010 - Metabical: Positioning and Communications Strategy for a New Weight Loss Drug by John A. Quelch and Heather Beckham
Week 4: How Marketing Interfaces with Other Functions

Companies are usually organized in multiple customer-facing and/or functional silos and in a world where these organizational functions have converged how is commercialization and marketing best managed?

- The internal ecosystem – the marketing team, their expertise and impact
  - Medical & Scientific Development
  - Medical affairs
  - Market research
  - Sales & operations
  - Market Access & HEOR
  - Manufacturing, supply chain & distribution
  - Finance
  - CRM, Consumer & Media Buying
  - Legal
  - Regulatory
  - IT

- The external ecosystem – how to work together with external partners
  - AOR - Digital
  - Promotional Coms
  - Market Research
  - Public Relations / Investor Relations

Suggested Readings:
- https://www.zs.com/solutions/expertise/sales/~/link.aspx?_id=21924753FC7342BCA6F2C79A11133802&_z=z

Guest Speaker: External Ecosystem Expert
Week 5: How Marketing Interfaces with Other Functions – Deep Dive

Marketing Input into R&D
- How Unmet Medical Need and Disease Market Attractiveness help prioritizing areas of R&D and drive R&D strategic decisions
- Establishing the Target Product Profile based on competitive landscape analysis

Marketing-Medical Interface
- The impact of the migration of clinical data dissemination from the marketing to the medical function
- Role of Medical Affairs: offer new value-added patient-centric services for customers

Marketing & Market Access
- What healthcare payers want is more value for the same money or the same value for less
- Goal is to remove barriers to prescribing, build a strong case to allow prescribers access to their brands and get access to patients: pricing & reimbursement / cost-effectiveness / budget availability
- Best-practice in developing a market access plan and the role of marketing therein
- Understanding how the supply chain plays a role in access to medicines

Marketing & Consumer Interface
- How can marketing use healthcare behavioral economics to educate consumers to make better choices
- New channels of influence and how to measure

Suggested Readings:
- PwC Pharma 2020 Report – 2012: Chapter 4 on R&D
- Pharma_Medical_Affairs_2020_and_beyond: McKinsey Insights, 2014
- R&D Annual Report 2016: Pharma Projects
- IMS White Paper: Patient Journey

Guest Speaker: Market Access Expert
Week 6: Economic Implications for Pharma Marketers

Each stakeholder has different interests and interacts in different ways, at different points of the value chain, with diverse motivations. Understanding the collective impact of the interplays across these differences is a skill that any pharmaceutical marketer needs to develop in order to craft and deliver market-perceived value.

- Internal Profit Levers:
  - R&D spend vs. advertising to consumers and healthcare professionals
  - Return on Marketing: Maximizing Marketing Productivity
  - Expense evaluation, cost cutting, extension of the period of market exclusivity and real-world evidence
- External Profit Levers:
  - US - GTN – impact on net revenue & profitability
  - Global practices
- Launch Strategies:
  - Investment approaches to optimize uptake

**Suggested Readings:**

- Beyond_the_storm_Launch_excellence_in_the_new_normal: McKinsey Article, 2013
- IMS Report - Launch Excellence in Oncology 2015

**Guest Speaker:** Finance Expert

**Final Project Presentations Due**