



# Solving the Reputation Challenge

Tackling the industry's reputation with the general public has been — and will continue to be — a top priority for pharmaceutical and biotechnology companies for many years.

There is no denying that the pharmaceutical industry has a problem. The industry continues to field questions about its pricing, off-label prescribing, and salesforce practices. These forces culminated this fall when Turing CEO Martin Shkreli — dubbed the most hated man in America at the time — raised the price of his company's antiparasitic therapy by 5,000%.

Up until this point, the industry had been making strides in repairing its reputation. In a survey released in February 2015 of 1,150 patient groups in 58 countries polled by PatientView, 39% said the global pharmaceutical industry had an excellent/good reputation, a 10% increase from 2013. And in a 2015 survey by public relations firm Edelman, 61% of respondents said they would be inclined to trust a pharmaceutical company, up from 53% in 2009.

In the United States, the industry continues to have some work to do. According to a survey released in August 2015 of U.S. patient groups by PatientView, not one of the 76 U.S.-based patient groups responding to the study considers the pharma industry to have an excellent reputation. The key reason is the high prices that companies are now seeking

to charge for their innovative new products — particularly for cancer drugs and hepatitis treatments. The report finds very real fears among patient groups, noting that the people who need these life-saving new drugs will be denied access to them.

The survey also reveals that many more U.S. patient groups than their counterparts in Europe and globally believe that pharma companies should be doing much more to ensure that their pricing policies are fair. When asked by PatientView what single action pharma companies should take to improve their corporate reputation, as many as 30% of the U.S. groups cite this as the top priority, compared with 16% of patient groups globally and just 13.9% of those in Europe.

U.S. patient groups rate the multinational pharmaceutical industry's corporate reputation as second-lowest out of eight healthcare industries, higher only than for-profit health insurers, PatientView finds. Additionally, a majority — 55.4% — of U.S. patient groups believe that the pharmaceutical industry's corporate reputation has gotten worse over the past five years.

Karine Kleinhaus, M.D., divisional VP, North America, at Pluristem Therapeutics, says with the recent challenges regarding pricing, companies need to refrain from being defensive.

"It is important to understand the public's concerns and to respect these, but it's also important to explain that as a whole the pharmaceutical industry is not represented by the negative cases that recently have been receiving media attention," she says. "There are startling figures about how few of the

therapies that enter Phase I trials actually make it to market. And despite the extremely low chances of success, the years dedicated, and financial risks taken by company founders and management, these individuals continue to reach for successful therapies for patients."

Mark Timney, CEO of Purdue Pharma, says the industry's slow and risky product development cycles can make it hard for the casual observer to see the link between pricing and innovation.

One way companies can improve their reputation is to stay out of the news by ensuring they comply with regulations.

**MANISH SOOD**  
Reltio



## FAST FACT

IN A 2015 SURVEY,  
61% OF RESPONDENTS  
SAID THEY WOULD BE INCLINED TO  
TRUST A PHARMACEUTICAL COMPANY,  
UP FROM 53% IN 2009.



Source: Edelman

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Companies have to go beyond traditional PR approaches, with an emphasis on two-way dialogue. Doing this demonstrates a willingness to participate in the public debate more actively than they have in the past.

**TINA FASCETTI**  
Guidemark

“Continued education must remain an essential part of our public discussion,” he says. “But even more important is our focus on the very real value that we create for our patients and society. For all the challenges that our industry faces, products that truly add value to the healthcare system — and companies that transparently communicate that value — are still amply rewarded by the marketplace.”

Andrew Butcher, a consultant in life sciences practice at Charles River Associates, says securing stakeholder buy-in to high-cost new therapies is critical to managing the industry’s reputation.

“The growing numbers of new, effective, and high-priced therapies bring a new focus on the industry’s approach to pricing, with reputation consequences that spread beyond the companies directly involved,” he says. “There has been a tangible shift in control toward payers, leaving clinicians less empowered to base prescribing decisions around medical benefit to patients. To preempt emotive and apparently contradictory restrictions on therapies evaluated to be cost-effective by review bodies such as NICE in the United Kingdom, pharmaceutical and biotechnology companies must act early in the development process to



Companies have taken care of their product and company reputations, but left the integrity of our industry for others to manage. Everyone has suffered because of this.

**NANCY FINIGAN**  
GA Communication

anticipate and manage the likely reaction to high costs from multiple stakeholders — patients, payers, clinicians, and regulators.”

Mr. Butcher says companies have to initiate and take control of the dialogue with all relevant stakeholders, communicate cost-benefit arguments with reference to realistic patient numbers, and be creative with payment mechanisms to help alleviate the challenge for payers.

“Above all, company officials need to focus their arguments around patients, clinical benefits, and long-term value,” he says. “It is no longer good enough to set prices unilaterally and expect the system to understand the rationale and say yes.”

### Improving the Industry’s Reputation

Experts say the pharmaceutical industry has to demonstrate that it truly cares about patients. The industry’s companies must create true partnerships with patient advocacy groups and other third parties and demonstrate that they are a willing partner rather than an isolated business that is only focused on profits. This, experts say, will be critical as price becomes an increasingly difficult issue to manage publicly.

Dr. Kleinhaus says companies need to communicate regularly and clearly about their progress, and be available for questions in a controlled and effective way.

“It is important to give detailed and accurate guidance about company progress and expectations, and not to get carried away,” she says. “If a company faces a challenge to its reputation then management must proactively

craft an honest message that they consistently communicate to be sure that the public hears what they plan to do to address an issue and progress beyond it. Media outreach is critical so that the public can appreciate transparency and the validity of plans to overcome a challenge.”

Mr. Timney says the answer is to do the right thing for patients and society, and acknowledge that a positive reputation builds slowly.

“I ask my teams to keep their focus on the real value that we create for our patients and society, trusting that reputation will follow in due course,” Mr. Timney says. “As the leader in pain management, we have great experience with reputational considerations. But the

### Most Reputable Companies in Healthcare

1. Shire
2. Sanofi
3. Bayer
4. Boehringer Ingelheim
5. Mediatech
6. BD
7. Perrigo
8. AbbVie
9. Roche
10. Boston Scientific

Source: Reputation Institute



Disease-state education and advocacy support present opportunities to bring a positive corporate image forward.

**ADAM GELLING**  
Giant Creative Strategy



It is important to understand the public's concern regarding pricing and to respect it, but it is also important to explain that the industry as a whole is not represented by the negative cases that have been receiving media attention.

**DR. KARINE KLEINHAUS**  
Pluristem Therapeutics

products in our category have the potential to do harm when used inappropriately or are in the wrong hands. This is a fundamental societal tension.”

Experts say companies can improve their reputation with the general public by solving for the absence of a consumer voice. The industry is great at talking R&D, M&A, and product launches, which is typically not relevant to the general public. The absence of this consumer voice leaves it to the general public to fill in the blanks.

Industry experts advise that it is important to be transparent. Tina Fascetti, chief creative officer at Guidemark, says companies need to have a rich understanding of consumers and need to focus on the actions that matter most to them.

“This may call for an exaggerated degree of transparency about corporate priorities or operations,” she says. “They must also try to influence stakeholders through techniques that go beyond traditional public relations approaches, with an emphasis on two-way dialogues. Doing this demonstrates a willingness to participate in the public debate more actively than companies have in the past.”

Ms. Fascetti says companies have to get out in front regarding why any business decisions are being made.

“It is easy to criticize what is being done, but if companies proactively communicate

why they are doing the things they're doing, it could actually work in their favor,” she says. “If companies can't be proactive, explaining the what and the why is still better than saying nothing at all. To turn the conversation around, they need to communicate the details of innovation. For example, if there is a drug that is difficult for patients to take and remain compliant it's important to communicate how the price increase is connected to a compliance program for patients or services for caregivers. Promoting these types of product enhancements proactively could avoid questions to begin with. Or, if there is an innovative way for sales reps to get healthcare professionals more actively involved in a detail or even make them part of creating the materials, companies need to share this information.”

Ms. Fascetti says action — not evasion — builds strong reputations.

“Companies need to be brave enough to take action by engaging with audiences in a meaningful way where they live and breathe, and give them an outlet to have a voice, ask questions, and get answers,” she says. “Companies also need to enhance their listening skills so that they are not only aware of emerging issues but also make an effort to gain a deep understanding of the motivations of critical stakeholders. This will take additional time, cost, and effort, but the stakes demand it. Most importantly, there needs to be a commitment from senior leadership, including CEOs, who should view this as an opportunity in today's charged environment to differentiate their companies by demonstrating true transparency and humility.”

### Five Key Factors for Global Pricing Excellence

1. Create a global organizational strategy across regions, countries, and function.
2. Adopt sophisticated tools that are adaptable to market for planning, reporting, and decision-making.
3. Have access to trusted and reliable information in a centralized location.
4. Understand competitors' strengths and past behaviors in markets.
5. Define clear roles and responsibilities with processes and governance focusing on pricing policy and out of policy protocols.

Source: Model N and HighPoint Solutions



## Strengthening the Healthcare Industry's Brand

In times of increasing scrutiny on the healthcare industry from the media and politicians, particularly in terms of spending and marketing practices, ensuring a positive brand identity is more important than ever, says Jennifer Gallo, VP of Tonic Life Communications.

"While traditional media remains a vital component of corporate visibility efforts, gone are the days when an advertisement or news article served as the sole purveyor of a company's message," she says. "Today, these messages are delivered with something as simple as a tweet. Social media allows large corporations to engage with individual patients, doctors, and industry partners quicker and easier than ever before. With this shift, however, it is important to change the way we think about communicating with these stakeholders, striving for authenticity and including the broader community in the conversation."

Ms. Gallo says rather than "speaking" only when it serves their specific needs, whether that may be a new product launch or in a crisis, companies can and should pursue a two-way conversation with those they are trying to reach.



Companies can and should pursue a two-way conversation with those they are trying to reach. Social media provides excellent opportunities to do just this.

**JENNIFER GALLO**  
Tonic Life Communications

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“Social media provides excellent opportunities to do just this, offering a platform for the industry to dissect the latest research trends with those outside of their own labs, find out what patients truly think about their disease and treatments, and share not just the work that they are doing but the culture behind it with the world,” Ms. Gallo says. “This allows the public to build a more three-dimensional understanding of what may have once seemed a faceless corporation, potentially correcting wrong impressions, and engendering trust and excitement for pharmaceutical and biotech companies that take advantage of such strategies.”

Mr. Timney says authenticity is the key to an effective social media presence for a company.

“Transparent communication of well-supported information will always be evaluated on its own merits,” he says. “Our social media team focuses on identifying those discussions that can benefit from a timely, appropriate, and fully transparent pointer to the facts.”

Manufacturers could benefit from surveying patients to better understand their communication and health information preferences, thereby better directing the flow and exchange of knowledge, says Patrick Lindsay, president of United BioSource Corp.

“This effort can have a ripple effect not only enhancing the user experience, but also spurring brand loyalty because at the fundamental human level, everybody wants to know they are listened to and cared about, especially the most vulnerable people among us — patients and their caregivers,” he says.

Adam Gelling, principal and chief strategic officer at Giant Creative Strategy, says there is an emerging focus toward corporate self-promotion in the face of social media commentary, and it starts with consistent alignment of Web properties and support services under a fixed construct across brands to build corporate equity.

“Disease-state education and advocacy support also present opportunities to bring a positive corporate image forward, and these efforts are being increasingly leveraged as ingredient brands within corporate communications,” he says. “Actively engaging the social media space, especially with video assets that showcase corporate goodwill and commitments, can now demonstrate significant ROI through innovative analytic models that extend beyond nebulous corporate image surveys.”

Nancy Finigan, president of GA Communication Group, says at the core of what customers want from their brands is integrity.

“Whatever you promise, do it,” she says. “Whoever you are, live it. Why you matter, show it. When you make a mistake, own it.



The industry’s slow and risky product development cycles can make it hard for the casual observer to see the link between pricing and innovation.

**MARK TIMNEY**  
Purdue Pharma

This philosophy of brand integrity applies to products, services, companies, and the industry at large.”

Ms. Finigan says as the industry professes to become more patient-focused, companies need to be mindful that the patient experience extends to organizations as well as brands and can elevate or tarnish the reputations of both.

“Corporate brand teams and product brand teams must work closely together to ensure that there is a holistic approach to the patient experience,” she says. “Anything less leaves both brands vulnerable. There’s no better example of this than the reputation of the pharmaceutical industry itself. Companies have taken care of their product and company reputations, but left the integrity of our industry for others to manage. Everyone has suffered because of this.”

Mr. Lindsay says the industry needs to do more to recognize unsung heroes who are working to improve and save lives.

“It starts with us, coming together, beginning to share that message,” he says. “Pharma and biotech companies are in the business to help patients, but at times, it appears the human connection is lost. Companies could do a better job of giving the public a deeper understanding of the development process and helping consumers get to know more about a company’s mission and culture.



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**ANDREW BUTCHER**  
Charles River Associates

“Most of us can credit a therapy or medication to improving, even saving, the lives of family, friends, loved ones and maybe our own lives,” Mr. Lindsay continues. “Typically, gratitude is directed toward doctors, nurses, and other healthcare staff. That’s important. But we need to put more of a face and a story to the people behind our industry who develop medications and ensure they’re safe and effective.”

Manish Sood, CEO of Reltio, says one way companies can improve their reputation is to stay out of the news by ensuring they comply with regulations.

“One way they can do this is to put in place security and audit capabilities to ensure that sensitive data are handled in a compliant manner,” he says. “A single platform that manages distribution of content and ensures that all corporate communications meet regulatory guidelines, while adhering to customer preferences must be in place. Having a strong foundation that can bring together all the data sources needed to meet governance and transparency imperatives, such as CMS open payments reporting, or corporate integrity agreement enforcement ultimately will reduce fines and keep companies out of the news.” **PV**

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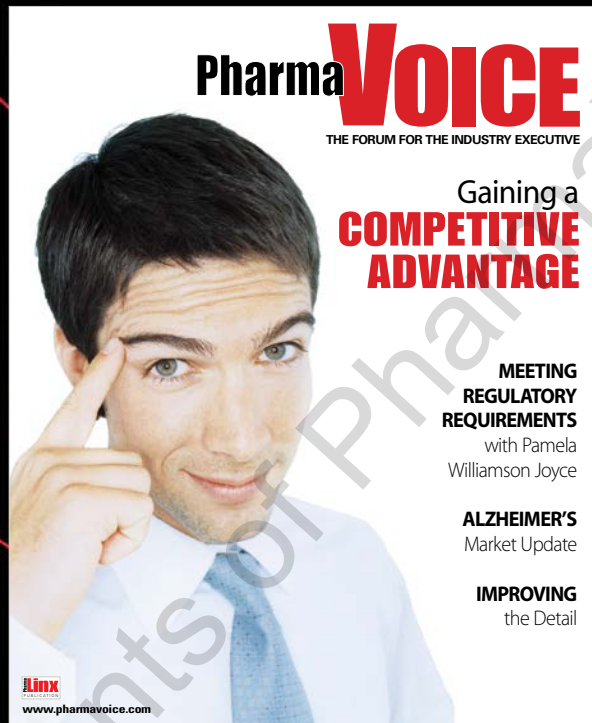
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# WORKING WITH *Patient Advocacy* Groups

As patients and caregivers are confronted with a dramatically changing healthcare landscape, American patient advocacy organizations are evolving the work they do for these communities.

In the face of growing patient-centricity, advocacy groups would like to see their relationships with pharmaceutical companies change to keep pace, according to a report released in June by inVentiv Health Public Relations Group.

Several patient groups interviewed acknowledged the need for greater collaboration and coordination among competing advocacy organizations. They suggested that pharma companies could encourage this trend, for example, by giving preference on funding decisions to organizations that collaborate.

Advocacy groups also noted that changes in insurance plan benefits, including narrower physician networks, have impeded patient access to specialists. Individuals struggling with cancer or other grave illnesses often don't understand how these changes will affect their care. The narrowing of networks is of concern to patients and pharmaceutical companies and is an issue on which they could partner to find solutions.

The motivations of patient advocacy

groups are altruistic by nature, says Tina Fascetti, chief creative officer at Guidemark.

"Pharmaceutical and biotech companies can partner with them to offer services beyond the pill or device," she says. "It really has become cost of entry today. The best way to execute flawlessly is by gaining a deeper understanding of the underlying motivations and behavior patterns of patients, sharing those insights with advocacy groups and collaborating with them to ideate about building programs, tools, learning programs, and concierge services that will engage patients in ways that demonstrate that you 'get them' and their world."

Karine Kleinhaus, M.D., divisional VP, North America, at Pluristem Therapeutics, says it is important to reach out to relevant groups early on when beginning work on an indication.

"Hearing advocate priorities and learning from their expertise from the general public's perceptive can be helpful as one plans a clinical development program," she says. "Patient concerns and challenges can, in some cases, inform protocols and priorities. As important, if an advocacy group understands that the company is committed to their cause, and can potentially help patients, they can support your company in the space, and even help with identifying appropriate PIs and patient recruitment networks for upcoming trials. Investment of time and attention to an advocacy group is valuable."

Mark Timney, CEO of Purdue Pharma, says in the public sphere, patient advocacy groups are the most important and credible reminder that our products are needed and valued.

"We listen to the needs of our


## How the Pharmaceutical Industry Can Better Serve Patient Groups

1. Improve transparency and authenticity
2. Seek input in the design and execution of clinical trials.
3. Involve patient groups in awareness and education campaigns
4. Provide follow up when meetings are convened to the group's counsel
5. Use request for proposal/grant giving process to reward collaboration among patient groups, not competition.

Source: inVentiv Health Public Relations Group

patients and respond with innovation to reach a common ground," he says. "We know that our ability to find common cause with advocacy groups is only as strong as our ability to actually meet the needs of the patients who they represent. So it all comes back to our focus on innovating to better meet the needs of patients and society."

Patient advocacy groups are very influential in rare disease states, says Jennifer Fillman, VP and general manager at Cardinal Health Specialty Solutions.

"Companies can work with them during the clinical trial process to bring focus to the disease area and the treatment options," she says. "These groups can also help identify KOLs and become a powerful voice to the company. In addition, advocacy groups can work in conjunction with Hub services providers to administer co-pay assistance and other support services for the complex needs of rare disease patients and their caregivers." 

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