

Guest Article

Understanding the Strategic Value of MSLs

Strategically Envisioned, Yet Tactically Measured

By Neil Gray

Neil Gray, Managing Director, Healthcare Trends & Strategies, LLC, presented a pre-conference workshop on this subject at CBI's recent 2nd MSL Skill Set Training meeting in Philadelphia. The following article presents some highlights from that workshop.

Despite decades of economic success, strong research programs, and seemingly continual expansion of many healthcare companies, the forthcoming 2010-2012 period will be challenging as some pipelines will not be as strong as they were a decade ago, a new federal administration will be firmly in place, and numerous drugs will go off patent (see Table 1).

Pipeline and off-patent issues are of increasing concern to [Medical Science Liaisons](#) (MSLs) and MSL management, as MSLs' signature role within the life sciences industry has been to communicate, discuss, and reinforce the science behind forthcoming molecules and those with new indications.

What then do MSLs do when new molecules or indications are not imminent?

It first depends upon the culture of their organization, and whether senior management sees MSLs as field extensions of medical affairs (which has been the classic perception) or as broader and more strategic knowledge workers whose central strategic function becomes one of creating, integrating, and championing new knowledge for the internal and external stakeholders with whom the MSLs come into contact.

And it's not just the MSL function that is evolving. Many of the entities that affect the industries within which MSLs operate are changing too, from the FDA, insurers, and providers to academic research centers, pharma, biotech, and device companies.

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<i>Company</i>	<i>Drug Patents Expiring</i>	<i>Total Company Sales Expiring</i>
Forest Laboratories	Namenda, Lexapro	86%
Pfizer	Aricept, Lipitor, Viagra, Detrol, Geodon	41%
AstraZeneca	Arimidex, Seroquel, Symbicort	38%
Bristol-Myers Squibb	Plavix, Avapro, Abilify	30%
GlaxoSmithKline	Advair, Avandia	23%
Eli Lilly	Zyprexa	22%
Merck	Cozaar/Hyzaar, Singulair	22%
Wyeth	Effexor, Protonix	22%
Novartis	Femara, Diovan	14%
Roche	None	None
Schering-Plough	None	None

Table 1: 2010-2012: Difficult Times Lie Ahead, Source: Prudential Equity Group, as reported in Forbes.com, Big Pharma's Black Hole, Matthew Herper (used with permission, Healthcare Trends & Strategies, LLC)

Area	Challenges		
Drug Safety	Understating the adverse reactions associated with a drug	Exaggerating the dangers involved in importing drugs	Failing to monitor the safety of marketed drugs adequately
Clinical Trials	Failing to disclose the full results of clinical trials	Making improper financial arrangements with trial sites	Manipulating trial data to maximize sales
Drug Prices	Charging prices that are perceived as too high	Ignoring social responsibilities in pricing for the developing world	Spending excessively to protect patents
Sales Practices	Promoting products for off-label indications	Providing physicians with financial incentives to prescribe products or write favorable articles about them	Inventing new lifestyle diseases
Investor Relations	Over-managing price/earnings and earnings per share ratios	Remunerating senior management exorbitantly	Ignoring negative publicity
Innovation	Spending R&D funds to develop "me-too" drugs	Spending too much on sales and marketing, and diverting funds from R&D	Developing drugs on the basis of sales potential rather than medical need

Table 2: Pharma Has Numerous Stakeholder Challenges To Resolve (Value Opportunities)...MSLs Can Help in Some Areas. Source: PriceWaterhouseCoopers, Pharma 2020: The vision - Which path will you take? Used with permission, Healthcare Trends & Strategies, LLC.



Moving From Science Discussants to Knowledge Directors

In past years, many MSL organizations were frequently positioned within their companies as reporting to the sales and marketing functions. As such, the metrics used to ascribe value to MSLs had been historically rooted in quantifying activities very much akin to how sales forces were measured, including number of [key opinion leader](#) (KOL) visits, convention and clinical congress attendance, abstracts submitted by KOLs, CME programs developed, ISTs/IITs initiated, KOLs sent to national speaker training, MDs recruited for, attending, and sent to advisory boards, managed care/formulary presentations for appropriate therapeutic teams, etc.

This reporting line has changed almost universally throughout the life science industries, with most MSL organizations now reporting into clinical operations or medical affairs. And with these changes, MSLs' roles will inevitably change as well (see table 3).

According to Susanne Hauschild, Thomas Licht, and Wolfram Stein, the authors of the McKinsey Quarterly article "Creating a Knowledge Culture," knowledge creation is the key source of innovation in any company...In today's changing economy, the key to faster, cheaper, and better is to bring the full force of a company's knowledge to bear on the effort. Knowledge—not land, labor, capital—is now the lifeblood of a corporation

Given their intellectual gifts of therapeutic knowledge and the ability to synthesize vast quantities of information into meaningful knowledge, MSLs will truly be at the forefront of cultural change for many life science companies.

MSLs are evolving occupationally in terms of scientific skills and experience, gradually moving from traditional field medical affairs specialist to clinical research educator and clinical knowledge specialist. Yet KOLs may not yet perceive this

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Entity	Change
FDA	Increasing enforcement strengths and oversight budget. Rejection of NDAs that don't show substantial clinical benefits from the current (baseline) accepted treatment. No more marginal clinical differentiation accepted. Head-to-head trials will become the norm (eg Wiviott et al. Prasugrel versus Clopidogrel in Patients with Acute Coronary Syndromes. <i>NEJM</i> 10.1056/NEJMoa0706482, November 4, 2007). <u>\$1.73 Billion for Fiscal 2008.</u>
Insurers and Medicare	More (and more costly) reimbursement tiers. More push towards generics. Premiums based on health status. Consolidation of payers. Reinforcement and consolidation of guidelines.
Providers	Shortages in certain specialties and LTC as boomers continue to age. Explosion of nurse practitioners. Pharmacists push to render care beyond counseling.
Academic research centers	Policy moats and walls will challenge and inhibit industry interactions (Campbell, Doctors and Drug Companies, <i>NEJM</i> 357:18, November 1, 2007, p 1796). Bite the hand that feeds you syndrome (a push to sanitize and own the research process) builds.
Pharma and Biotech	More consolidation. More cost cutting. More partnerships and inlicensing. Fewer general sellers, less GS&A, more ex-US (BRIC) research focus. More MSLs.
Devices	More of them, increasingly designed for MD office and consumer, more melding of drugs and devices. Nano technology begins in earnest.

Table 3: Just Around the Corner. Used with permission, Healthcare Trends & Strategies, LLC.

trend. The conundrum is that while MSLs are more and more strategically deployed, their value is measured tactically as mentioned above.

Nevertheless, this evolution, from science discussant to clinical trials specialist to knowledge specialist, will eventually require life science companies to recast their MSL evaluative metrics, moving them away from the quantitative (tactical) and more towards the qualitative (strategic). Future metrics will focus strongly on MSLs' capacity for problem solving, planning, and actions.

Additionally, MSLs will now be in position to serve as organizational integrators of many of the knowledge assets that KOLs value and seek.

What Do KOLs Want?

KOLs and the MSLs who support them in the not too distant future will both crave and be measured by their mutual abilities to solve problems, whether they are clinical, administrative, or commercial in nature. This will mean that MSLs will utilize their capacities as teachers and communicators even more than they are today, and that their value will be a function of not only what they know in a particular therapeutic area, but also how nimble they are at identifying and employing the assets in their organization to assist their KOLs.

More MSL Involvement

Opportunities for MSL involvement and team leadership will increase throughout pharma, biotech, and device companies, within the organizational constraints of guidances and compliance policies (see Table 4).

Opportunity	MSL Role
Expanded teaching	Teaching research to residents, fellows, and strategic partners
Expanded CI involvement	Competitive landscaping, thought leader mapping
Clinical development and trial design	Strategic input to and evaluation of portfolio development
Investor relations	Strengthening analysts' understanding of the commercial implications of scientific research

Table 4: Future MSL Opportunities

Expanded Training

Training implications will broaden as well. While most, if not all, MSL organizations due a superb job at training and certifying their MSLs in their respective therapeutic categories, future MSLs will require expanded training in and exposure to emotional intelligence and business/management intelligence, two distinct segments that are not uniformly addressed today in MSL training.

Pharma Marketing News

Jarvik: A Modern DTC Tragedy

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"The way in which we presented Dr. Jarvik in these ads has, unfortunately, led to misimpressions and distractions..." said Ian Read, Pfizer's president of worldwide pharmaceutical operations. "We regret this," he added.

Not only did the ads mislead viewers to believe that Jarvik was a practicing cardiologist, they also falsely depicted Jarvik as an expert rower! "He can't row," said Dr. O. H. Frazier of the Texas Heart Institute of Dr. Jarvik. And Dr. Frazier should know—he's a "longtime collaborator" of Jarvik's! As reported in the NY Times, the Energy and Commerce Committee also "asked 10 advertising agencies that worked on the Dr. Jarvik campaign to submit documents about the use of body doubles."

In his defense, Jarvik said: "I spent most of my summer vacation time during high school on the water, sailing, rowing, fishing, and scuba diving. At the time the ad was filmed, I was certainly fit enough to row for the shoot." (See [WSJ Health Blog](#)).

Finally, we learned that Jarvik didn't start taking Lipitor until after he was hired by Pfizer.

It's one thing to make snarky remarks about Jarvik's mannerisms, but let's not forget that the fire behind all this smoke is how Pfizer and the Kaplan Thaler Group, its ad agency, mismanaged the whole Jarvik-Lipitor campaign and the press.

All I can say is that it may be a long time before any other celebrity will work with these dodos! Unless, of course, Pfizer raises the ante and offers \$2 million to the next rope-a-dope celeb!

IMHO, John Mack

Experts Consulted

The following experts were consulted in the preparation of articles for this issue.

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Resources

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