

NICE and the impact of an effective compliance regime on pharmaceutical strategy

Combining knowledge, experience and relationships gives you the reference points that help make market conditions far more predictable

I recently watched a TV programme which documented the renovation of a grade two listed building. The challenge of this particular project was that the building in question was a lifeboat station supported by a steel pier structure on a beach in South Wales. The client, whose family history was closely tied to the area and the RNLI, eventually turned this 1905 structure into his dream home. During the project he became increasingly frustrated that his builders consistently turned up late with materials that meant the time window they had because of the tide was repeatedly shortened. In an interview, the subcontracted builder explained that the tide had caught them 'off guard'. In response, the exasperated client argued that the times of tidal ebb and flow had been accurately predicted for at least the last 100 years. The basic point illustrated here is that what is intangible to some, through a lack of knowledge, is eminently quantifiable to someone who has made it his business to find out what the reference points are.

In the current healthcare climate, NICE is as dependable as the tide. It asks pharma companies wishing to market new or existing products essentially the same questions; what is the patient benefit? How much will it cost in real terms? And, is it worth it?

Although this is an oversimplified appraisal of the work that NICE undertakes, if these questions can be answered positively, NICE endorsement and positive guidance is almost a given.

While the intended market for a particular product should obviously inform the scope and design of randomised controlled trials, the same argument of tangibility could, and should, be applied to post-endorsement marketing. There is a wealth of information available to the industry regarding disease prevalence in given areas, the size of the available market, the profile and sophistication of NHS agencies, be they Clinical Commissioning Groups (CCGs), Primary Care Trusts (PCTs) or NHS Trusts,

but all of this is meaningless unless the business development or sales team understands this and is able to leverage it.

If we return for a moment to the seaside analogy, it used to be that fishermen had 'knowledge of the sea' in that they believed they knew where to fish based on previous experience, instinct or talking to other fishermen who may have done battle with the waves in the preceding days. Nowadays, there is a wealth of technology that helps inform fishermen where the best opportunities might lie. The result of all this is that a combination of experience and information means one very simple thing – more fish get caught and far more efficiently.

The relevance of value-based networking

This analogy applies directly to the marketing of pharmaceutical products within the framework of value-based networking. Of course, this approach still draws upon the knowledge, relationships and experience of the sales professional, but also provides a bridge between the given absolutes of potential market size, the justifiable constraints of NICE guidance and set targets and the quantifiable value of the networks that the sales professional should have.

Let's be very clear in terms of the level of sales function being discussed here, it is healthcare development manager (HDM), NHS Liaison, NHS Specialist or regional business manager (RBM) level or any other title denoting these functions. All should be vastly experienced and have proven track records, yet analysis of value-based networks allows them to be more successful through intelligent quantification of the potential market value of their regional knowledge and the people they know, or have worked with in the past.

All of the necessary reference points are freely available to any sales or business development professionals wishing to establish the size of their potential 'catch', including: CCG business plan;

QIPP meeting minutes; overall population figures of a locality; disease prevalence; list size of GP practices; effectiveness of previous company or personal relationships; zone of influence of the healthcare professionals and who they in turn can influence; local prescribing guidance; national guidance – the list goes on. But how many sales professionals within pharma actually take the time to sit down and work through this information?

Value-based network analysis provides the forum and base for them to do this. In fact, the process of making the intangible become tangible is not as mysterious as it might seem at first. In effect, the times of high and low tides are known. Most successful business people understand where their strengths and weakness are on a personal and relational level, but honest and open assessment of this allows them, and the organisations that have invested in them, to have a much better idea of what can justifiably be expected from these personal and relational strengths and weaknesses.

To some people, this may sound like ideas and strategies that have already been and gone. However, while it is true that value-based network analysis is intended to increase business performance, it is also essentially what many industry sales professionals have been wanting for a long time.

Firstly, it is an acknowledgement of their local knowledge and relationships. Secondly, it provides the organisations they work for with what they have needed for years. It's a conversation that basically goes; 'Okay, we're willing to listen, tell me who you know locally, what you know locally, and we'll give you some help but then tell me what this looks like in terms of value'.

Given the salaries, intelligence and experience of the professional groups under discussion here, these are not unreasonable questions to ask. They are, in fact, pretty rudimentary. In simple terms, the question asked is; 'who and what do you know and what is that worth?'.

Adding value networking

It should always be remembered that the proportion of NHS spend on pharmaceutical products has remained surprisingly constant over the previous few decades. It is, and has been, around 8-12% of the overall NHS budget. This now equates to around £9bn. While the majority of this is accounted for by non-proprietary medicines, around 20-30% of scripts are for branded medicines. Therefore, in cash terms, the overall amount of the drug budget given to the ethical pharmaceutical products is far higher.

So, to consider this discussion in terms of NICE and the impact of an effective compliance regime on pharmaceutical strategy, we are inexorably drawn to the following conclusions: pre-marketing and clinical trial work should be designed with specific reference to the health economies in which a company wishes to promote its branded portfolio. Therefore, in this instance, the endpoints should be NICE compliant. Once NICE guidance is achieved for a given product its entry to market, and therefore the size of this expected market, becomes pre-defined. It should then

be down to thorough and honest scrutiny of the value of the sales professional's network to determine where best to target activity and resources to ensure that the entitled use of a product is actually realised in the appropriate healthcare arena.

Obviously there will be gaps in a sales professional's value network. Such gaps should then be addressed through training and professional development. However, the business potential of a given area cannot be disregarded just because a sales professional thinks or feels that his zone of influence does not include a given market.

If a sales professional can achieve success in one locality, it stands to reason that he has capability to achieve it in another – success can be, and is, replicable.

While the NHS may 'buy into' a product based on NICE guidance and the relationship it may have locally with a company, considerations such as QIPP or QOF should also be taken into account.

Industry-sponsored healthcare providers have a pivotal role to play in identifying patients and bringing them into the process of prescribing change. This will inevitably lead to progress in the quality and technological performance of drugs being prescribed to patients. Therefore, as NICE routinely includes budget impact analysis in its assessments, all stakeholders can stand to benefit from such independent but industry-sponsored involvement.

In this context, the role of NICE guidance is to provide a framework and to indicate the expected and viable returns for companies wishing to promote branded entities within the UK. Value-based network analysis provides the understanding and route for this to be realised for patient benefit and justifiable market capture and profit. The culmination of these two approaches provides the 'tide times' and 'window of opportunity' from which companies can benefit, and makes the whole process far more tangible, predictable and quicker.

There is now no real need to get caught out by the tide or market conditions; they are far more predictable than one might think, once you discover the reference points.



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