

Best Practices in Developing Top-Tier Medical Affairs Capabilities, Creating Impact Measures and Improving Globalization



Best Practices, LLC Strategic Benchmarking Research

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Research Objectives & Methodology

This research delivers current data, insights and best practices from Medical Affairs leaders at top biopharmaceutical companies. The benchmark data in this study will help companies find better ways to create and communicate strong performance metrics and develop a successful global Medical Affairs organization.

Research Objectives:

- ✓ Illustrate how leading Pharma and Biotech companies structure and organize their global Medical Affairs capabilities
- ✓ Highlight strategies for building and maintaining effective reporting structures for global organizations
- ✓ Understand challenges in creating successful Medical Affairs organizations
- ✓ Identify drivers of strong performance metrics
- ✓ Explore critical strategies to showcase Medical Affairs' value to executives and other internal stakeholders

Field Research & Insight Development:

- ✓ Twenty Nine survey responses from Medical Affairs leaders at 26 biopharmaceutical companies within the mature markets. This report captures insights on both Large and Mid-Size as well as Small companies segments.
- ✓ Additional deep-dive interviews with 5 selected Medical Affairs executives- 4 VPs and 1 Sr. Medical Affairs Leader.



Business Objective:

Provide Leading Insights on:

- *Identifying the critical requirements to create effective global capabilities*
- *Defining and communicating strong Medical Affairs metrics for success*

Universe of Learning: Research Participants from 2014 Study

This study engaged 29 executives from 26 leading life sciences companies. Segmentation analysis was key to examining trends and effective practices. 11 participants make up the Large Companies Segment, while the Mid-Size Companies Segment consists of 10 participants and Small Companies Segment consists of 8 participants.

Benchmark Class



astellas
Leading Light for Life



AstraZeneca



AXON PHARMA



Baxter



Bayer



biogen idec



Boehringer
Ingelheim



Eisai



INSYS
THERAPEUTICS, INC.



IPSEN
Innovation for patient care



Janssen
PHARMACEUTICAL COMPANIES
OF Johnson & Johnson



Jazz Pharmaceuticals



Lilly



Lundbeck



Médunik
Canada
Dédiée au traitement des maladies rares



MERCK



MERZ



ONYX
PHARMACEUTICALS



PURDUE



SANOFI



Theravance
Biopharma



ucb



UPSHER-SMITH



ViiV
Healthcare



XenoPort

Universe of Learning: Research Participants from 2014 - 2015 Study

-- 29 executives from 26 leading life sciences companies --

- 11 participants make up the Large Companies Segment
- 10 participants make up the Mid-Size Companies Segment
- 8 participants make up the Small Companies Segment

Benchmark Class - 2014

Large Companies
(Revenue > \$10 Billion US in 2013)



Mid-Cap Companies
(\$1-10 Billion US in 2013)



Small-Cap Companies
(< \$1 Billion US in 2013)



High-Level Key Findings for the Medical Affairs Function

Successful Medical Affairs organizations have powerful internal and external communication, define clear objectives for metrics, overcome local differences to build effective global capabilities, and create a strong reporting structure to succeed globally.

BUILD POWERFUL COMMUNICATION

- Strong Medical Affairs organizations develop powerful internal and external communication tools and methods.
- Best communication comes from identifying the right channel and time to deliver information, as well as providing relevant data for internal and external stakeholders.

CREATE EFFECTIVE METRICS

- Creating effective metrics is achieved via three steps:
 - Understanding internal and external needs
 - Defining clear objectives
 - Planning initiatives and targets

CREATE A STRONG REPORTING STRUCTURE

- To create a strong reporting structure companies must understand the local vs. global contribution on several MA activities and build communication strategies accordingly.

Segments and Abbreviations

Segments

- **Large Companies Segment (LCS):** LCS is defined as companies with >\$10B annual revenue.
- **Mid-Size Companies Segment (MCS):** MCS is defined as companies with \$1B-\$10B annual revenue.
- **Small Companies Segment (SCS):** SCS is defined as companies with <\$1B annual revenue.

Abbreviations

- **KOL:** Key opinion leader
- **MedEd:** Medical education
- **MSL:** Medical science liaison
- **TL:** Thought leader
- **TLM:** Thought leader management
- **MA:** Medical Affairs
- **TA:** Therapeutic Areas

Key Findings & Insights: Metrics for Medical Affairs Activities

The following key findings and insights emerged from this study.

- **Scientific Publication Metrics:** Sixty percent of the benchmark class thinks that % publications in top-tier journals is a highly effective metric. In addition, more than 40% of the participants agree that % papers and publications accepted is highly effective to evaluate scientific publication performance.
 - **Segments:** We observed an important difference in perceived effectiveness of % publications in top-tier journals between MCS and the rest of the benchmark class. While one thirds of MCS doesn't find this metric effective, rest of the benchmark class thinks that % publications in top-tier journals is highly effective or effective to measure their publication performance.
- **Global Coordination:** More than 80% of the benchmark class employs a bottom-up reporting approach for the activities related to payers and providers, such as medical education, field-based medical team operations, and thought leader management. Although some of the interviewees think that developing a top-down approach is ideal to avoid compliance issues and promote better communication for payer and provider related activities, local differences such as, language, culture and regulations force companies to employ a bottom-up approach for these activities.
 - **Segments:** Global reporting approach to Medical Affairs resources allocation is significantly different across segments. While 88% of the LCS employs a bottom-up approach, only 50% of the MCS & SCS has a similar approach for this activity.

Majority Finds % Publications in Top-Tier Journals Highly Effective

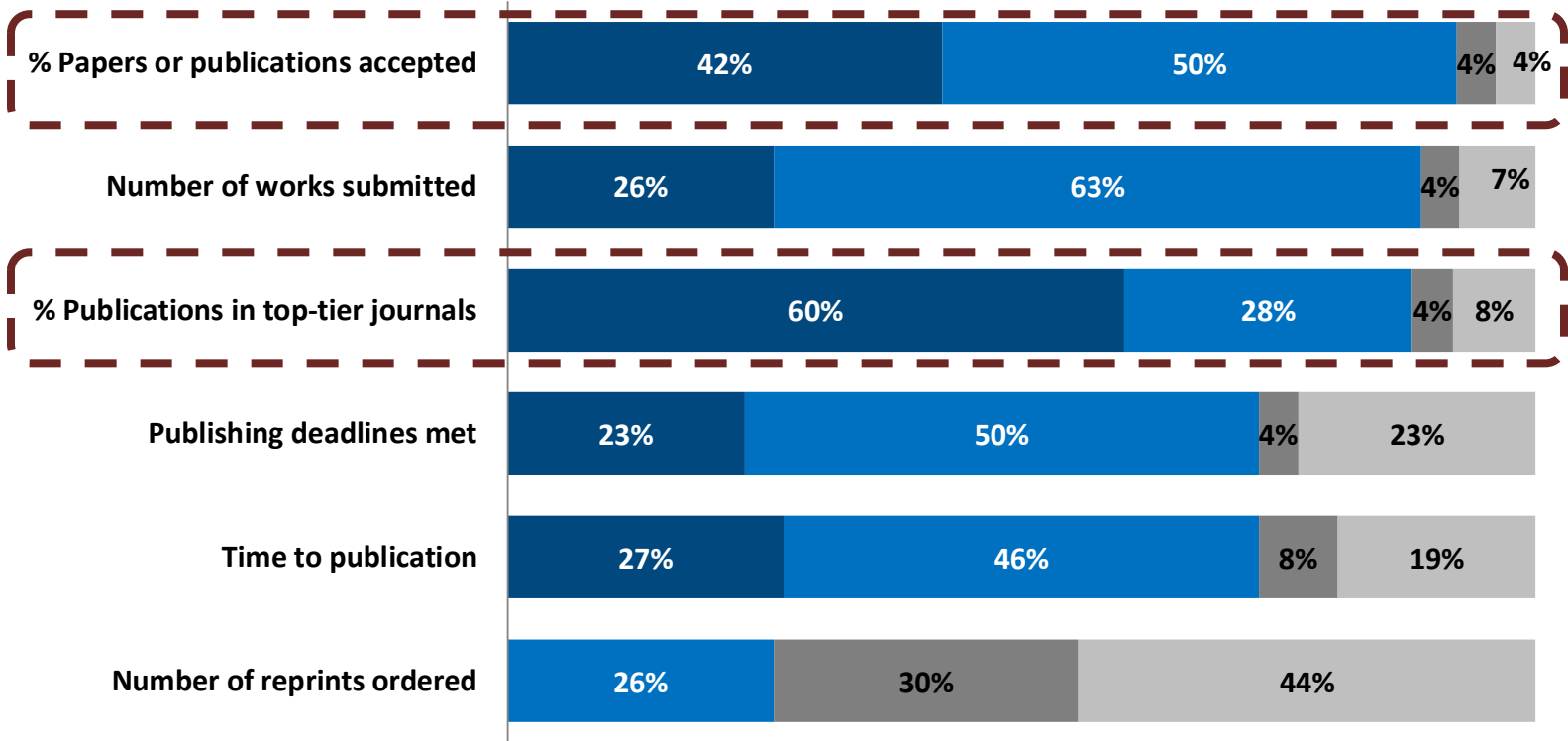
A majority of the companies find % publications in top-tier journals a highly effective metric. In addition, 42% thinks % papers or publications accepted highly effective for communicating Medical Affairs' success.

Scientific Publications

Scientific Publications Metrics: Please rate the effectiveness of the following metrics in communicating the value and success of your Medical Affairs organization to stakeholders.

Effectiveness of Scientific Publications Metrics

■ Highly Effective ■ Effective ■ Not Effective ■ Do Not Use



N=25-27

% Respondents

Fewer MCS Participants Think That % Publications in Top-Tier Journals Is an Effective Metric

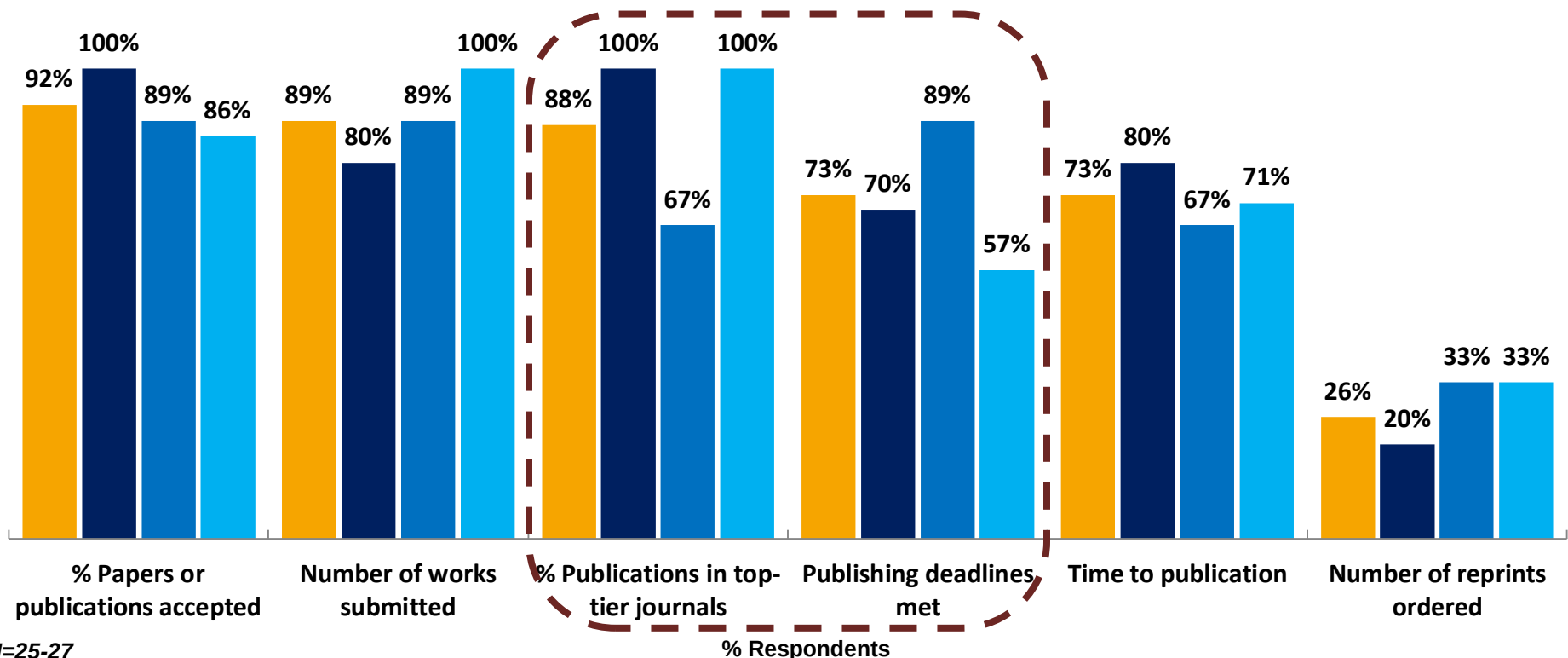
While all of the LCS and SCS find % publications in top-tier journals effective, only two-thirds of the MCS thinks that this metric is powerful. In addition, 89% of MCS sees publishing deadlines met effective compared with 73% of the benchmark class.

Scientific Publications

Scientific Publications Metrics: Please rate the effectiveness of the following metrics in communicating the value and success of your Medical Affairs organization to stakeholders.

Scientific Publications Metrics

■ Benchmark Class ■ Large Companies Segment (LCS) ■ Mid-Size Companies Segment (MCS) ■ Small Companies Segment (SCS)

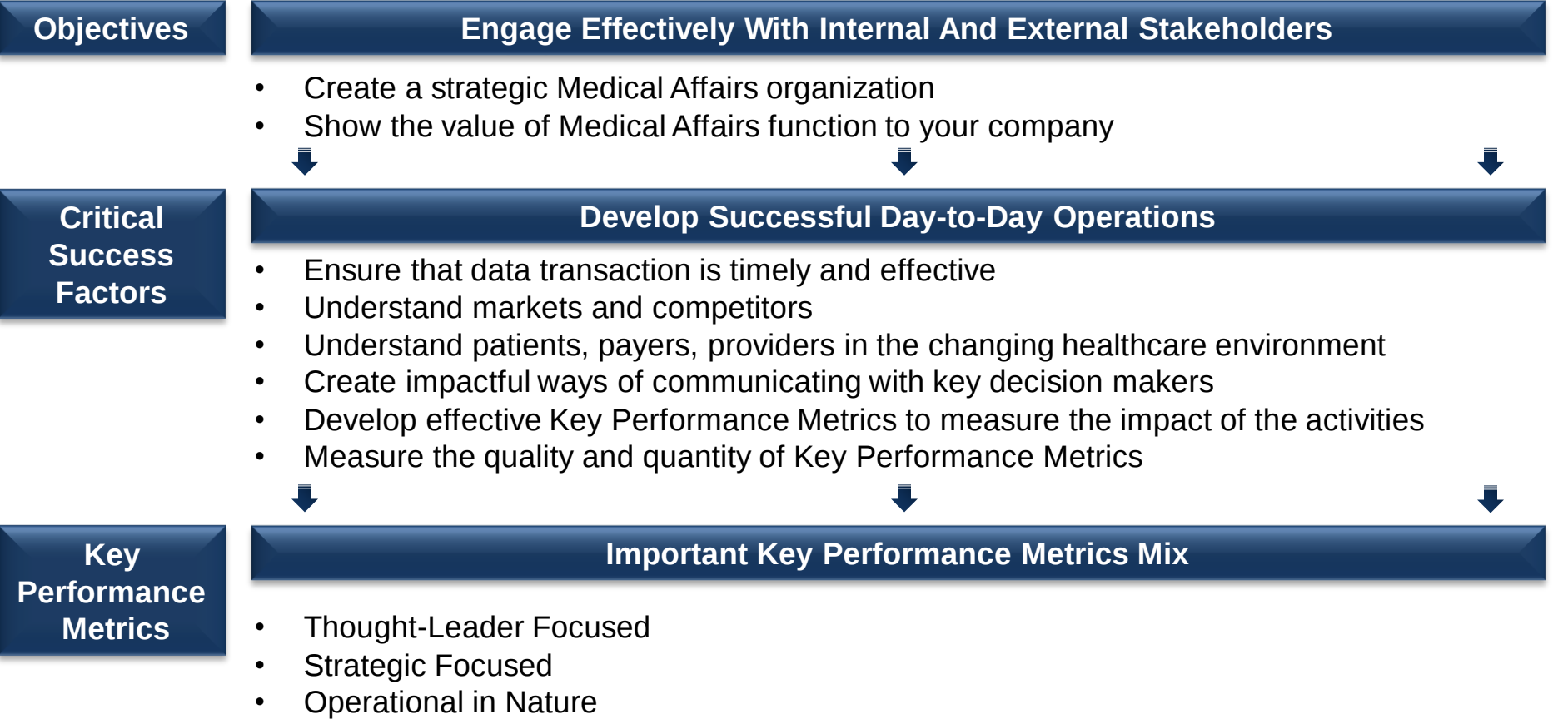


†Note: Percentages represent % Highly Effective + % Effective per activity in each segment.



Regularly Refine KPIs to Show True Value of Medical Affairs Function

What have you found to be most important KPIs to present to executive leadership? How do you continuously evaluate and refine your KPIs?

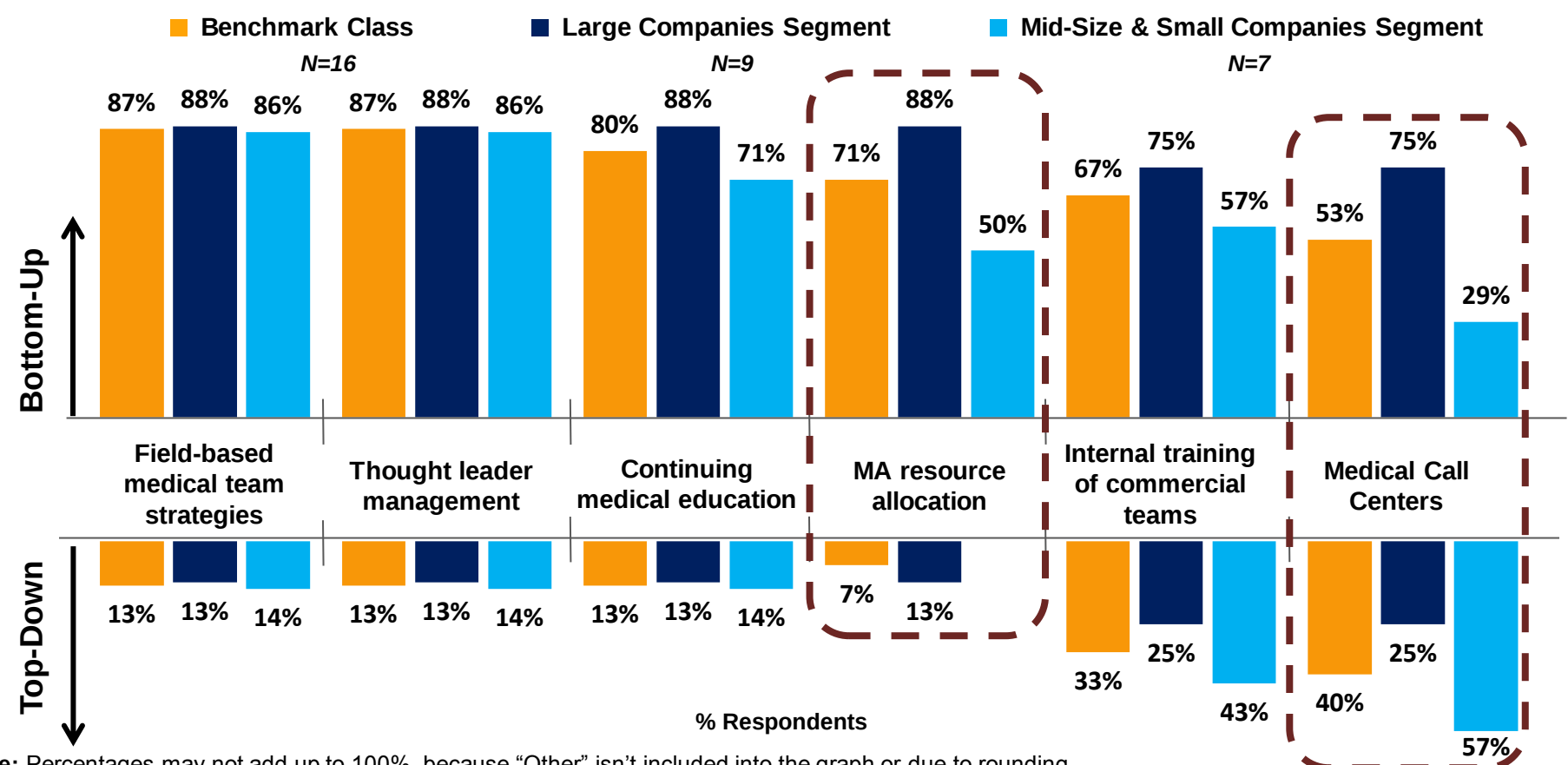


More LCS Participants Allocate Resources Bottom-Up

While 88% of the LCS employs a bottom-up approach for MA resource allocation, only half of the MCS & SCS segment has a similar approach. In addition, 75% of the LCS has a bottom-up reporting structure for medical call centers, whereas only 29% of MCS & SCS has a similar structure for this activity.

Global Coordination: What is your management approach for the following Medical Affairs activities?

Global Coordination - I



Note: Percentages may not add up to 100%, because “Other” isn’t included into the graph or due to rounding.
Other (7%-50%): Don’t have a global coordination, regions are independent on their approaches, resources either come from global or regional budgets depending on the activities..

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Regional Differences Play a Significant Role in Compliance Standards

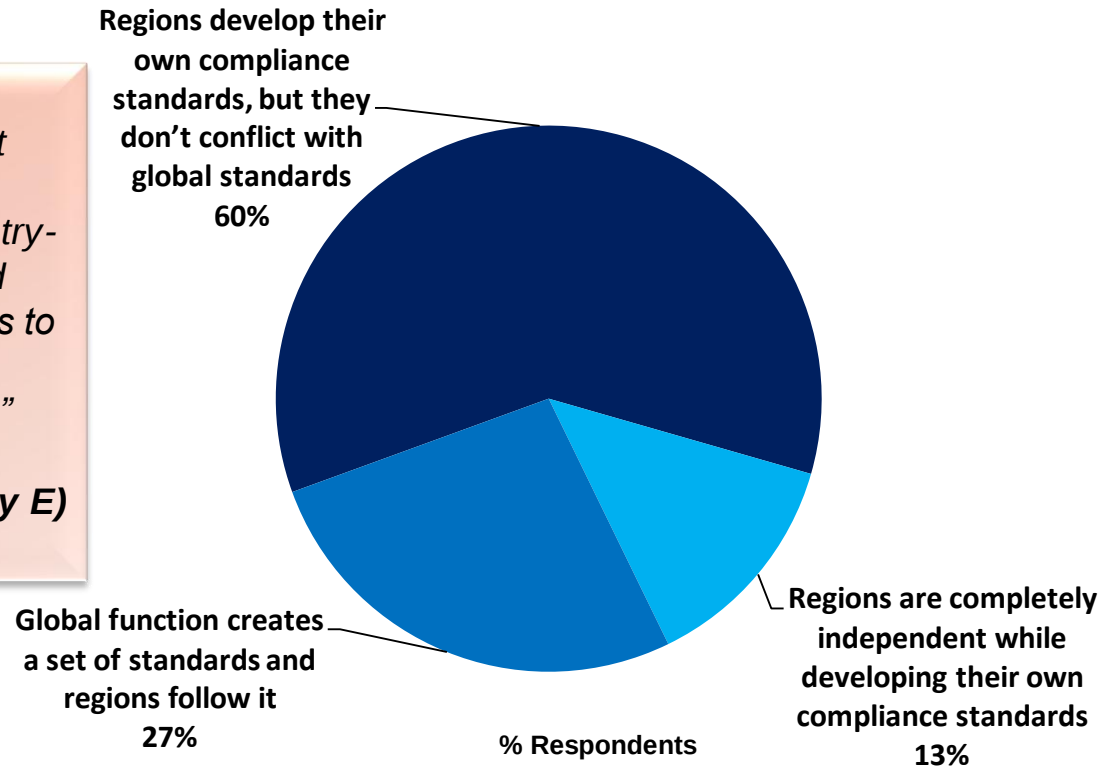
For 60% of the benchmark class regions develop their own compliance standards, but these standards shouldn't conflict with the global compliance rules. Only 13% of the benchmark class participants have regions developing compliance standards completely independently.

Managing Compliance Globally: How do the regions develop their compliance standards within your company?

Managing Compliance

“Global has the overall responsibility – but at tactical level it is the country or region who leads. Regions come up with their own country-based standards, and they are reviewed and approved at the country level. Global’s role is to make sure that none of the policies or guidelines conflict with the global standards.”

– Interviewed VP, Global MA (Company E)



N=15

Participant Demographics



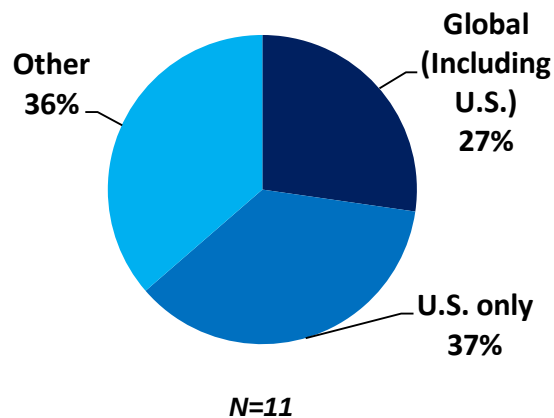
MCS Mostly Represents Global; SCS Mostly Represents U.S. Only

Seventy percent of MCS, 27% of LCS and 12% of SCS represent a global Medical Affairs unit. Across the benchmark class, 37% of LCS, 20% of MCS and 63% of SCS participants' focus is the U.S. market.

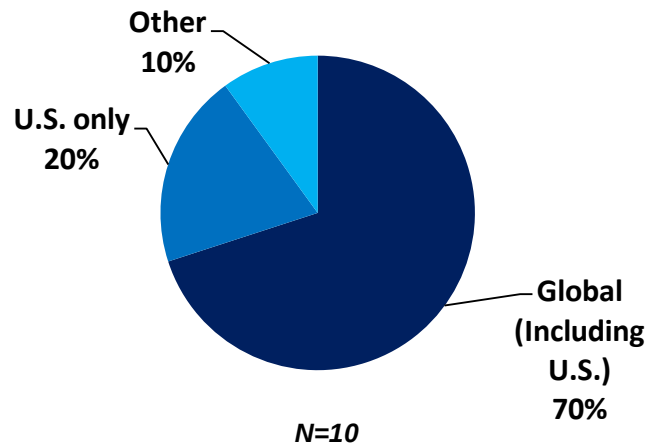
Geographic Span: What is the geographic span of responsibility that you have in Medical Affairs at your company? (Choose all that apply.)

Geographic Span

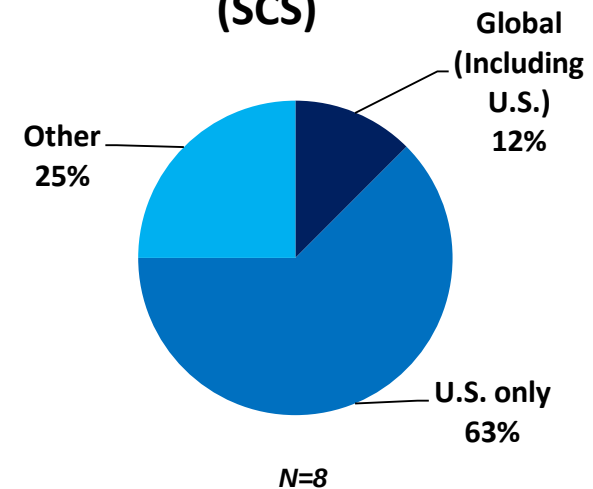
**Large Companies Segment
(LCS)**



**Mid-Size Companies Segment
(MCS)**



**Small Companies Segment
(SCS)**



% Respondents

Others: Canada, Nordics, U.S. and Canada, U.S. Only and Western Europe.

About Best Practices, LLC



Learn More About Our Company:



Best Practices®, LLC is an internationally recognized thought leader in the field of best practice benchmarking®. We are a research, consulting, benchmark database, publishing and advisory firm that conducts work based on the simple yet profound principle that organizations can chart a course to superior economic performance by leveraging the best business practices, operating tactics and winning strategies of world-class companies.

**6350 Quadrangle Drive, Suite 200
Chapel Hill, NC 27517
(Phone): 919-403-0251
www.best-in-class.com**