

Multichannel is about customer experience. We've got that! Now what?

Life sciences is finally catching up with other sectors regarding the importance it is placing on delivering a leading and differentiated customer experience as a means of creating a sustainable competitive advantage. However, the emphasis and approach for doing this is rapidly evolving. Life sciences companies are now preparing for a new era of competing on experience, and those that don't keep up will quickly find themselves becoming outdated.



Authors

Aaron Bean
Director, Life Sciences,
Ernst & Young LLP, UK

Frank Kumli
Executive Director, Life Sciences,
Ernst & Young AG, Switzerland

Gabriele Vanoli
Partner, Life Sciences,
Ernst & Young AG, Switzerland

Multichannel is about customer experience. We've got that! Now what?



For years, there has been talk about how best to evolve the commercial model to move from push-based to pull-based models. However, not enough has been done to truly achieve this. Over the past year, there has been growing evidence in the industry of a change of approach to one that is more strategic and transformational, putting the necessary customer engagement capabilities and enablers in place.

What it takes to win in markets has fundamentally changed. Customer leaders, such as Uber, Alphabet (the parent company of Google) and Apple, have fundamentally redefined what customers now expect and set the bar that holds true across all industries. More than ever, customers are shaped by their experiences in dealing with companies in all walks of life. Quite rightly, they expect the same level of service when dealing with any business. Why should life sciences be any different?

The issue is now understood

In response, life sciences leaders are beginning to think “outside in” rather than “inside out,” emphasizing customer experience as the starting point and moving away from a “build it and they will come” mentality that was so prevalent in the first wave of investment in detailing, marketing automation, dashboarding and customer relationship management (CRM) solutions. Success stories around multichannel engagement are also multiplying, with a real feeling of “professionalization” of this capability in the industry. There is no turning back now.

When taking stock of what their organizations are currently doing, executives responsible for these programs are immediately confronted with an extremely fragmented landscape of customer engagement – and multichannel management – related initiatives, each of which is pursuing different business goals,

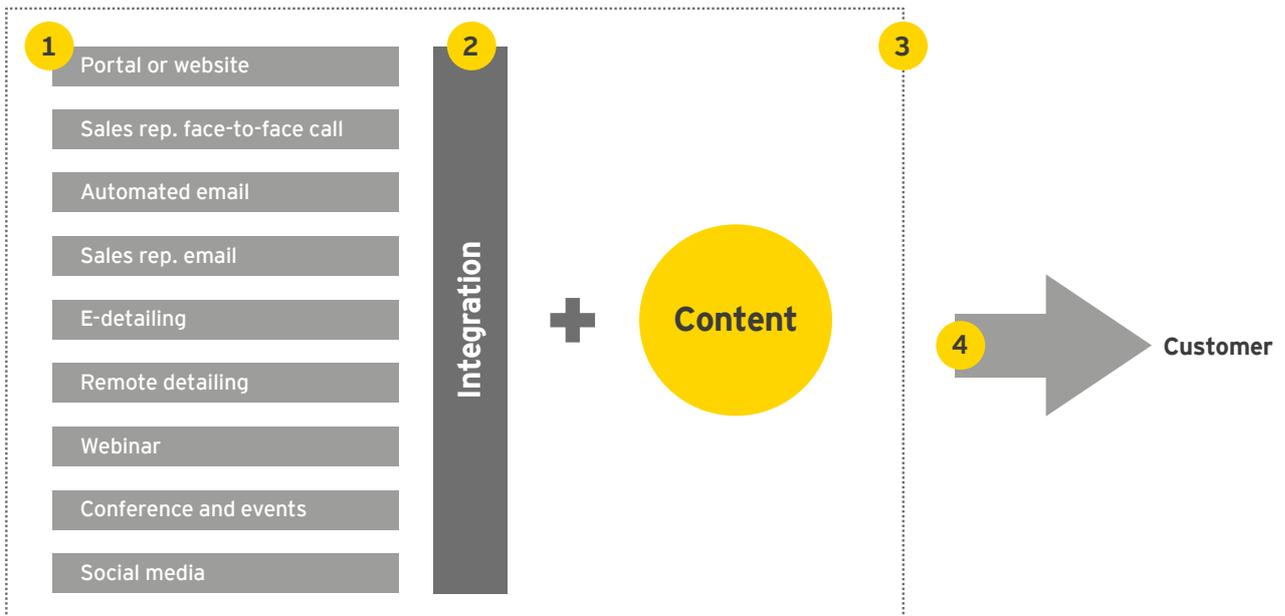
using different approaches and tactics and, very often, relying on a myriad of external agencies or technology providers. This fragmentation is often exponentially increased by the siloed approaches within countries, across business units and brands.

The key questions these executives are grappling with are: “where is the value?”, “how do we deploy?” and “how do we make it sustainable?”

The first question is really about establishing a strategy for customer engagement or understanding the role multichannel management needs to play in enabling it. The second question relates to having a clear, comprehensive and joined-up deployment model and road map, together with the required level of investment and management support. The last question relates to how to design

a customer engagement model that can be deployed in an effective but agile fashion. One that will remain flexible enough to adapt to the rapid changes in the market, such as changing customer behaviors, different commercial challenges, the legal environment and technological innovation.

Figure 1. A note on terminology



1 Multichannel
Multiple channels operating in isolation

2 Omnichannel
Channels coordinated and synchronized around the customer

3 Customer engagement design
Method of how to engage through channels and content

4 Customer experience
Customer perceptions of their interactions with your business

Multichannel is about customer experience. We've got that! Now what?

Strategy – where is the value in customer experience?

Any meaningful journey starts with defining a destination, and this is no different. A key challenge is that customers now have a much broader definition of value that is often well beyond how life sciences companies have traditionally defined it. Deep insight is critical to understanding customers' needs, behaviors and attitudes, but most insight efforts still focus too heavily on customers' perceptions and awareness of a product or key message.

In addition to this, the isolated and fragmented way in which customer planning is currently done is a key barrier. Multichannel strategies not only need to be tailored to different customers (based on both their needs and the importance of the customer to the business) but also aligned across brands, functions and other ongoing customer-centric activities, such as key account management or "beyond the pill" initiatives.

To get this right, life sciences needs a broader and more aligned approach to customer engagement design and experience. It is important to avoid defining value too narrowly. The best companies obsess over solving their customers' biggest problems first, knowing that, if they do, the relationship will be secure. It's time to engage customers beyond the simple provision or exchange of information. The competitive environment, in many industries, has moved toward value-adding services that allow these companies either to differentiate from the competition or, even, to create completely new markets.

A key challenge is that customers now have a much broader definition of value that is often well beyond how life sciences companies have traditionally defined it.

For life sciences, there are three strategic paths to take:

- 1. Accelerating the current business (now)** – this relates to doing "more of the same" but doing it better, and engaging the customer with information along their decision-making process.
- 2. Adding new services (new)** – this refers to providing services that help the customer in their day jobs and support their decision-making – either by directly enabling it or, indirectly, by providing services that will create a level of relationship with the company that is not necessarily linked to the prescription and treatment.
- 3. Exploring new territories (next)** – this means providing services "beyond the pill," i.e., addressing new business models that can potentially be monetized with payors or patients.

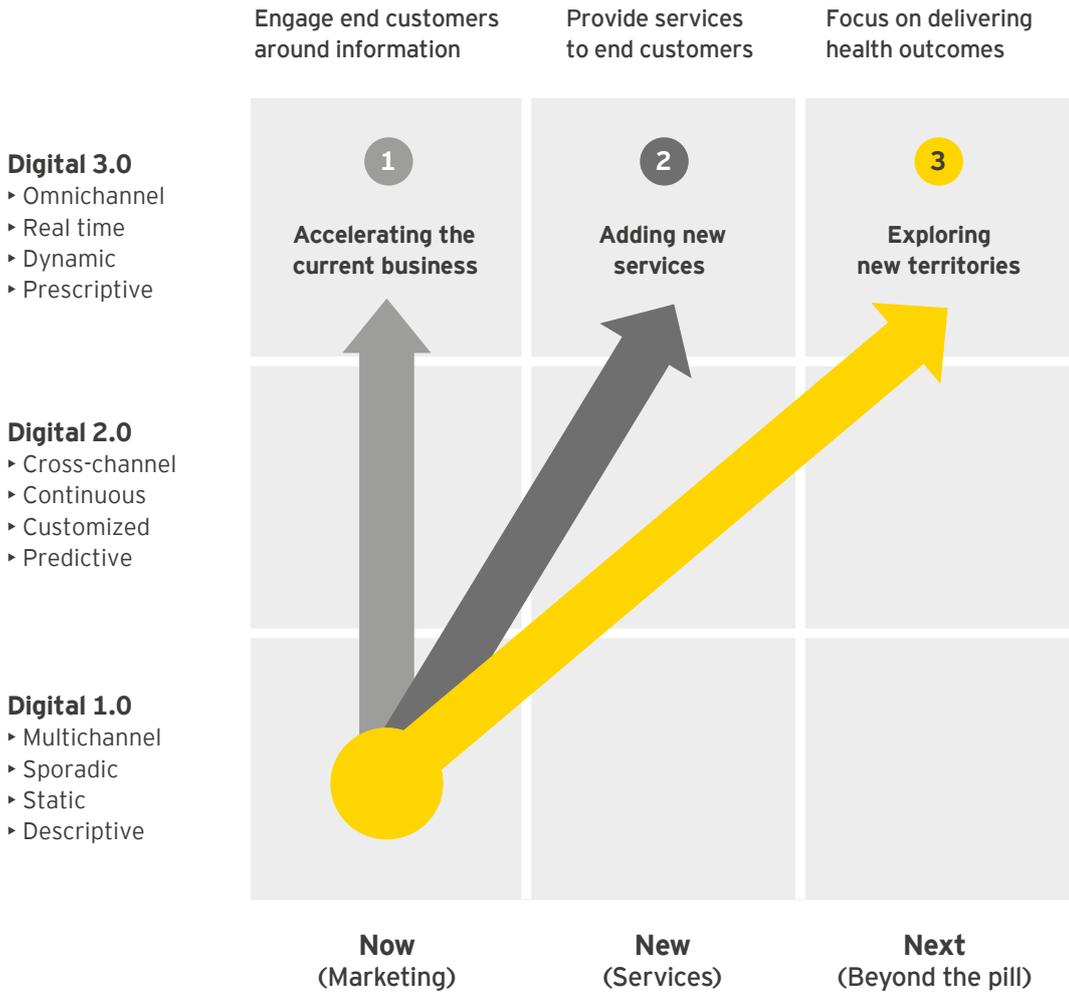
Organizations will need to consider the mix of initiatives that is best aligned with the company strategy. The third path offers the best way of differentiating, but is often the hardest. In life sciences, the bulk of the effort is often aimed at the "now," with a focus on initiatives targeted at accelerating

the current business model and some aimed at exploring new services. Following the second path ("new") is an effective way to learn by doing and, therefore, prepare for the future, to move beyond the pill and focus on delivering health care outcomes (i.e., "next").

Key takeaways:

- 1** Focus on the overall experience, not just the channel mix, campaign or content
- 2** Go deeper with insight – use ethnographic research to truly get to know your customers
- 3** Broaden the definition of value beyond purely exchange of information
- 4** Obsess over helping your customers solve their biggest problems and helping them in the "jobs to be done"
- 5** To truly differentiate, explore new territories that go beyond the pill

Figure 2. Harnessing digital can offer new business opportunities



Multichannel is about customer experience. We've got that! Now what?



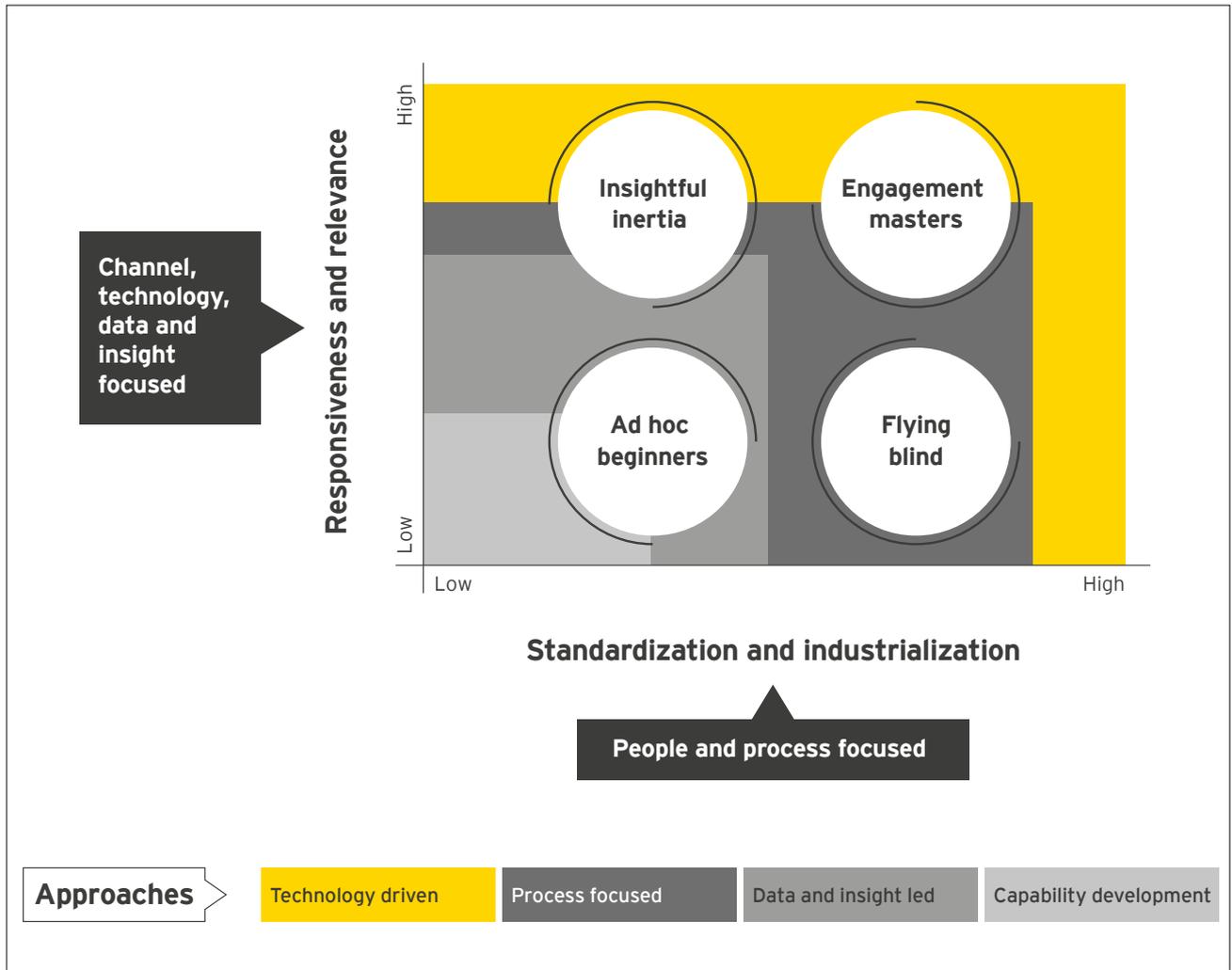
Deployment model – how do we deliver the experience to extract the value?

Delivering a great experience requires new capabilities. Consistency is critical, as experiences are built up over time, with every interaction. One poor experience can ruin all the hard work built up over years of engagement. Consistency requires a balanced approach, not one, for example, that just focuses on the technology or the insight. True “engagement masters” have the right blend of focus on the technology, business processes, data and insight, and capability development of their people. Sacrificing any one of these leads to weak spots that put your target experience at risk.

Critical for success, in this phase, is the careful design of a plan and road map to develop the right capabilities that allow for effective customer engagement design. Organizations need to avoid the common pitfalls of too much focus in any one area resulting in “insightful inertia” where there is strong insight but limited ability to act on it or “flying blind” where the opposite is true – people and process is strong but the insight to be relevant is lacking.

The best companies obsess over solving their customers’ biggest problems first, knowing that, if they do, the relationship will be secure.

Figure 3. Great customer experience requires a balanced approach to become engagement masters



Multichannel is about customer experience. We've got that! Now what?



True “engagement masters” have the right blend of focus on the technology, business processes, data and insight, and capability development of their people.

Creating a practical deployment road map, therefore, needs to cover a range of capabilities, but investment needs to be focused and based on a solid understanding of their current state of maturity and, most importantly, a clear vision of the target ambition for customer engagement. Too often, a lot of investment has been made in multichannel and customer engagement with little return. Any investment and road map need to be aligned to the local market



challenges to enable them to be focused on the right areas and to deliver value. Markets, because of the local business challenges or regulatory environment, do not necessarily require the highest level of maturity in all areas.

This maturity and ambition exercise will enable the creation of a gap analysis at local level that can then be rolled up into an initial strategic global or regional road map. The role of global or the region should be to foster sharing and alignment across markets where it makes sense, such as in content management or training, and leverage centers of excellence and deep expertise across markets.

The design of a global and regional operating model, i.e., what needs to be done, by whom and where, is determined very much by the interplay between a company's culture and its overall organizational setup. The extent to which the end model will be centralized versus decentralized will be a significant determining factor. Irrespective of the

end state, centers of excellence can be one of the best options to support countries as they implement their road maps. These can provide not only direction and know-how, but also hands-on implementation teams during this phase. It is the smaller markets, often scarcely resourced, that may be most in need of this hands-on support as opposed to the larger markets, which typically have all the necessary capabilities and resources in-house.

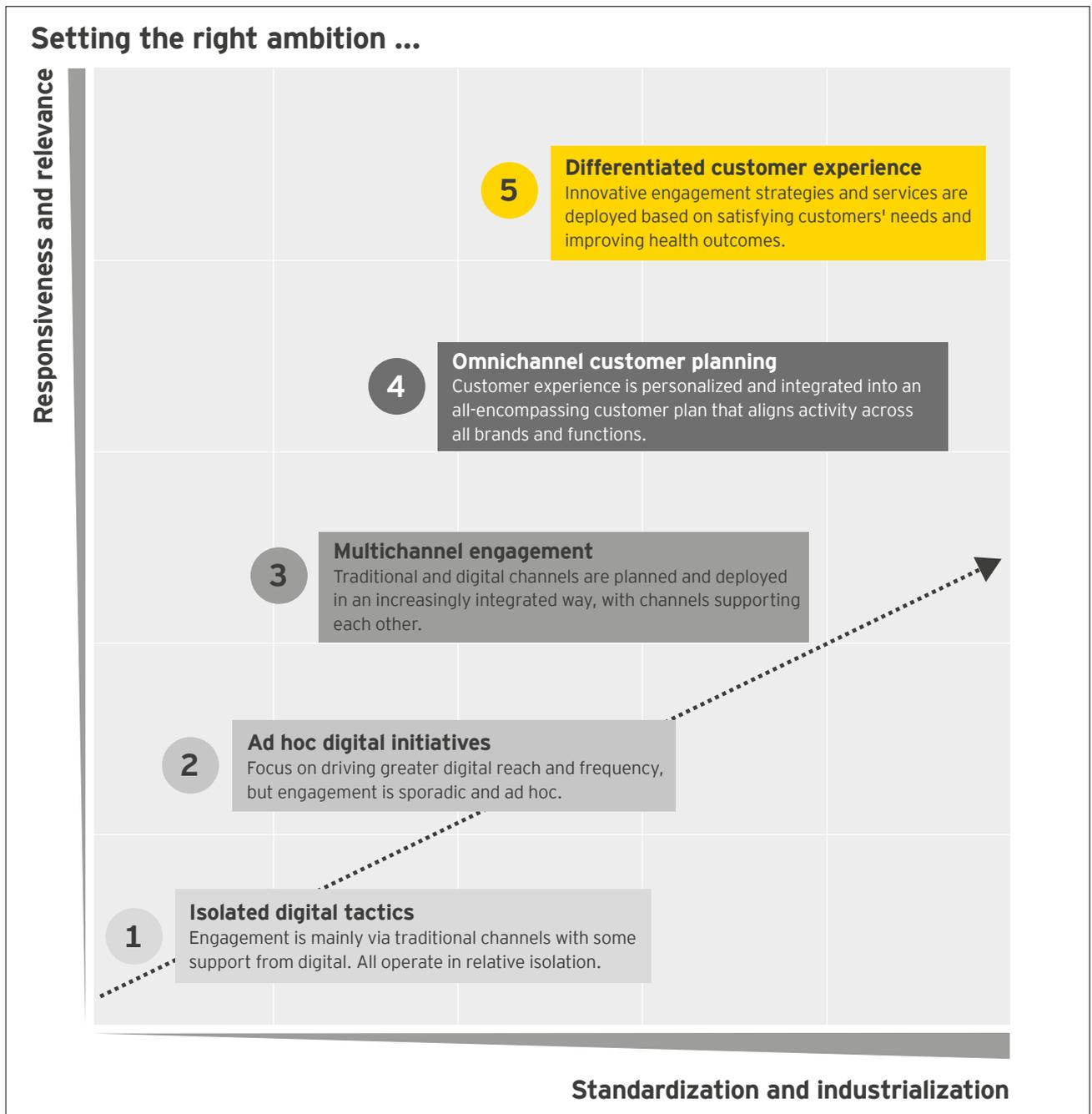
There are multiple ways to derive the tactical implementation road map from the strategic one. In our experience, an effective vehicle for deployment is to focus on addressing real business issues. This not only proves the value of the approach by delivering rapid results, but also focuses investment and effort where it is most needed and helps cut across silos and functions that can often be reinforced in the way deployment programs are managed.

Key takeaways:

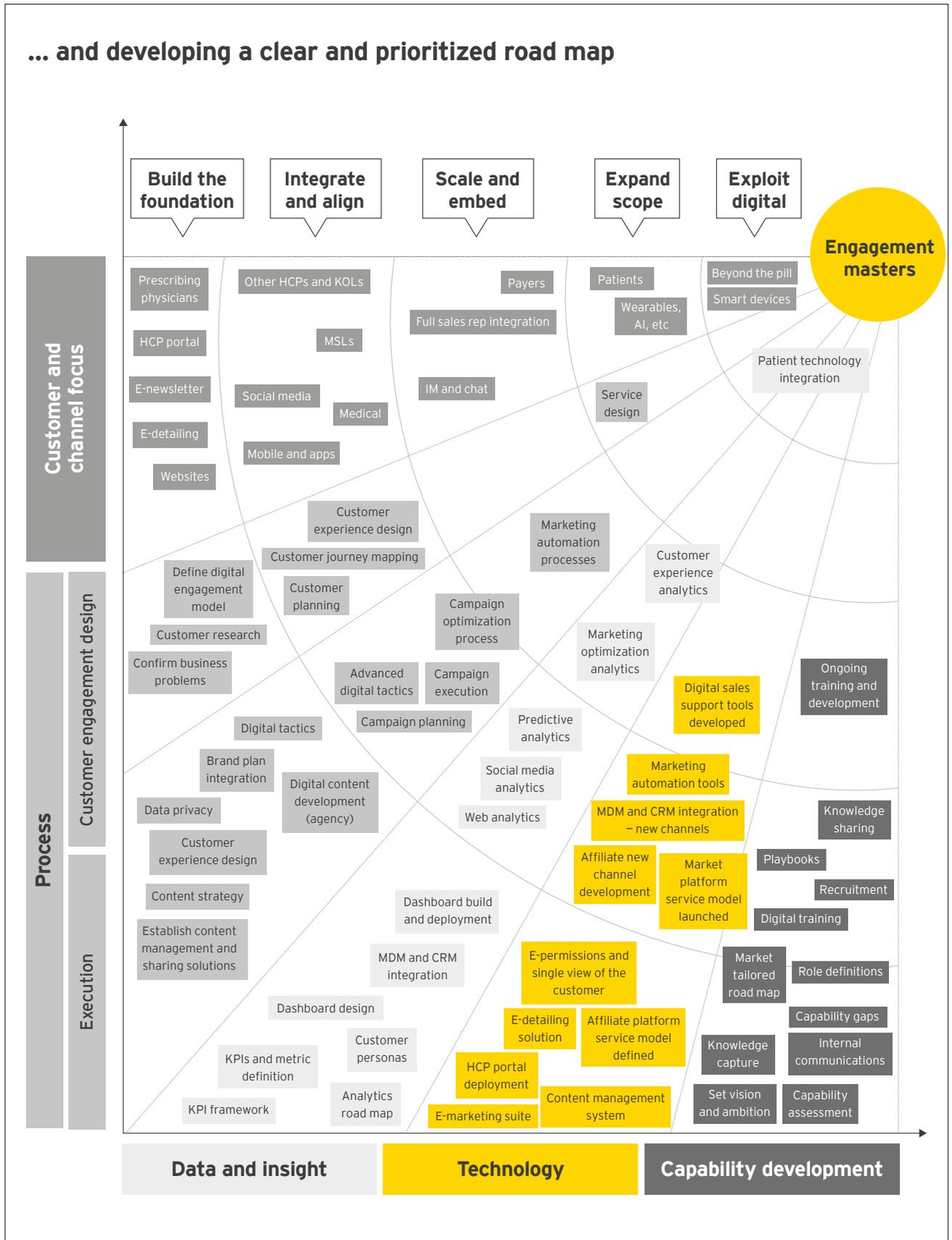
- 1 Remember a balanced deployment approach across insight, technology, people and process is critical
- 2 Work out what activities can be centralized and done "once and for all" to leverage expertise
- 3 Create tailored road maps, by market, based on their existing maturity and the right level of ambition
- 4 Focus deployment on tackling real business issues that unlock value early
- 5 Focus on change management and developing the capability of your people – don't forget this is new territory for most of the organization

Multichannel is about customer experience. We've got that! Now what?

Figure 4. The journey to engagement mastery



... and developing a clear and prioritized road map



Multichannel is about customer experience. We've got that! Now what?

Sustainability – how to make it stick?

We believe sustainable solutions are those that are developed and deployed with the following four ingredients.

1. Solutions that are focused on customer needs (design thinking)

Most industries have long embraced design thinking as an approach that enables the development of solutions that may be fully focused on customer needs, helping those customers achieve specific goals. Even though life sciences has only recently embraced design thinking, it is bringing the right perspective at the right time.

To achieve successful customer engagement, commercial executives need to move away from the temptation to define all of a problem's parameters, thereby creating a single solution in a linear fashion. Instead, they should invert their thought process and start with a deep understanding of the end customer, enabling them to develop, in an iterative approach, what the customer actually wants.

2. Solutions that can be successfully deployed in dynamic environments (agile approaches)

The working environment, when deploying initiatives targeted at customers within life sciences, is extremely challenging. Firstly, market dynamics are very different across countries, making a one-size-fits-all solution a no-go. Secondly, the organization itself is siloed and fragmented (at both headquarter and affiliate levels), making it extremely challenging to bring all the required parties together to deploy a solution.

Using an agile approach to solution development and deployment can help tackle many of these hurdles. A solution that has been developed at headquarter level should quickly reach the minimum viable product stage, and then can be finetuned and honed to the specificities of the local market conditions in iteration – with prototypes and pilots – with the local affiliates.

For local deployment, applying selected elements of agile project management

approaches has proved to be very successful in breaking silos and aligning different stakeholders. This enables an organization to allow the relevant requirements and solutions to evolve through collaboration between these cross-functional teams.

3. Solutions that can be deployed in alignment with legal and regulatory considerations (legal)

Including legal and regulatory colleagues in the team, from the very beginning, is critical for assessing what is possible in each country when addressing the specific customer's needs (i.e., physician, patient and payor). Legal and regulatory experts should also be involved in all the solution design activities. This will provide insights for the design team, helping them to understand what's possible, while also feeding into the proposed approaches and solutions at an early stage. Finally, they can also support in-country deployment by working alongside local legal and compliance teams.

In our experience, 70% of the effort in customer engagement or multichannel management is change management.

4. Solutions that are endorsed and driven by the local teams (change)

In our experience, 70% of the effort in customer engagement or multichannel management is change management. One of the main enablers of change is the creation of a shared vision between headquarters and affiliates. This helps promote affiliate engagement, involvement and buy-in among the different local teams. A program steering committee needs to be put in place and given the right level of accountability, with a mix of headquarter and local representation from both the business and the technology side of the things.

Conclusion – what’s next?

For executives embarking on the large-scale (global or regional) deployment of multichannel management initiatives, the prospects can seem daunting: multiple markets with different (and evolving) needs, a myriad of ongoing initiatives and pilots across markets, business units and brands, and, at the same time, multiple local success stories that need to be encouraged and leveraged across markets. The

questions that need to be rapidly addressed concern how customer experience is going to deliver value, setting the strategy and deployment road map to extract this value and, above all, embedding these new ways of working and making them stick.

Successful organizations are those that take the time to step back and recognize that, in order to be market leaders, they don’t need to try to be all things to all customers. Instead, they focus on the elements that their customers value most. In this way, they are able to differentiate themselves from the competition.

Life sciences does have some challenges unique to the industry. For example, it has a limited ability to trigger a customer need, with few touch points and a recognized misalignment between the decision-maker, payer and consumer. But these traditional characteristics need to be challenged. Things such as personalized medicine, beyond the pill services, digital engagement platforms and technologies and real world evidence all change the rules of the game and the basis for competitive advantage. And underpinning all of this is the ability to design and deliver a world-class customer experience built on a leading multichannel capability. ■

Key takeaways:

- 1 Design is not just what it looks and feels like. Design is how it works. (Steve Jobs)
- 2 Don’t forget legal and regulatory, engage early and keep challenging often archaic industry rules.
- 3 Aim for agile implementation and finetune for the local market
- 4 Drive the change – the challenge is trying to alter over 20 years of “muscle memory.”
- 5 Challenge people to think differently