Medical Science Liaison Services Excellence:

Generating Value for Diverse Customer Groups

Best Practices, LLC
Strategic Benchmarking Research

BEST PRACTICES, LLC

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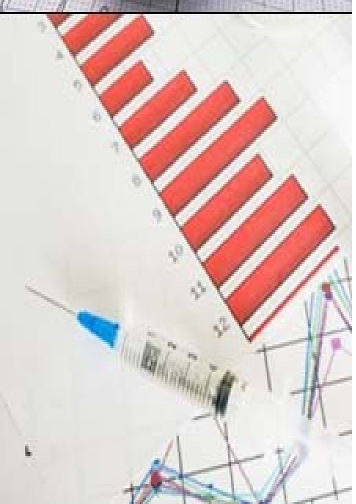

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Business Issue and Corporate Challenge

Best Practices explored how companies deliver exceptional MSL Services to various customer groups and stakeholders in an increasingly challenging business environment. The research also examined best practices in MSL management and creating value for diverse customer groups – physicians, patients, payers, policy makers and advocates.

Research Objectives:

- ***Determine the structure and overall organization of Medical Science Liaisons (MSLs) Services, including geographic span, oversight responsibility and services provided to various customer segments.***
- ***Explore the methods used by MSLs to serve stakeholders and build those stakeholder relationships.***
- ***Identify roles, responsibilities and service levels provided to Key Opinion Leaders (KOLs).***
- ***Explore the ways through which MSLs provide services to KOLs. Determine frequency of services during pre- and post-approval stages.***
- ***Identify relationship development and management process used by MSLs for internal and external users.***
- ***Determine changing trends in the field of MSL management.***
- ***Identify risk factors involved in serving KOLs***
- ***Explore use of new technology for providing services.***

Field Research & Insight Development:

✓ ***Results based on survey responses from 35 Pharmaceutical and Medical Device executives.***

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Medical Science Liaison Objective

Improve Management of MSL Staff and Create Value for Customer Segments

List of Participating Companies

Thirty-five people from 30 companies took part in this research. The benchmark class, of global pharmaceutical and medical device companies, has been segmented into two segments based on geographic coverage (Total Benchmark and U.S. focus). Companies in red are the U.S. segment.

- Advanced Biohealing
- Allergan
- Amylin
- AstraZeneca
- Bayer
- Boehringer Ingelheim
- Boston Scientific
- Cephalon
- EndoPharma
- Eisai
- Gambro
- G.E. Healthcare
- Genentech
- GlaxoSmithKline
- Ironwood Pharma
- Kadmon Pharma
- Laboratorios Esteve
- Lantheus Medical Imaging
- Medtronic
- Merck, Sharp, and Dohme
- Novartis
- Novo Nordisk
- Onyx Pharma
- Pfizer
- QLT
- Quidel
- Shire
- Takeda
- Theravance
- UCB

Universe of Learning – Participants

- Associate Director, Medical Science Liaisons (2)
- Associate Director, Reimbursement & Health Economics
- Chief Medical Officer
- Clinical Affairs Manager
- Director Medical Affairs
- Director of Therapy Development
- Director, Medical Affairs
- Director, Scientific and Medical Affairs
- Executive Director
- Medical Affairs Specialist
- Medical Director
- Medical Manager
- Medical Science Liaison
- National Director, Oncology MSLs
- Pharm.D.
- Sr. Director, Medical Liaison
- Sr. Global Product Manager
- Sr. Director, Medical and Scientific Affairs
- Vice President, Medical Scientific Affairs
- Vice President, Medical Services
- Vice President, RSS

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Pathways To MSL Services Excellence

Respondents have shown that there are seven key focus areas where MSLs can be highly effective. These are listed below.

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Insights Summary - General Observations

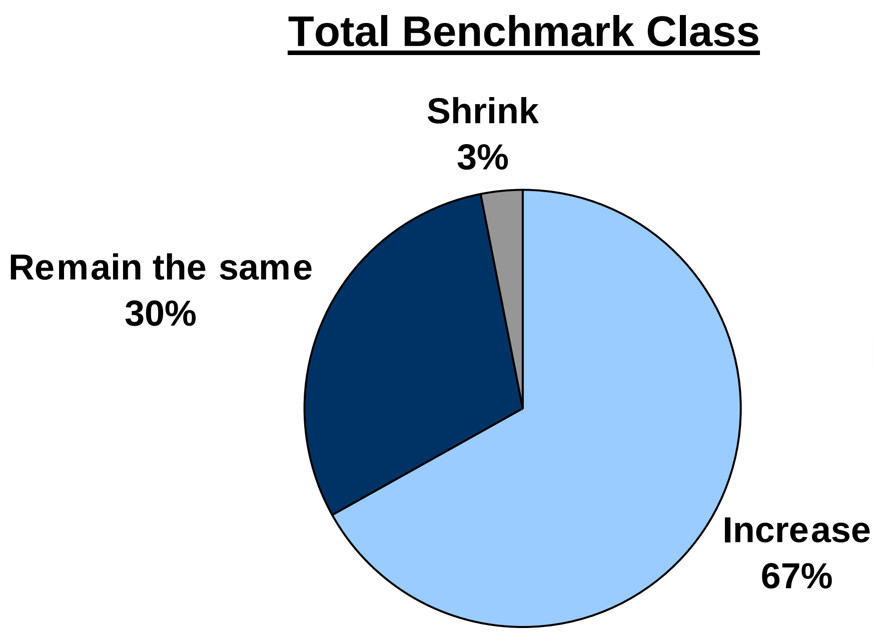
The benchmarking, executive interviews and meta-analysis have identified many experience-based reference points, key practices and lessons learned as well as operational pitfalls to avoid.

- **Levels of Acceptable Risk Aversion at Companies Directs Focus:** There seems to be a split between companies as to how they work with various customer groups and the activities they allow their MSLs to carry out. Whether a company has a Corporate Integrity Agreement in place or not is not a factor in the split, but how companies perceive potential risks does influence the activities they will undertake.
- **Collaborative Spirit/Cross-Functional Expertise:** While recognizing the figurative 'wall' between commercial and medical, Marketing and Medical Affairs frequently do share responsibilities for managing and interacting with diverse customer groups from KOLs to physicians to patients and payers.
- **Meeting Scientific Demands:** Numerous companies – especially those operating under Corporate Integrity Agreements – are reassigning various KOL responsibilities into Medical Affairs. Will this strengthen MSL Services leadership and its efforts to provide more KOL support activities? Will more resources be needed to meet expanding service needs of KOLs, physicians and patients?
- **Harness New Technology to Enable Education:** New media and innovative communication practices represent new KOL frontiers. Regulatory pressures and the growing importance of scientific objectivity give Medical Affairs and MSLs an important edge within corporate structure to do their jobs for Marketing Services organizations.
- **MSL Management Structure Insight:** Regulatory and political pressures have led many companies to increase roles of MSLs with more scientific focus, but potential commercial pressure. This shift has implications for how a company structures, assigns and supports MSL management and MSL support responsibilities.
- **Limited Use of Emerging Educator Groups:** Less than a third of all companies utilize groups such as Patient/HCP Educators, Scientific Educators, Health Outcomes Liaisons or Field-based Physicians. Those companies that do have such educator groups urge clear roles be defined so key initiatives and activities do not fall through the cracks and so redundancy can be avoided.

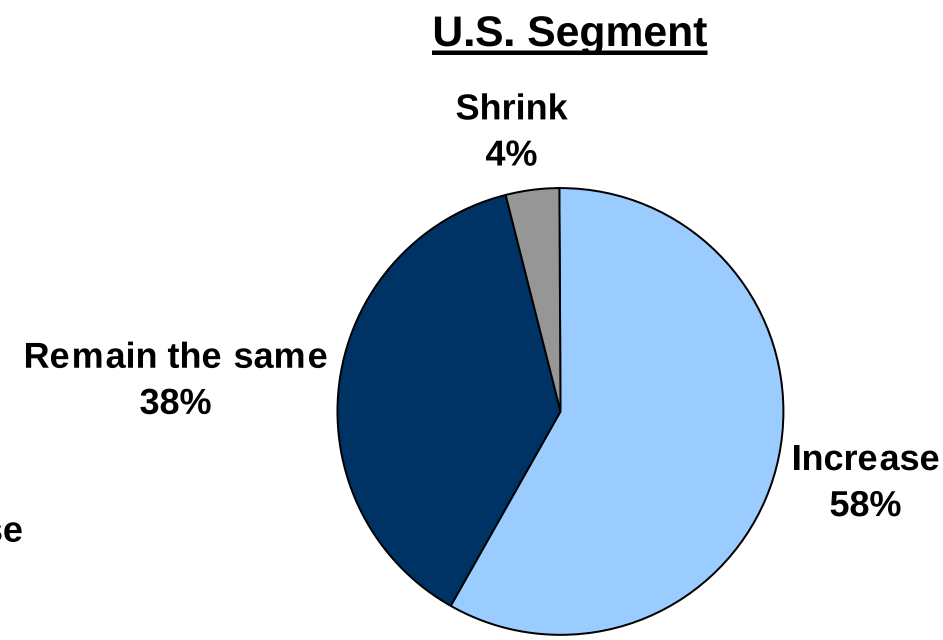
Companies Plan to Increase MSL Work with KOLs in Next Two Years

Most companies expect to increase their MSL services to KOLs going forward. Only one company in the benchmark said that it will decrease its services in the next two years. However, change will be less dramatic in the United States, where 38% of companies anticipate MSL services to remain the same in the couple of years.

Q. In the next 12- 24 months, we expect our MSL services to KOLs to: (select only one)



(n = 33)

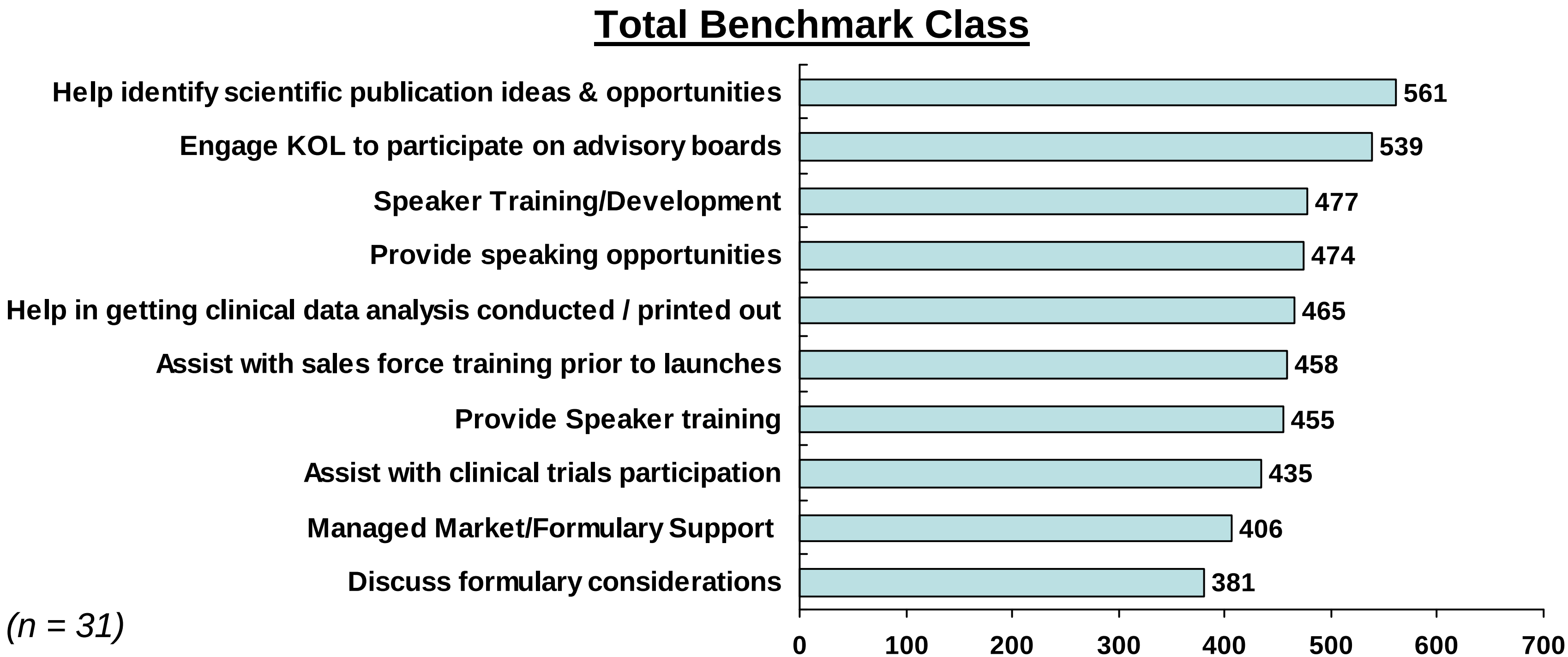


(n = 24)

Identifying Scientific Publication Ideas Most Valuable MSL Service

From a support perspective, the respondents believe MSL aid in identifying scientific publication opportunities as well as engaging KOLs to participate on advisory boards generates the greatest positive impact. Conversely, discussing formulary considerations and assisting with clinical trial participation produce much less value for KOLs.

Q. Service and Professional: Please rate the support and service provided by MSLs to KOLs in terms of positive impact for the KOLs on a scale of 1 to 7 with 1 being most effective and 7 least effective:



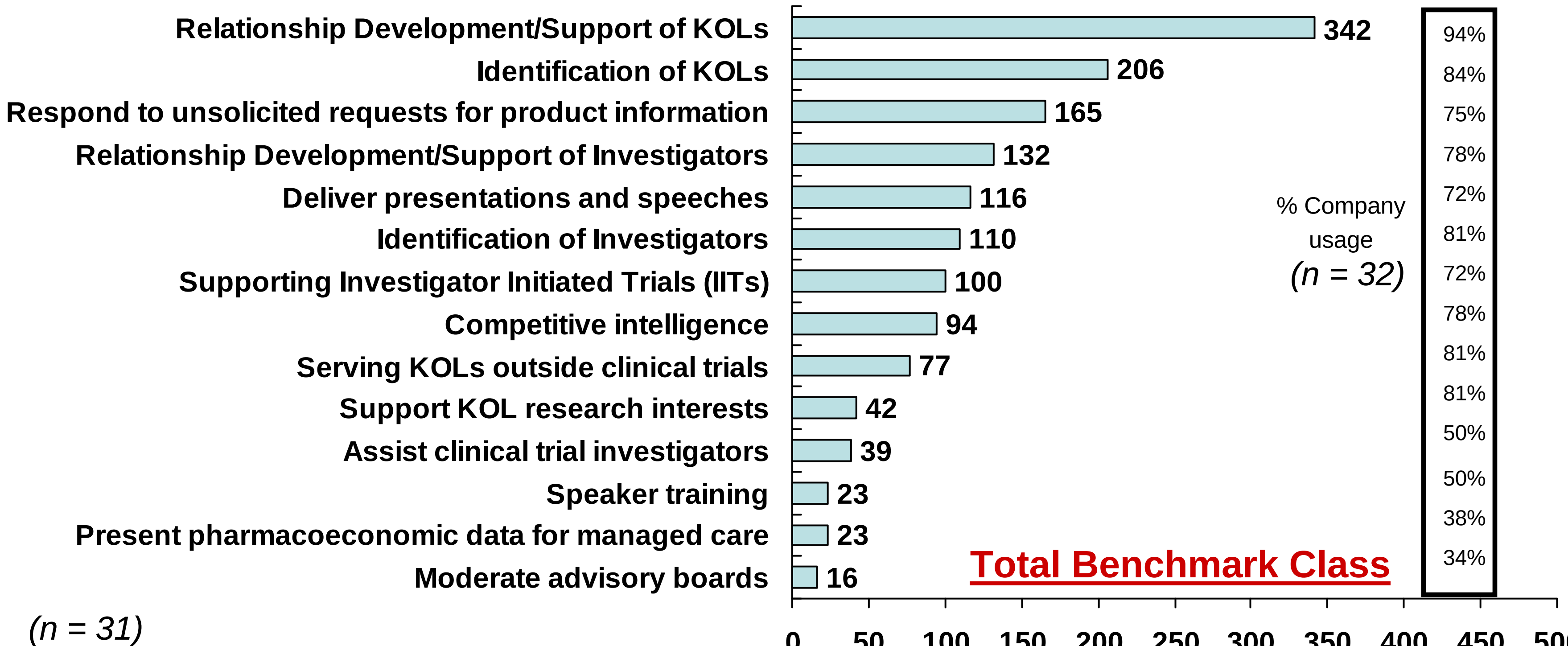
(n = 31)

Note: A weighted average index was used to analyze these responses, assigning a value of 7 to the highest ranking items and a value of 1 to the lowest ranking items. The total weighted average score for each service is calculated and then multiplied by 100 to standardize the index for comparison across segments.

Relationship Development and Support of KOLs by MSLs is Most Valuable to Clinical Development

Relationship development and support of KOLs had an Importance Rating 66% higher than the next most important value-creating MSL activity within Clinical Development. Of all responses given, support of KOLs appeared in 94% of company responses.

Q. Serving Clinical Development Customers: For which of the following activities do your MSLs provide a valuable service, please rank the five most important?



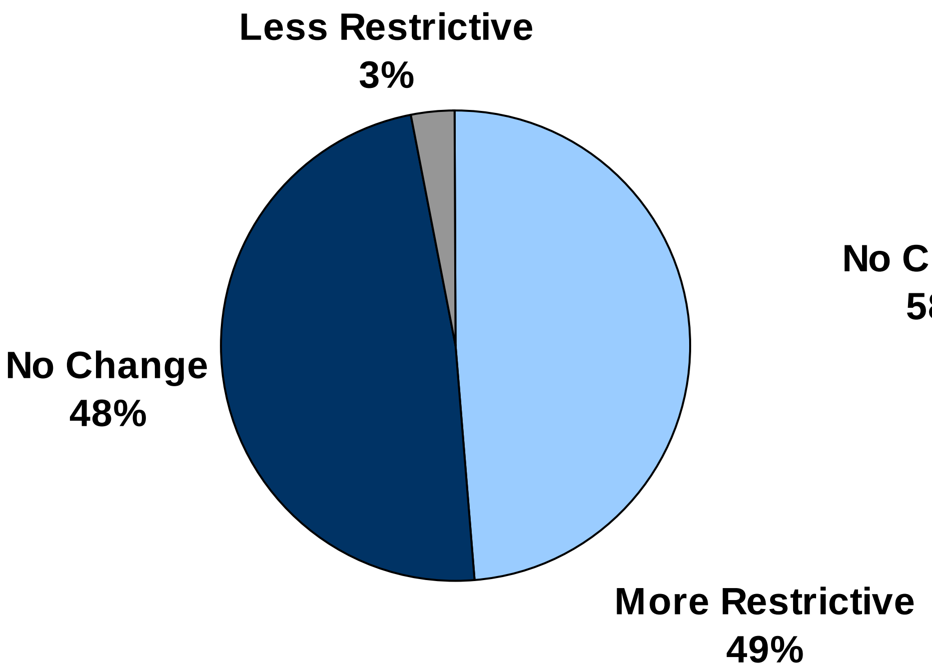
<u>Note</u>: A weighted average index was used to analyze these responses, assigning a value of 5 to the most important ranking items and a value of 1 to the least important ranking items. The total weighted average score for each service is calculated and then multiplied by 100 to standardize the index for comparison across segments.

Companies Leaning Toward No Changes in MSL Interaction Policies in the Next Two Years

About half the respondents stated they have become more restrictive with their policies over the past year, but nearly two-thirds say their policies will not change or will become less restrictive going forward. However, increased restrictions vastly outweighs lowering restrictiveness.

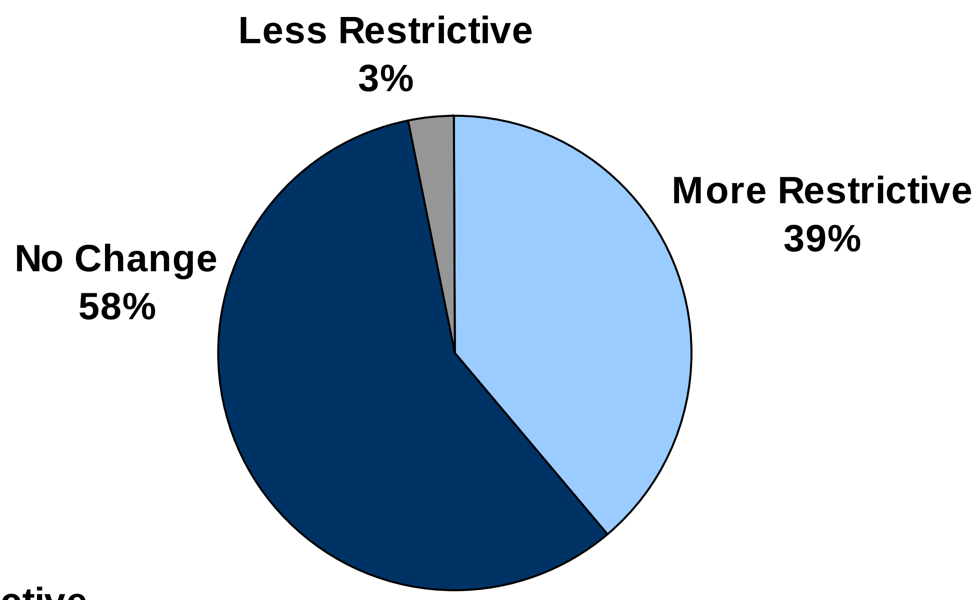
MSL Interaction with Healthcare Providers:

Q. How restrictive is your company now compared to 12-24 months ago in regards to MSL interaction with healthcare providers?



(n = 31)

Q. How restrictive will your company be in the next 12-24 months?)



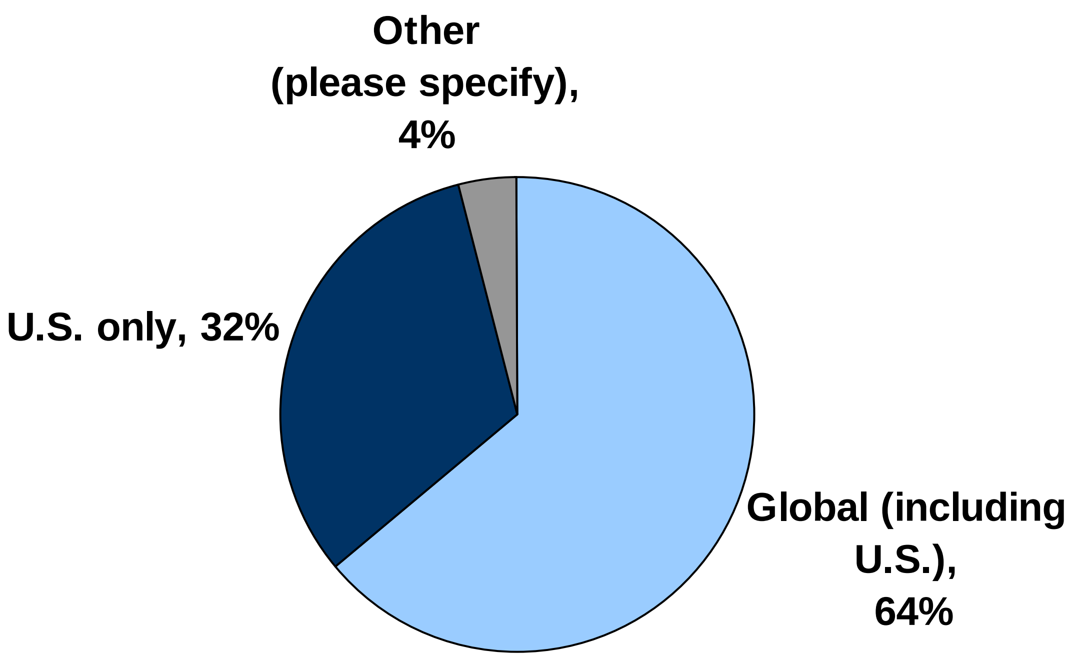
(n = 31)

Most U.S. Respondents Represent Global Medical Affairs Function

Almost two-thirds of the U.S. segment indicated global responsibilities. The class also included a good share of respondents with solely U.S. responsibilities.

Q. Geographic Span: What is the geographic span of responsibility of Medical Affairs at your company? (select only one)

U.S. Segment



Other:
- "US and medical affairs support of other markets based on collaboration agreements

(n = 25)

About Best Practices, LLC

Best Practices, LLC is a research and consulting firm that conducts work based on the simple yet profound principle that organizations can chart a course to superior economic performance by studying the best business practices, operating tactics and winning strategies of world-class companies.

Best Practices, LLC

6350 Quadrangle Drive, Suite 200, Chapel Hill, NC 27517
919-403-0251
best@best-in-class.com
www.best-in-class.com