

All change, please!

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It's all change in the Pharmaceutical Industry

Much is written and said about the extent of change going on in the world of the pharmaceutical business. Regulations, new levels of risk aversion, accessibility of information, low-cost generic manufacturers, pricing pressures, to name but a few, are all contributing to the imperative to do things differently. In response we are seeing a shuffling of the deck, as major players create the businesses they believe will deliver success in the ever-changing markets. But it is not just the markets that we play in, and the pipeline that we deliver that will dictate success. The people we have, our organisation and capabilities, together with our ability to work together within, and without, our business are going to be increasingly significant factors.

Role change

What we do, and how we organise is moving on and has to move on much further, if we are to thrive. This is best illustrated by example.

In Research we have extended our skills beyond the laboratory and the clinic and well into the portfolio management arena. Once upon a time, the Head of Research managed a team of scientific researchers. Now, the Head has to consider internal and external research investment, deliver commercial contracts with third parties, and be at least extremely curious about health economics and how it should influence Research decisions.

In Manufacturing, we have nurtured capabilities to be excellent in the conversion of raw materials into products fit for consumption. The need to continue to deliver good products continues, as does the imperative to keep manufacturing off the board agenda. But, new skills make the difference between success and failure: third party management, contract management, supplier development, planning and balancing more complex supply chain trade-offs.

The role of Sales and Marketing is rapidly shifting focus from selling to medical practitioners, to selling to healthcare funders, be these insurers or nationalised health services. The skills, attributes, level of people needed to do this are very different.

Perhaps, one of the more significant changes coming our way and likely to impact all areas, is the shift in regulation from "explain" to "prevent". New skills, new methodologies and, perhaps, most significantly, a new mind set is required.

The constants in change

Themes emerge from this consideration, and these can help us along the road to delivering both the capabilities and organisations that we need for future success. Consider risk identification and management, collaboration, expert customer and people development. The first three of these are emerging as essential skills in some areas already, but as the change in our context continues to require a response, these skills will be required by many more. The subject of people development becomes of primary importance when such a level of change is upon us, and we must become experts in recognising the roles and capabilities we need, and in progressing our people to deliver them expertly.

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The regulator within?

The changes will likely go well beyond the boundaries of our business, and we will see new ways of working with other organisations. The regulator is one area to consider.

Organisational tension has always existed between the mainstream business and those we pay to protect us from ourselves. The reporting lines, the appropriate level of authority, the criteria to make decisions in the compliance arena, have long been subject to debate. This is true in terms of GxP compliance and Drug Safety. Interestingly the management of these is already progressing up the business hierarchy, with Safety in particular, getting more air-time on the executive agenda.

So, today we are regulated by independent bodies, and we have our own team to help us ensure we satisfy them. Is it such a big step to consider full time regulation within our businesses? Would that not remove some second-guessing, duplication of activity and show us to be committed to doing what is right? This is not just something to do when things have gone badly wrong, as is the current tendency.

This is not such an extreme idea...it has worked well before. The defence industry experiences a whole different approach to regulation when times of international conflict arise; driving urgent need for equipment and munitions in the field. It would seem that a shared aim can lead to a partnership approach and things can operate far more effectively. After all, industry and regulator already have the shared aim to serve patients in need, and increasingly the want to do this cost effectively (e.g. NICE in the UK); this may read a little simplistically, but really, we do need to be thinking in this direction...

Nostrapharmus says 'within ten years, there will be new executive roles in all Life Sciences businesses, and the capabilities required to execute new roles throughout the business will be a significant extension over today. Much of this will be driven by changes in regulation, and by the need for a new paradigm to drive performance. The journey has already started. The winners will be those who take time to understand how the organisation and its people must change, and who are already plotting a course.'