



DECISIONS FOLLOW NETWORKS

How network intelligence increases value within market access

The market access function has become a critical success factor in product launches and its importance continues to increase. The responsibility of a market access function is to develop and implement strategies that demonstrate and communicate the value of products to relevant stakeholder groups. This task has become daunting given the increasing complexity of stakeholders involved in the decision-making processes. In our point of view, a key element of success is therefore an improved understanding of stakeholder networks to which the value of a drug is demonstrated and communicated. A better understanding of external stakeholder networks may also help reduce internal barriers to collaboration between all the functions that are involved in market access activities.

Improved understanding of stakeholder networks **enables the development of understanding and trust between stakeholders and the reduction of information asymmetry between them:**

- **Understanding of stakeholders' involvement in market access decisions:** While access decisions are becoming more decentralized, it is imperative to know who the relevant stakeholders are and which roles they play in the decision-making process. These roles also need to be observed over time to understand the network dynamics.
- **Understanding needs and defining value propositions for each stakeholder:** Besides knowing the stakeholders, it is imperative to understand their value expectations and how to integrate them into the development program, which demonstrates value. Typically, regulators focus on safety, efficacy and quality, payers focus on budget impact and costs and cost effectiveness, physicians consider efficacy, safety, compliance and ease of administration, and patients seek an improvement in health and quality of life. Network analysis is a particularly powerful tool in identifying evidence gaps, topics of interest or concern relevant for these stakeholders.
- **Building of trust takes time:** Demonstrating value during drug development is a time-consuming process and requires a consistent flow of information. Many organizations start their engagement with market access stakeholders too late in the process and are taken by surprise when their value communication is not effective.
- **Matching of pricing decisions with key stakeholders' value expectations:** Pricing decisions need to align with value expectations of and demonstration to different stakeholders. Recent performance-based and risk-share deals show that some companies have successfully aligned with the requirements of stakeholders.
- **Customer-centric communication of value:** Finally, a customer-centric communication of the value demonstrates that stakeholders' requirements were understood and taken into consideration during drug development.

Some pharmaceutical companies still lag behind in taking a systematic and integrated approach in mapping stakeholders and leveraging that information when developing engagement strategies, which runs the risk of implementing conflicting engagement activities with the same stakeholders.

Network-based stakeholder engagement overcomes these issues by looking at the decision-making structure and thereby leveraging a better understanding of existing relationships, roles of stakeholders and the ability to develop new engagement strategies that match value expectations with value demonstration.

An increasing number of leading pharmaceutical companies use structured network intelligence to better understand and engage with the stakeholder community, i.e.:

- Identifying and segmenting stakeholders, identifying clusters, analyzing topic-specific expert communities or emerging experts (“rising stars”) based on their positions in a network
- Understanding the needs and expectations of medical and non-medical market access stakeholders, engaging with them effectively and creating win-win situations.
- Engaging with less-known bridging stakeholders, i.e. disease experts who are active in different areas (scientific, industry association, patient association, regulatory)
- Understanding network structures and how they impact engagement strategies, for example interacting with very few stakeholders in a heavily decentralized network is not effective. Therefore it is imperative to match the selection of stakeholders with the topology of a network. Topology typically refers to two key characteristics: one is the degree of centrality of a network, the second is the degree of clustering.

Better understanding of the external stakeholder network and existing relationships can also help **reduce internal information asymmetry between functions within an organization.** Responsibilities are defined more effectively across the functions engaging with the relevant market access stakeholders. And incentives are aligned more easily with these responsibilities. Functional representatives from clinical development, regulatory affairs, market access, pricing & reimbursement, commercial and others are able to look collectively at a network and define an engagement strategy that matches value expectations with the ability to demonstrate value. Functional representatives then also understand their engagement role within the overall decision-making system and do not attempt to act in isolation with their immediate external stakeholders.

Conclusion: Network intelligence helps to more effectively engage with market access stakeholders and ultimately achieve more effective health outcomes. Understanding network topology is as important as understanding individual stakeholders. Network intelligence is a key element to matching stakeholders’ value expectations with the demonstration of value. On top, network intelligence provides a means to share information across functions, thereby creating a level playing field with well-defined responsibilities and incentives to collaborate both internally and externally.

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