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Digitizing the Industry

In this month's Forum, we explore the opportunities, challenges, and processes involved in the industry's transformation into the digital age. For most of us, digital technologies have become part of our every day life, yet many pharmaceutical companies are still navigating through their complex business models, many of which are still siloed and not conducive to digital breakthroughs.

In a jointly conducted survey by Arthur D. Little and Karlsruhe Institute of Technology, the results show that although many companies have not yet formulated a concise digital health strategy, industry executives expect that by 2020, digital health will enable pharmaceutical companies to activate new business segments as well as to significantly improve their competitive advantage. Within the context of the survey, digital health represents the convergence of digital technologies (especially information and communication technologies and data analytics) with elements and decision-making structures of the traditional care value chain. The study results indicate that by 2020 the business model of the pharmaceutical industry will be reshaped by digital health:

- 84% of study participants consider it crucial to have a digital health strategy in 2020, compared with 13% who believe it is already crucial today;

- Whereas digital health programs are today still in an evaluation and piloting phase, 73% of participants are sure these programs will be implemented by 2020;

- 77% believe digital health will generate new business by 2020, and 94% believe it will either extend the existing value proposition (37%) or even invent a new value proposition for the pharmaceutical industry (57%); and

- Consequently, all participants believe digital health will have an important (27%) or even crucial impact (73%) for the competitive advantage of their pharmaceutical companies.

Over the next decade, these analysts believe that the transformation realized in the recent past will be even more dramatic, resulting from factors such as advances in genetic, cell, and tissue techniques; interventional medical technologies; neuro-engineering; intelligent prosthetics; and improved imaging technologies. They predict that digital health applications in integrated healthcare offerings and information and communication technologies, which can tap into the full potential of big data analytics, will transform the way healthcare is perceived.

According to a recent Accenture report, there are five digital trends that are significantly influencing the industry: the Internet of Me, or personalized healthcare; outcome economy, hardware producing health results; the platform revolution which is defining ecosystems; intelligence enterprise, a data explosion; and a re-imagined workforce, the collaboration at the intersection of humans and healthcare.

Digital is, and will continue transforming the healthcare industry and we look forward to following the revolution.



Denise Myshko is the Managing Editor of PharmaVOICE. She has over 15 years of experience in the pharmaceutical industry, with a focus on digital health and patient engagement. She is currently working on a project to improve the patient experience through digital health technologies.

Their word...



DENISE MYSHKO
Managing Editor

The human microbiome has a much larger impact on our health than we realize.



ROBIN ROBINSON
Senior Editor

The industry has begun to digitize parts of its organizational functions, but within a few years, it could be forced to transform these into completely digital-enabled enterprises.



KIM RIBBINK
Features Editor

Despite economic challenges there is general optimism about growth prospects for Russia's pharmaceutical industry.

April 2016 Special Issue: Celebrating Innovation

- ▶ Innovation Incubators and Hubs
- ▶ Business Models
- ▶ Investment and Funding
- ▶ Drug Discovery
- ▶ R&D
- ▶ Data management
- ▶ Technologies
- ▶ Showcases: Market Research and Talent Optimization

Taren Grom
Editor