

Medical Science Liaison Services Excellence: *Generating Value for Diverse Customer Groups*



Best Practices, LLC
Strategic Benchmarking Research



Table of Contents

	<u>Page</u>
■ PROJECT OVERVIEW	8
• Business Issue and Corporate Challenge	9
• List of Participating Companies	10
• Universe of Learning – Participants	11
• Pathways To MSL Services Excellence	12
• Making MSL Services Work Across Diverse Customer Groups Requires Some Differentiation	13
• Experienced Executives Advocate Flexibility & Willingness to Fine-tune Medical Services As Needed	14
• Laser-like “Customer” Focus Breeds Viability	15
• What Differentiates the Better Companies	16
■ MSL SERVICES KEY INSIGHTS	17-24
■ KEY OPINION LEADERS MANAGEMENT	25
• Nearly 60% of Respondents Have Made / Plan Changes to How MSLs Interact with KOLs	26
• Nearly Two-Thirds of U.S. Respondents Have Made / Plan Changes to MSL-KOL Interactions	27
• Companies Plan to Increase MSL Work With KOLs in Next Two Years	28
• MSLs Provide Scientific Value to KOLs when Engaging on Scientific Issues	29
• U.S. MSLs Provide Scientific Value to KOLs when Identifying Publication Opportunities	30
• Identifying Scientific Publication Ideas Most Valuable MSL Service	31
• MSLs Must Provide Service Through Many Different Tactics for Most Impact	32
• Effective MSLs Maintain KOL Relationships and Discuss Emerging Physician Concerns	33
• Effective MSLs Maintain KOL Relationships and Discuss Emerging Physician Concerns	34
• Ratings as Influencer by Others is Considered Most Important Criteria for KOL Profiling	35
• Rating as Influencer by Others is Considered Most Important Criteria for KOL Profiling	36
• Face-to-Face Talks Most Effective Tool for Building Strong KOL Relationships	37
• U.S. Segment Heavily Favors Face-to-Face Visits in the KOLs Workplace	38

Table of Contents

	<u>Page</u>
•Early KOL Development Key to Acceptance	39
•Start Early With KOL Education & Services	40
•Get KOLs In at Phase II to Create Ownership	41
•KOL Segmentations/Roles During Product Lifecycle	42
•KOLs Should Span Various Levels of Influence	43
•Recruit Right Investigators for Multiple Benefits	44
•Build Relationship with Key Investigators	45
•Don't Damage Intellectual Property Rights with IITs	46
■ MSL INTERNAL SERVICES AND ACTIVITIES	47
•Relationship Development and Support of KOLs by MSLs is Most Valuable to Clinical Development	48
•U.S. Segment Views Relationship Development Extremely Valuable to Clinical Development	49
•Other MSL Activities for Clinical Development	50
•Relationship Development/Support of KOLs and Unsolicited Requests Valued by Medical Affairs	51
•U.S. Segment Highly Values Relationship Development / Support of KOLs in Medical Affairs	52
•Other MSL Activities for Medical Affairs	53
•HEOR Values Relationship/Support of KOLs as well as Pharmacoeconomic data Presentations	54
•Pharmacoeconomic Data Presentations and Speeches Highly Important to U.S. Health Outcomes	55
•Other MSL Activities for Brand Teams/Sales	56
•MSL Response to Unsolicited Requests from HCPS Most Important in Marketing	57
•U.S. Segment Skeptical of State and Local Societies	58
•Other MSL Activities for Health Outcomes	59

Table of Contents

	<u>Page</u>
■ MSL SERVICES AND PAYER EDUCATION AND SUPPORT	60
• About 60% of CIA Companies Do Not Have MSLs Work with Managed Care/Private Payer Accounts	61
• Managed Markets Viewed as Future Key User of MSL Services	62
• U.S. Companies More Likely to Have MSLs Work With Managed Markets and Health Outcomes	63
• Proactive MSL Interactions with KOLs Top Future Activity	64
• Companies See Some Risks Limiting MSLs Serving KOLs in the Future	65
• U.S. Segment Sees Future in Proactive MSL Interactions With KOLs	66
• Companies Discontinue Allowing Joint Meetings with Sales Representatives	67
• Case Study: Managed Care Liaison Serves as MSL and Support Role to Payer Group	68
• Payer Ad Boards Important in Payer Education	69
• Payers Differentiate Between Value and Price	70
■ MSL SERVICES AND HOSPITAL/HEALTH CARE ACCESS	71
• 47% of Companies Will Expand Services or Visits to Elite National Teaching Hospitals	72
• Most U.S. Companies Plan to Expand Current Services Provided to Integrated Delivery Networks	73
• The Sunshine Act and Access to Hospital Doctors	74
• Strategic Relationship Approach Gaining Formulary Access	75
■ EMERGING TRENDS AND MITIGATING RISKS	76
• Companies Leaning Toward No Changes in MSL Interaction Policies in the Next Two Years	77
• U.S. Segment Limits Future Changes After Recent Modifications to MSL Interactions	78
• Companies See Some Risks Limiting MSLs Serving KOLs in the Future	79
• U.S. Companies Indicate High Risk Involved with MSLs Serving KOLs in the Future	80
• View of CIA Impact on Co-Promote Partner	81



Table of Contents

	<u>Page</u>
•Companies That Perceive the Greatest Risk Have Become the Most Restrictive Over the Last 2 Years	82
•Companies Perceiving Highest Risk Also Likely to Become Even More Restrictive over the Next 2 Years	83
•Companies Must Decide How Risk Averse It Can Be without Influencing MSL/KOL Interactions	84
•Restrictive Companies are Becoming More Restrictive with 3 Main Policies	85
•Avoiding Pitfalls – MSL Challenges	86
•Avoiding Pitfalls – MSL Challenges	87
•Big Pharma Companies Seek Communication Guidance	88
•View of CIA Companies' Citizens Petition from a Non-CIA Company	89
•Companies Facing CIA Rules Can Be More Wary	90
•MSLs Provide No Support to Govt. Affairs at 29% of Companies	91
•MSLs Most Likely to Support Science-Based Presentations to Advocacy Groups	92
•MSLs Do Not Typically Meet with State, Federal Legislators or Lobbyists	93
•U.S. Segment Less Likely to Support Policy and Advocacy Groups	94
•Almost No U.S. MSLs Meet with State, Federal Legislators or Lobbyists	95
■ MSL SERVICES AND PHYSICIAN EDUCATION	96
•Health Outcome Liaisons Top Emerging Educator Group	97
•Some Companies Use Emerging Educator Groups	98
•Scientific Educators Utilized Most by Companies	99
•Scientific Educators Less Utilized by U.S. Companies	100
•Medical Affairs Houses Most Field-Based Educator Groups	101
•U.S. Segment Less Likely to Provide Medical Affairs Services to Customers	102
•Target Physician Education for Best Results	103

Table of Contents

	<u>Page</u>
•MSL SERVICES AND PATIENT EDUCATION AND ADVOCACY SUPPORT	104
•Various Ways for MSLs to Work with Professional Groups	105
•MSLs Provide Support to Advocacy Groups at Most Companies	106
•MSLs Best Utilized by Sales Representatives	107
•Use Links to Advocacy Partnerships to Educate	108
■ MSL GROUP STRUCTURE AND OVERSIGHT	109
•Most Respondents Responsible for U.S. Medical Affairs	110
•Most U.S. Respondents Represent Global Medical Affairs Function	111
•Medical Affairs Has Most Significant Functional Responsibility for MSL and KOL Management	112
•Span-of-Control of 9.5-to-1 for MSLs to Managers and Directors	113
•U.S. Segment More Likely to Use MSLs	114
•MSL Groups Typically Managed at VP or Director Level	115
•Vice Presidents Play Key Role in U.S. MSL Groups	116
•MSLs Provide Support for Commercial and Clinical Development	117
•Almost all MSLs Provide Support to KOL Services Across Areas	118
•MSLs Usually Report to Same Group, Whether Working with Clinical or Commercial	119
•U.S. MSLs Report to Same Group, Whether Working with Clinical or Commercial	120
•MSLs Most Frequently Coordinate with Clinical Operation Teams	121
•MSLs More Often Coordinate Closely with Clinical Operation Teams inside U.S. Segments	122
•Regional Standards Followed By Most U.S. Cos.	123
•Obstacles to Standardizing MSL Services	124
•Market Idiosyncrasies Widespread	125
■ MSL ACTIVITIES THROUGHOUT LIFE CYCLE	126
•MSLs Deliver Non-Promotional Talks at 91% of Benchmark Class Organizations	127





Table of Contents

	<u>Page</u>
•Vast Majority of U.S. MSLs Deliver Non-Promotional Talks	128
•MSLs Do Not Deliver Promotional Talks at Most of the Organizations	129
•Key Factors for High-Performing MSLs	130
•Critical Success Factors for MSLs: Verbatims	131
•MSL Roles in Pre-Approval: Facilitate Understanding and Answer Unsolicited Requests	132
•MSL Roles in Pre-Approval: Identifying Epidemiology Insights Least Important	133
•U.S. Companies Similar to Total Benchmark Class with Regard to Pre-Approval Activities by MSLs	134
•U.S. Companies Similar to Total Benchmark Class with Regard to Pre-Approval Activities by MSLs	135
•Post-approval, MSLs Continue to Facilitate Understanding; Spot Treatment Guidelines Evolution	136
•Post-approval, Greater Emphasis Providing Variety of Services	137
•U.S. Companies More Likely to Plan/ Discuss Investigator Initiated Trials	138
•U.S. Companies More Likely to Work with Non-Performing Sites	139
•Online Medical/Scientific Programs, Conferences Most Effective New Technologies	140
•Online Conferences and Programs Top New Technology in U.S.	141
■ MSL SERVICES BEST PRACTICES AND VOICES FROM THE FIELD	142
•Future Changes That May Effect MSL Abilities	143
•Best Practices & Lessons Learned: KOLs & Timing	144

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.*

INFORM

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

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.



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.

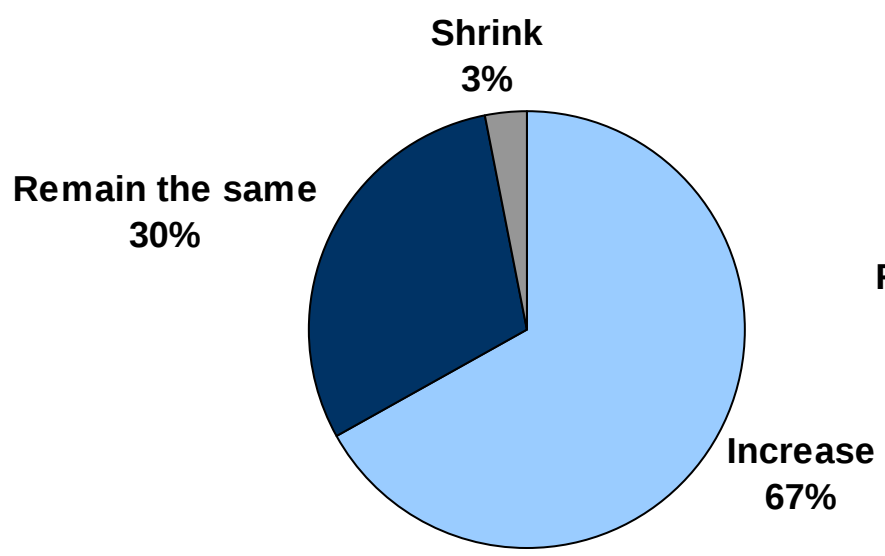
- **Levels of Acceptable Risk Aversion at Companies Directs Focus:** There seems to be a split between companies as to how they work with various customer groups and the activities they allow their MSLs to carry out. Whether a company has a Corporate Integrity Agreement in place or not is not a factor 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.

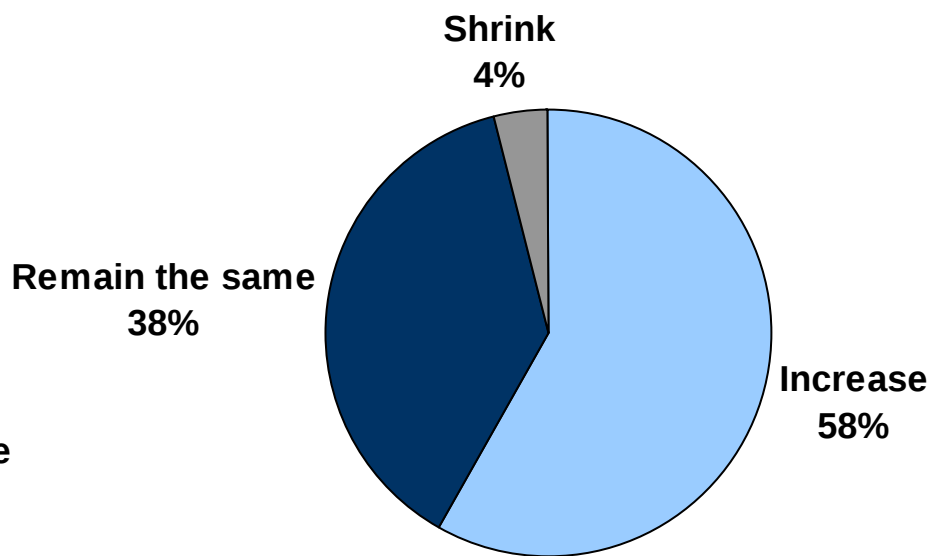
Q. In the next 12- 24 months, we expect our MSL services to KOLs to: (select only one)

Total Benchmark Class



(n = 33)

U.S. Segment



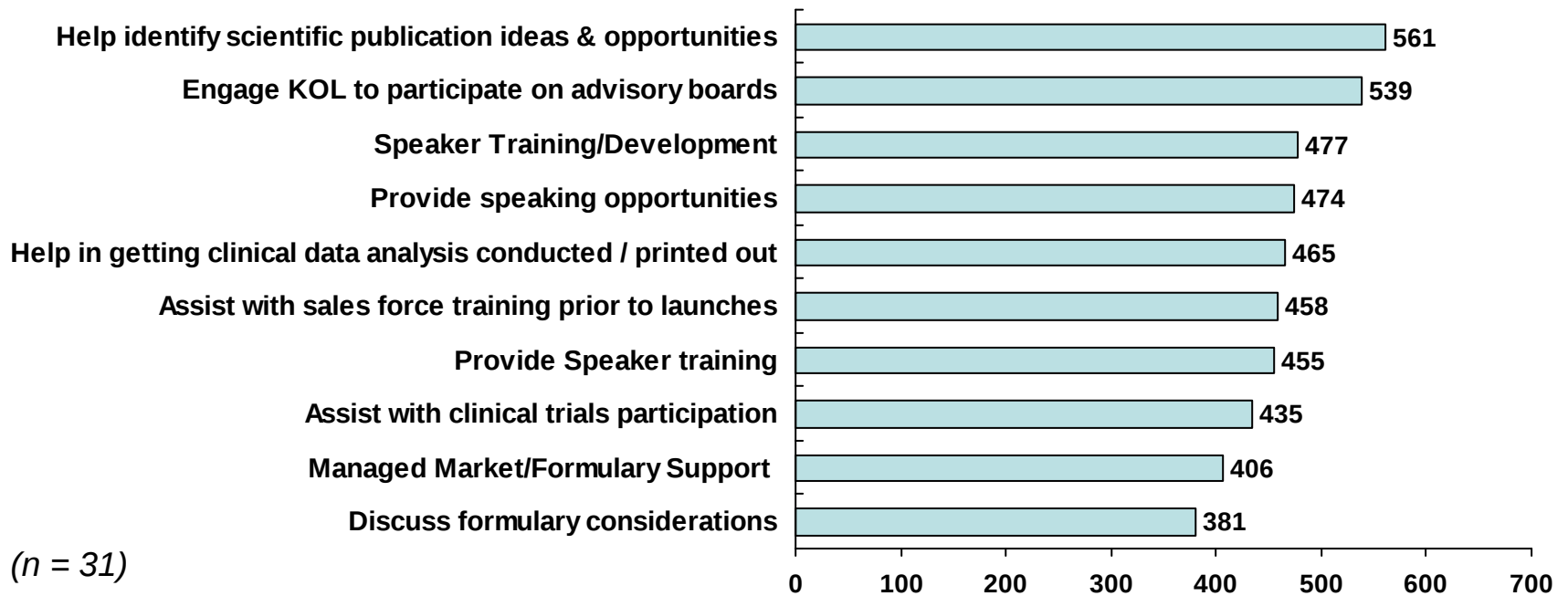
(n = 24)

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:

Total Benchmark Class

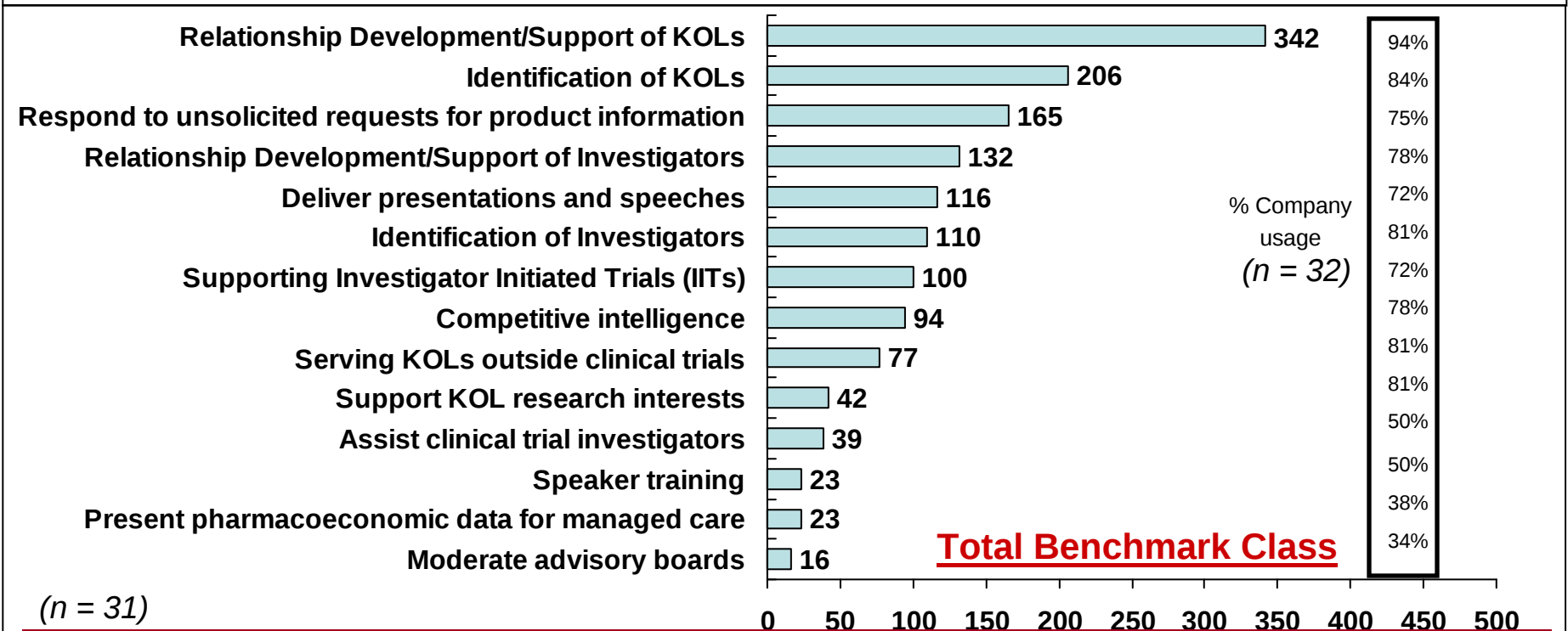


Note: A weighted average index was used to analyze these responses, assigning a value of 7 to the highest ranking items and a value of 1 to the lowest ranking items. The total weighted average score for each service is calculated and then multiplied by 100 to standardize the index for comparison across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

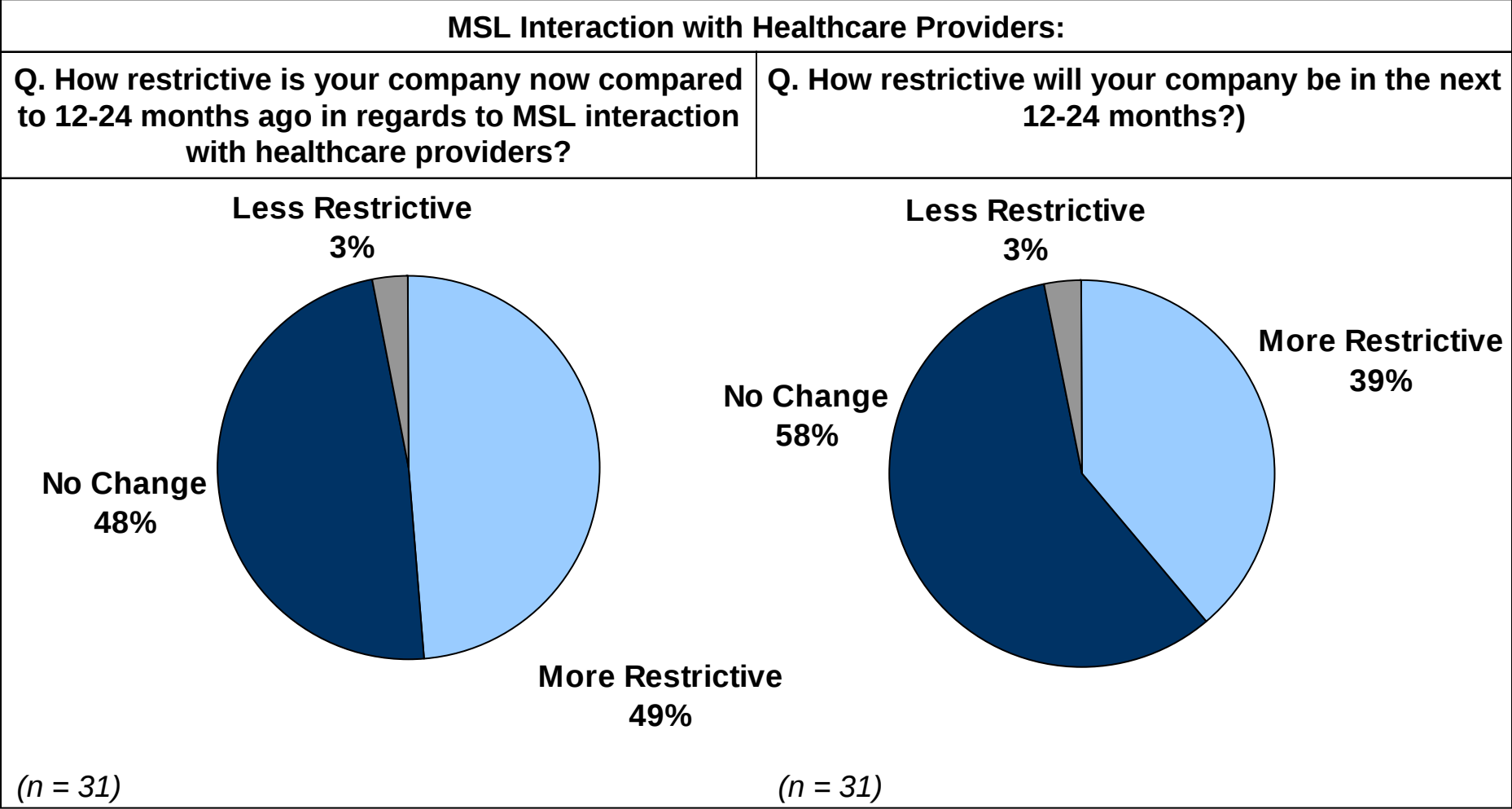


(n = 31)

Note: 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

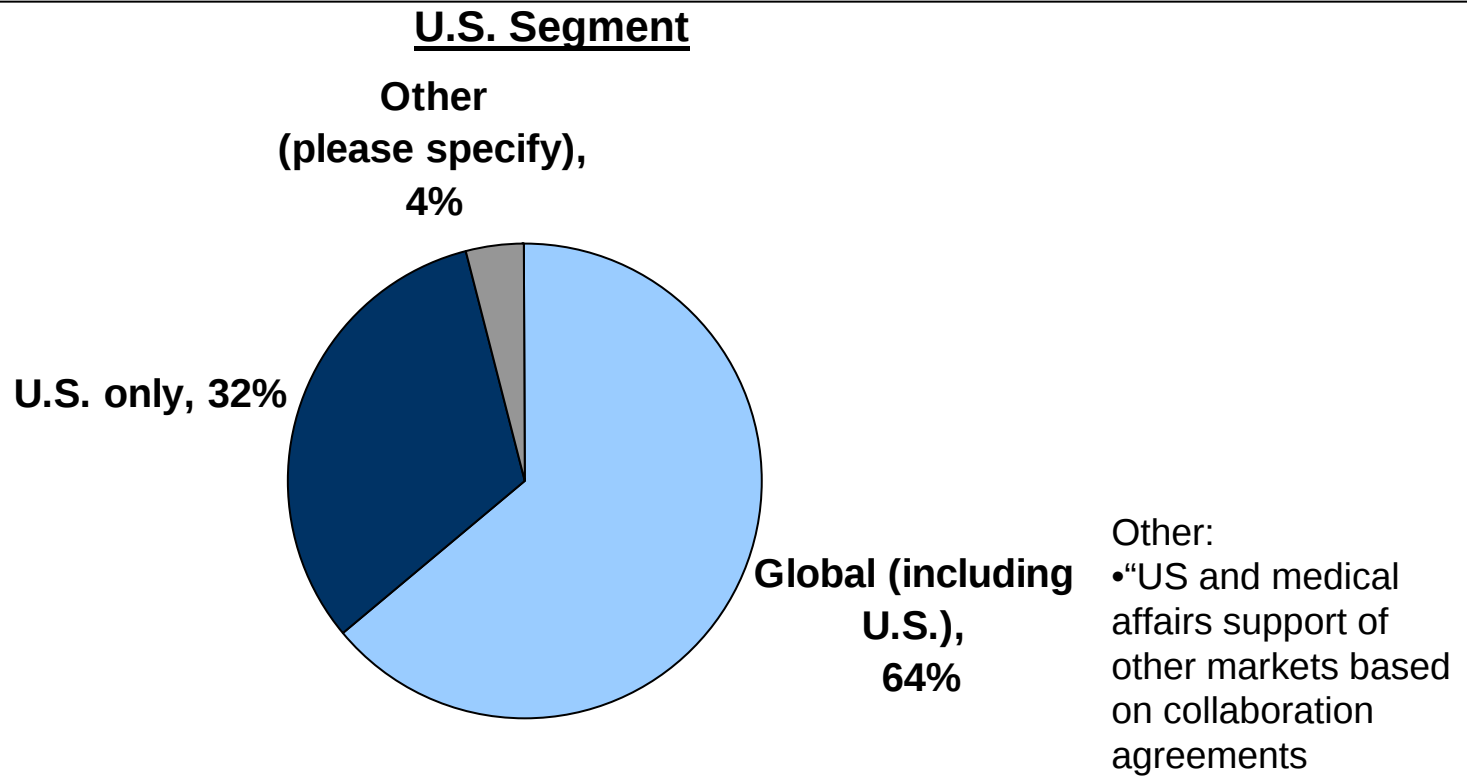
About half the respondents stated they have become more restrictive with their policies over the past year, but nearly two-thirds say their policies will not change or will become less restrictive going forward. However, increased restrictions vastly outweighs lowering restrictiveness.



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)



(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