



Realizing Omnichannel Value

How life science companies can realize the value of omnichannel investments



*“Despite large investments in omnichannel capabilities, many **life science companies** have yet to see the results predicted in business cases”*



Executive Summary

In a post-pandemic world, health care providers (HCPs) are expecting engagement through digital channels with personalized "on demand" content. Despite large investments in omnichannel capabilities, many life science companies have yet to see the results predicted in business cases – often because of a narrow technology focus. In contrast, life science companies with well-functioning omnichannel operations recognize the significance of an integrated bundle of technological, commercial, and transformational capabilities.

As organizations vary in size, complexity, and maturity, there is no one-size-fits-all approach for successfully building omnichannel capabilities. Therefore, life science companies must determine their individual transformation path.

In this perspective, we describe how the road to omnichannel value realization goes through deliberate choices across three dimensions: Strategy, operating model, and leadership. We present a model for assessing and optimizing value

drivers and operating model trade-offs, and we lay out a fresh perspective for steering the transformation with strong leadership while not breaking the organization.

Designing an effective omnichannel strategy requires prioritization of value drivers in line with overarching corporate strategic objectives. A suitable operating model must be detailed which inherently involves trade-offs such as degree of standardization, degree of centralization, funding model, and capability delivery model. Finally, strong leadership across levels is a critical catalyst and should be considered both an enabling and a driving force behind a successful omnichannel transformation.

With a clear view on end-state across these three dimensions, life science companies will be able to effectively phase the transformation into manageable waves that will allow for modifications and corrections along the way. This will increase the odds of a successful and sustainable transformation and enable full omnichannel value realization.



Introduction

Accelerated by the COVID-19 pandemic, it has been necessary for life science companies to interact with HCPs in new ways. Unlike the traditional approach where customer interactions were mainly face-to-face and product-centric, more and more HCPs are expecting engagement through digital channels, with personalized "on demand" content. Now, even as COVID-19 loosens its grip on most societies, virtual interactions, or a blend of virtual and in-person interactions remain a preference for HCPs. Studies show that HCPs value and expect content tailored to their needs and accessible where and when they prefer.¹

As a result, omnichannel customer engagement (see Figure 1) has become the expectation of HCPs and represents a must-win battle for life science companies. Recognizing this shift of HCP preferences, many life science companies have invested significantly in technology.

However, despite large investments, many life science companies are struggling to drive any meaningful change in their engagement with customers. More than 70%² of life science companies expressed that they have encountered challenges concerning channel conflicts, and around 65%³ of HCPs feel that they have been "spammed" with digital content. Without a coordinated effort across channels, HCPs are impacted by an overwhelming amount of non-personalized messages which likely causes unintended results.

In addition, it is our experience that life science companies are not realizing their expectations and business cases for their technology investments, because the organization has not adopted the technology. This is not just a change management issue, but also a matter of not having configured the commercial organization to leverage the technological capabilities.

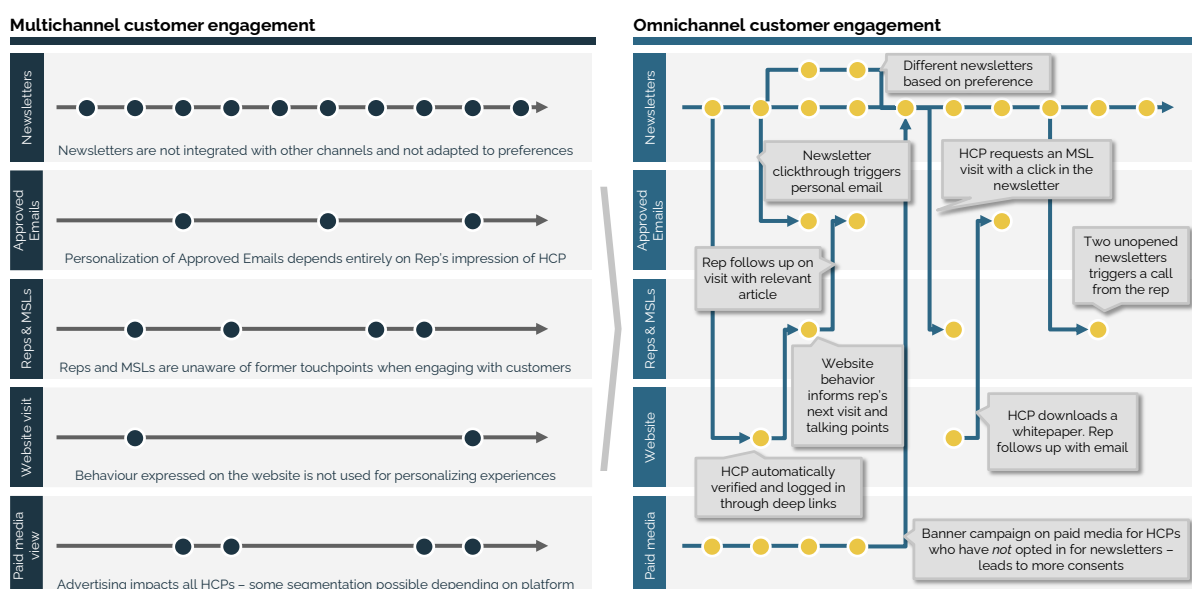


Figure 1 - Multichannel vs Omnichannel overview

Customer engagement in a **multichannel setup** is the traditional engagement where doctors, pharmacists, nurses, and others are impacted with non-personalized messages across a range of (uncoordinated) channels. **Omnichannel customer engagement** allows coordination across channels in coherent customer journeys where individual touchpoints depend on previous interactions to create personalized experiences.

Source: Biobridge Partners

¹ McKinsey, "Demystifying the omnichannel commercial model for pharma companies in Asia", 2022.

² McKinsey, "Omnichannel engagement in MedTech: The time is now", 2021.

³ Accenture, "The 'new' rules of engagement", 2021.

Technology is not enough

Many life science companies have had their focus on developing technology-focused capabilities, such as marketing automation platforms and CRM applications, and much less on building a suitable operating model with supporting commercial capabilities and processes to leverage the technology.

However, technology alone is not enough. Technology should be accompanied by an integrated bundle of capabilities to realize its full value. Specifically, we believe that building an omnichannel customer engagement model requires three equally important layers of capabilities: Technological, commercial, and transformational capabilities (Figure 2).

Technological capabilities

At its core, omnichannel customer engagement requires a robust technology infrastructure that supports the integration and coordination of multiple channels,

and enables the delivery of personalized, seamless customer experiences. While marketing automation platforms and CRM applications are essential, required technological capabilities go further and include data management, consent management, and data analytics. Overall, the omnichannel setup must be aligned with the organization's other enterprise architecture and requires seamless integration into existing IT infrastructure.

Commercial capabilities

To put the technical infrastructure into effective use, commercial functions must develop capabilities to create and execute end-to-end omnichannel customer experiences. This starts with data-driven understanding of customer segments and microsegments, building on sound data collection and analytics. Moreover, cohesive brand and campaign strategies are a prerequisite for creating concrete, integrated customer journeys across channels.

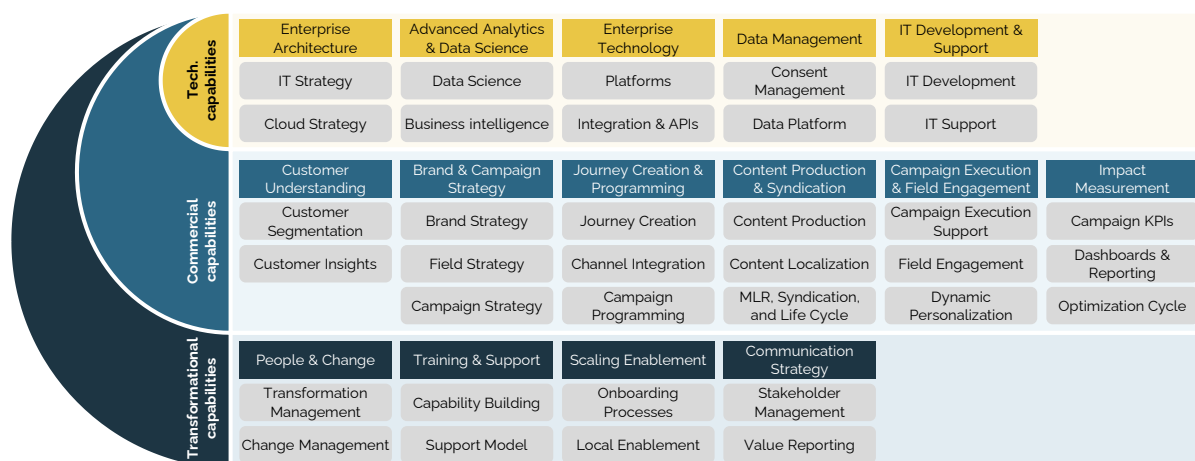


Figure 2 – Omnichannel Capability Framework

Technological capabilities only constitute a subset of the capabilities required to transform the customer engagement model in life science companies, and with technological capabilities alone, companies will not experience the benefits. In addition, life science companies must also build **commercial and transformational capabilities** across the commercial organization.

Source: Biobridge Partners

Again, commercial capabilities and technological capabilities go hand in hand when programming campaign journeys in marketing automation platforms, supporting campaign execution, and continuously refining customer understanding as well as brand strategies through post-campaign analytics.

Transformational capabilities

Pursuing omnichannel capabilities entails fundamental adjustments to an organization's ways of working that cannot be implemented overnight and, therefore, require well-planned and coordinated efforts. Transformation management, training, and support, as well as a comprehensive communication strategy to demonstrate value across the organization are essential for a successful and sustainable transition to the new omnichannel setup. Facilitating this change and moving the entire commercial organization in one direction is only possible with astute leadership.

In summary, rather than focusing on technological capabilities alone, life science companies must be prepared to build an integrated bundle of capabilities across three layers to reap the full value of their investments in omnichannel capabilities.

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Omnichannel value realization requires tight integration of strategy, operating model, and leadership.

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To realize the value of omnichannel investments, there is no one-size-fits-all solution. Instead, a multitude of factors such as organizational size and complexity, existing investments and platforms, and digital maturity must be taken into consideration, making each organization's optimal setup unique. To solve this puzzle and lay out a transformation roadmap for value realization, we recommend taking a step back and integrating choices across three dimensions: Strategy, operating model, and leadership.

All three dimensions are equally important to omnichannel value realization, and the value delivery chain is only as strong as its weakest link.

Omnichannel Capability Framework

To help our clients gain a complete overview of existing omnichannel capabilities, gaps, and blind spots, Biobridge Partners has developed a complete Omnichannel Capability Assessment Framework, which lets an organization create capability overviews, and understand how various business units might be at different development stages.

The framework detects strengths and weaknesses at capability level 1, 2, and 3, and inputs can be easily collected through an accompanying survey tool.



Omnichannel strategy is about prioritizing which sources of value to focus on

The potential value of an omnichannel engagement model is a function of value drivers across three categories: Revenue uplift, reduced cost of sales, and reduced risk. In Figure 3, we have outlined twelve typical omnichannel value drivers which create value by impacting the frequency and nature of customer interactions, the

processes for preparing and executing campaigns, and risk management practices. These value drivers can be further amplified through three categories of multipliers, defining the overall scope of the omnichannel engagement transformation. Here, the mechanics are intuitive: The larger the number of markets, customer types, and brands that are incorporated into an organization's omnichannel engagement model, the greater its potential value.

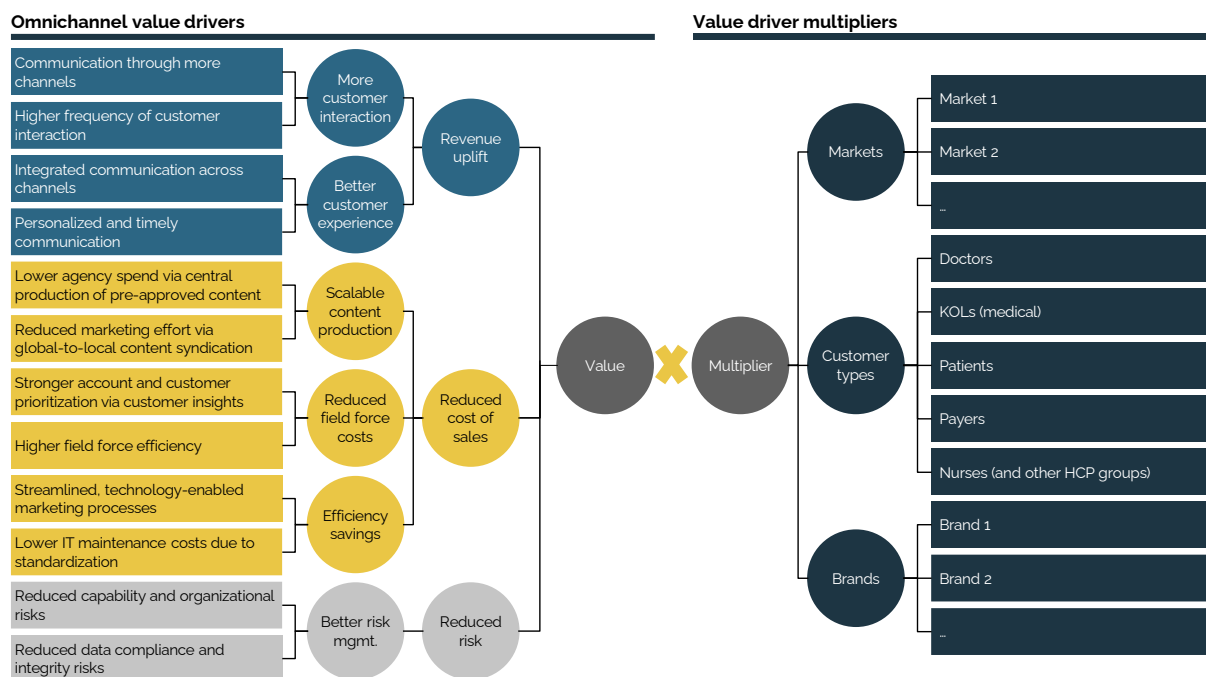


Figure 3 – Omnichannel Value Realization Framework

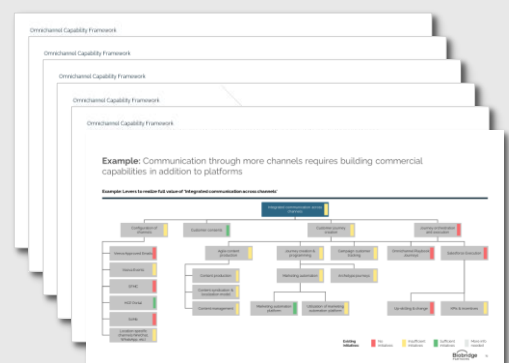
Life science companies create value with omnichannel through a combination of **uplifting revenue, reducing cost of sales, and reducing risks**. The ultimate value it derives depends on the value multipliers, such as how many **markets** the engagement model is rolled out to, how many **brands** have adopted it, and how many **customer types** are impacted.

Source: Biobridge Partners

Interdependency Mapping

Biobridge Partners has developed interdependency maps for each of the twelve value drivers, allowing clients to get a clear understanding of their specific capability gaps and estimate the effort required to close them.

This offers valuable insights for defining a capability model that fits the organization's unique requirements as well as implications for phasing the transformation roadmap – crucial factors in maximizing the return on omnichannel investments.



Designing an effective omnichannel strategy starts with establishing a clear view on which value drivers and value multipliers an organization should pursue. Life science companies have different motivations for engaging with omnichannel, and hence, there is no one-size-fits-all.

While some are mainly focused on uplifting revenue, others may want to save costs. For some organizations, omnichannel represents an opportunity to establish a fully digital sales model, whereas others want to augment the existing sales force. Likewise, some brands might be at a lifecycle stage where pure digital communication is more suitable to cut costs, while others still demand mainly field force attention. As such, omnichannel engagement capabilities enable new ways to manage brand lifecycles effectively.

This means that there are no right or wrong omnichannel strategies *per se*, but transformation leaders must make strategic choices in a coherent and integrated manner.

By establishing a clear view of the overarching objectives and the value drivers required to achieve these, life science companies can identify the most impactful focus areas and make coherent strategic choices.

This enables the organization to test and learn as the transformation is rolled out, allocate resources more efficiently, and ultimately increase the odds of a successful omnichannel transformation that will realize value for the organization.

Cross-functional operating model aligned with strategy

To deliver on the strategy and the choice of value drivers and multipliers, life science companies must design and implement a suitable, supporting operating model. Importantly, the operating model must be cross-functional, spanning functions such as marketing, sales, medical, digital enablement, IT – potentially market access and patient engagement, and must be an integrated part of the company's overall operating model.

Hence, there is no such thing as a separate omnichannel operating model.

In our view, a sound operating model spans choices and decisions across several dimensions, including organization, people, technology, data, processes, and funding (Figure 4). For each of these dimensions, inter-dependencies exist, governance should be defined, and trade-off decisions must be made (see box on next page).

Organization	People	Technology
<ul style="list-style-type: none"> Organizational setup Roles & responsibilities Physical locations 	<ul style="list-style-type: none"> Workforce (FTEs) Capabilities & skills Culture 	<ul style="list-style-type: none"> Technology selection Platform integrations Support model
Data	Process	Funding
<ul style="list-style-type: none"> Data management Data governance Data applications 	<ul style="list-style-type: none"> Commercial processes DevOps Governance 	<ul style="list-style-type: none"> Shared investments Budgets Internal pricing

Figure 4 – Operating model dimensions

Designing an operating model requires going beyond the “boxes and lines” to consider a range of dimensions covering organization, people, technology, data, process, and funding.

Source: Biobridge Partners

Typical operating model trade-offs

Localization ↔ *Standardization*

Global life science companies must navigate significant complexity. Local regulatory requirements as well as market-specific preferences often demand operating model localization. To meet local demands, organizations may choose to provide their affiliates with more autonomy. However, this may also result in the costly duplication of capabilities across affiliates and decreased ability to apply standardized solutions locally and collect homogenous customer data for analytics. Instead, centers of excellence could be an option to achieve greater depth of expertise.

High touch roll-out ↔ *Low touch roll-out*

Rolling out omnichannel capabilities may require onboarding of individual affiliates. This can happen in large, tailor-made onboarding programs, where HQ facilitates capability building and change management in a high touch manner. Alternatively, life science companies may choose a low touch approach, where affiliates are expected to manage their own omnichannel transformations guided by HQ.

Local knowledge ↔ *Centralized analytics*

Front line employees such as sales reps and account managers are closest to targeted customers and often possess unique insights. Therefore, it seems intuitive to have field force employees not only execute campaigns, but also design the customer journeys based on their market knowledge. A potential negative consequence is that data-driven insights into customer segments, virtual channels, and other digital capabilities may not be fully utilized.

High speed ↔ *Sustainability*

Omnichannel customer engagement can be a strong competitive advantage in heavily contested markets. To get omnichannel capabilities up and running more quickly, partnering with external agencies might be a viable choice for some life science companies. However, this also results in significant costs and negligence of building internal capabilities.

Budget reallocations ↔ *Internal pricing model*

Omnichannel transformations come with investments and operating costs, which tend to be carried in global or regional headquarters. This can be large technology investments, establishment of centers of excellence, or centralized campaign production. However, savings are typically achieved at the affiliate level, whether by increasing sales force reach, or by being able to leverage global omnichannel campaigns and content instead of producing this locally. To fund the transformation, there may be a need to move resources closer to HQ. This can be done either through a budgeting exercise, where budgets are cut at affiliate level, or with internal pricing schemes, where affiliates pay for services delivered by HQ, accompanied by a suitable governance structure.

Strict governance ↔ *Case-by-case decision-making*

Once operating model choices have been made, a final question demands consideration: Will we allow exceptions? If so, under what circumstances? Communicating the answers to these questions upfront helps set expectations and demonstrate that there are unwavering answers to the requests that will without a doubt be raised.



Affiliate archetypes used to manage global complexity

Complexity increases as the specific answers to the trade-offs will likely differ across the organization, in particular across affiliates. For instance, large markets might be allowed more flexibility which comes with increased costs, whereas small markets should prioritize scalability to lower cost. This complexity can be managed by dividing affiliates into archetypal groups, and designing variations of the operating model for each archetype.

The choices for affiliate assignment to the archetypes have concrete implications for the transformation roadmap.

With increasing degree of customization, life science companies should expect higher investment needs and longer, more complex implementation timelines. An operating model design risk is that stakeholder management gets replaced by stakeholder accommodation, and that operating model choices get replaced by complex one-by-one solutions, diluting the entire business case for the transformation. Making operating model choices, therefore, should ideally happen with a focus on how each decision impacts the business case.

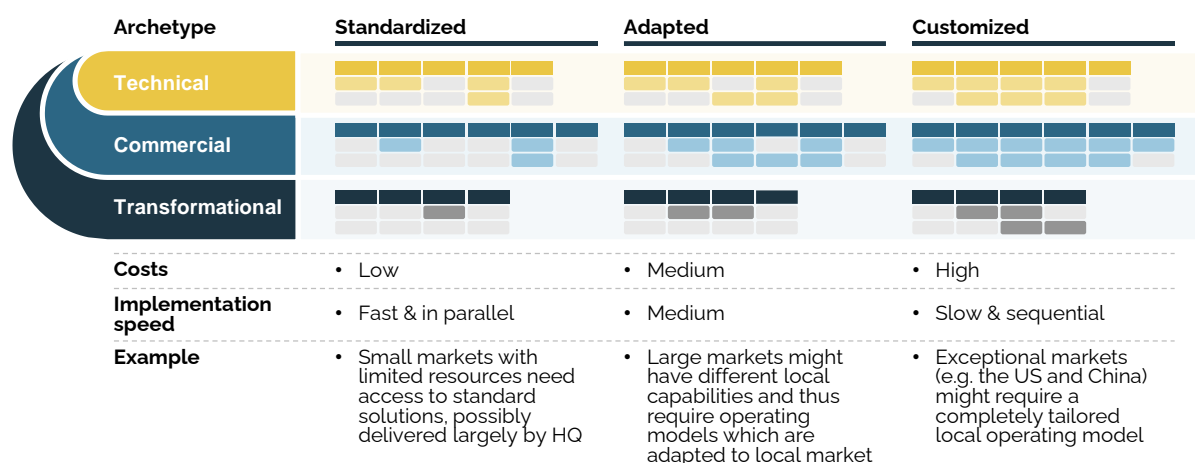


Figure 5 – Operating Model Archetypes

The global operating model complexity that arises from local needs and compliance requirements is best managed by **dividing affiliates into archetypes**, which can then have different versions of the same operating model rolled out, each with a **varying degree of local autonomy and influence**. Strong top-down governance is required for the roll-out not to drown in political negotiations and business case-destroying local modifications.

Source: Biobridge Partners

Leadership as key enabler for omnichannel value realization

In addition to sound strategic choices and effective operating model design, the success of an omnichannel transformation crucially hinges on visionary leadership. We distinguish between two different, but equally important types of leadership: Executive leadership and transformation leadership.

Executive leadership enables transformation through allocation of resources and guidance and is responsible for establishing the foundation for a successful omnichannel transformation. Executives must equip the program leadership with a sufficiently strong mandate and governance framework to empower effective and agile decision-making. While more attention from senior leadership is required at the beginning when making strategic choices and developing the roadmap, regular check-ins along the way ensure that the transformation remains on track.

Transformation leadership, in contrast, is the driving force moving the organization from point A to point B. With increased focus on day-to-day progress, mid-level management is responsible for coordinating activities across workstreams, as well as change management and communication to the wider organization. Sharing success stories and making everyone understand the magnitude of the transformation is critical. While senior management is ultimately accountable for delivering the anticipated return on investment, program leaders are responsible for value realization and performance tracking throughout the transformation.

For an omnichannel transformation to be successful, it is essential that both executive leadership and transformational leadership are in place. Executive leaders provide the vision and strategic direction, while transformational leaders oversee the implementation.



	 Executive Leadership	 Transformation Leadership
Purpose	"Enabling the transformation"	"Driving the transformation"
Level	<ul style="list-style-type: none"> Executive management SVP-level management 	<ul style="list-style-type: none"> Mid-level management
Themes	<ul style="list-style-type: none"> Funding and sponsorship Decision-making and steering Mandate Governance 	<ul style="list-style-type: none"> Project and transformation management Change management Communication and stakeholder buy-in Business case and ROI KPIs and performance tracking

Figure 6 – Types of transformation leadership

Leaders across all levels must lead in sync for a transformation to be successful. However, different levels of leadership will have different responsibilities and focus areas. Importantly, all levels of leadership must take ownership, and vocally support the transformation to galvanize the organization.

Source: Biobridge Partners

Sequencing the transformation to increase the odds of success

Successful omnichannel transformations require careful planning, informed strategic choices, and strong leadership. It further requires navigating between moving too fast with too many things at once versus doing too little too late.

Although it is tempting to pursue a rapid transition to target state to try to maximize value in the short term, it is crucial to recognize that this also compounds the risk of a failed transformation. Pursuing too many drivers at once dilutes focus and resources, leading to a scattered approach that is unlikely to effectively release value to the organization. Ultimately, companies may struggle to deliver on their strategic goals. Our recommendation is to sequence the transformation into adoption waves, as shown in Figure 7. In this way, the end-state is gradually adopted across strategy, operating model, and leadership in a coordinated manner. This could mean a gradual expansion of value drivers in focus (strategy), gradual roll-out of matching capabilities (operating model), and gradually larger mandate and stronger governance (leadership). Value realization then follows investment scope, hence ensuring continuous return on investment.

Sequencing the transformation enables steady and orderly progress, allows for incorporating learnings along the way, and ultimately, increases the odds of a successful and sustainable transformation.

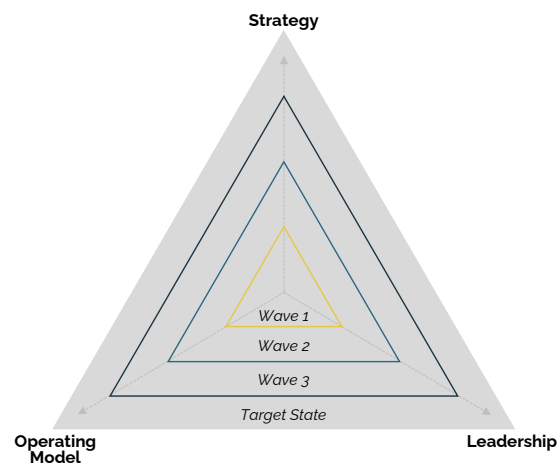


Figure 7 – Transformation adoption waves

Increasing the odds of success of a large transformation is done through roll-out in waves, implying a **gradual adoption of the end-state** across **strategy** (e.g., gradual expansion of value drivers in focus), **operating model** (e.g., gradual roll-out of capabilities), and **leadership** (e.g., gradually larger mandate and stronger governance).

Source: Biobridge Partners



About Biobridge Partners

Biobridge Partners is a dedicated life science strategy consultancy, focused on corporate and commercial strategy in global pharma and biotech companies. We engage in a structured and analytical manner to help our clients look ahead, drive the necessary change, and prepare their organizations for the future.

We are a leading strategy consultancy within digital customer engagement transformation in life sciences, and our team brings extensive experience with transformation strategy and operating model design from digital customer engagement programs at medium to large life science companies globally.

Biobridge Partners' focus is on strategy, operating model design, and transformation leadership. However, we often work alongside technology consultancies, implementation partners, and digital and creative agencies to deliver the full scope of omnichannel transformations.

Contact us to learn more about omnichannel customer engagement and how we are helping pharma and biotech companies adapt for the future.

Contact Us



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Daniel has 8+ years of experience in consulting with a predominant focus on commercial strategy in life science companies. He advises mid and large-sized life science companies globally within brand strategy, marketing excellence, digital customer engagement and product launch. Before co-founding Biobridge Partners, Daniel was the life science lead in Deloitte Consulting Denmark and part of Monitor Deloitte's European life science strategy practice.



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