

5 Insights for executives



Of special interest to
Chief financial officers
Chief diversity officers
Chief scientific officers
Chief innovation officers
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The power of collective intent

Collaborative care networks can help health care organizations thrive in today's challenging landscape

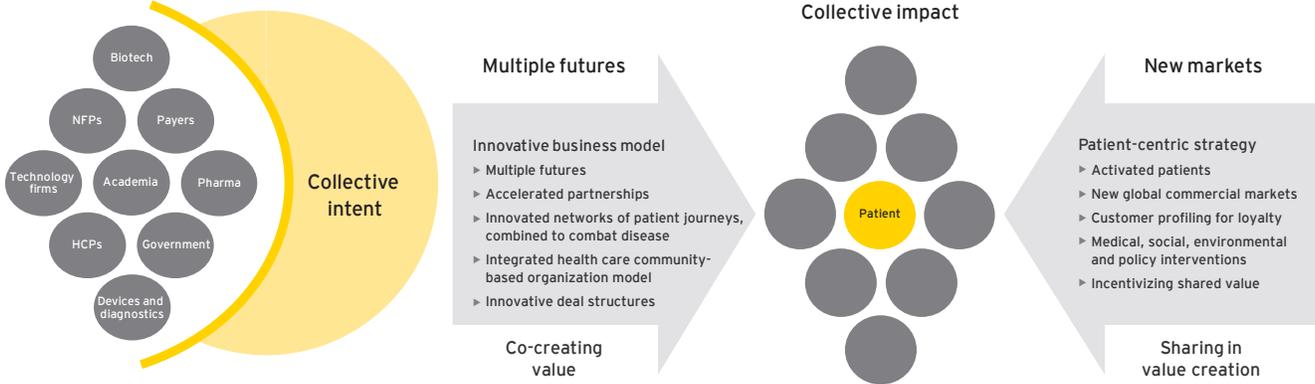
Terry gathered her thoughts as she prepared to address the board of Big Pharmaceutical Corp. She was about to ask it to back her plan to transform the way Big runs its business. The plan would double revenues beyond current projections while reducing the cost of disease by 50%.

For years, Big and its competitors had relied on the development, manufacturing and marketing of blockbuster drugs. The brand was the center of attention. But that was no longer the path to sustainable growth in the new health care landscape. To survive and thrive, Big needed to get involved – even immersed – in the delivery of patient outcomes. It needed to focus on creating relationships with patients for life.

That would require fundamental changes to its business model and approach. It would require Big to embrace collaboration and partnership – with payers, with providers and with the patients themselves.

Terry had been talking with her peers at other organizations that were involved in health care. Paul, who worked with Large Payer, had reported a similar seismic shift in his company's business model. So had Rita at Large Provider, Joe at Large Pharmacy and Mark at Big Data. There were many players in the health care arena, but none of them owned patient outcomes. The opportunity was there for the taking – for companies that were willing to work together to innovate.

In a collective intent network, many participants co-create value and then share in the value of the results



Terry wanted to establish a collaborative care network fueled by collective intent. Such a network would be able to develop multiple strategies to create new scale by “owning” the disease, knowing the patient and affecting the outcome by combining innovative networks of patient journeys.

She knew Big needed to join with other players in the health care field in building such a collective-intent care network. She had faith in the board’s experience and acumen. She knew she would get its support.

The doors to the boardroom opened. It was time.

1

What’s the issue?

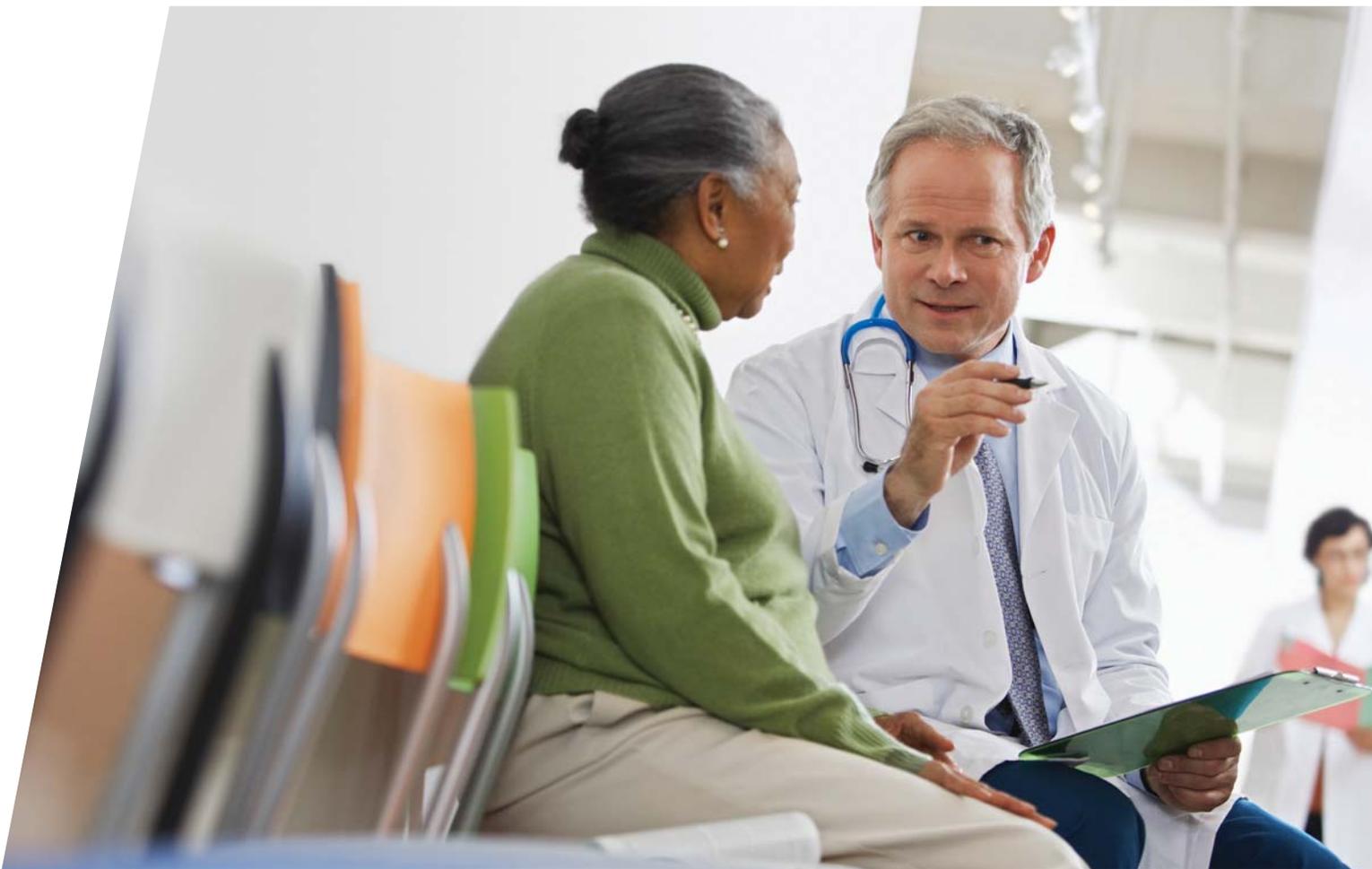
In a rapidly changing health care landscape, key players in the ecosystem have shifted their focus to improved health outcomes for patients and improved financial performance for health care delivery. To remain relevant in today’s marketplace, leading life sciences companies are moving toward a collaborative, disease-focused, patient-centric approach and broadening their value proposition to encompass the delivery of services beyond the pill.

As part of this evolution, health care companies must develop a much more comprehensive understanding of patient behaviors, preferences and experience expectations, ideally through developing a lifelong relationship with the patient. The ultimate goals are to influence health outcomes, address unmet needs and protect the company’s brand equity with customers.

2

Why now?

Legacy business models that keep the patient at arm's length will not fare well in the new outcomes-driven environment. Patients, empowered by consumer-directed health plans, social media and exchanges, are making decisions about their care like never before, exerting an unprecedented impact on reputation and branding. Together, the long-term trend toward patient-centric care and near-term attrition in the product development pipeline require companies to revisit their approach to innovation. Complicating this imperative are cost-cutting initiatives that have forced organizations to be much more selective about the bets they place and driven by the need for faster, more informed decision-making around their investments.



3

How does it affect you?

With payers exploring outcomes-based contracts where risk and reward are shared, and fewer drugs being made available on formularies, it's increasingly important for companies to engage patients and caregivers early in the drug development process. Life sciences organizations must fundamentally alter their approach to research, development and product launch in order to fully understand and address areas of unmet need. The development process must incorporate input from participants in every stage of the continuum of care, including the patient.

This ability to collaborate, consolidate, coordinate and create a consistent customer experience will offer stakeholders transparency into customer interactions across the networked ecosystem. It will accelerate insights on building the brand and customer loyalty. As the health care industry shifts from a business-to-business to a business-to-consumer model, segmentation strategies that focus on understanding customer motivation will become key building blocks.

For companies looking to defend their core business, collaboration helps protect against influence exerted by others in the delivery chain. And for those looking to lead, collaboration offers quantum leaps.

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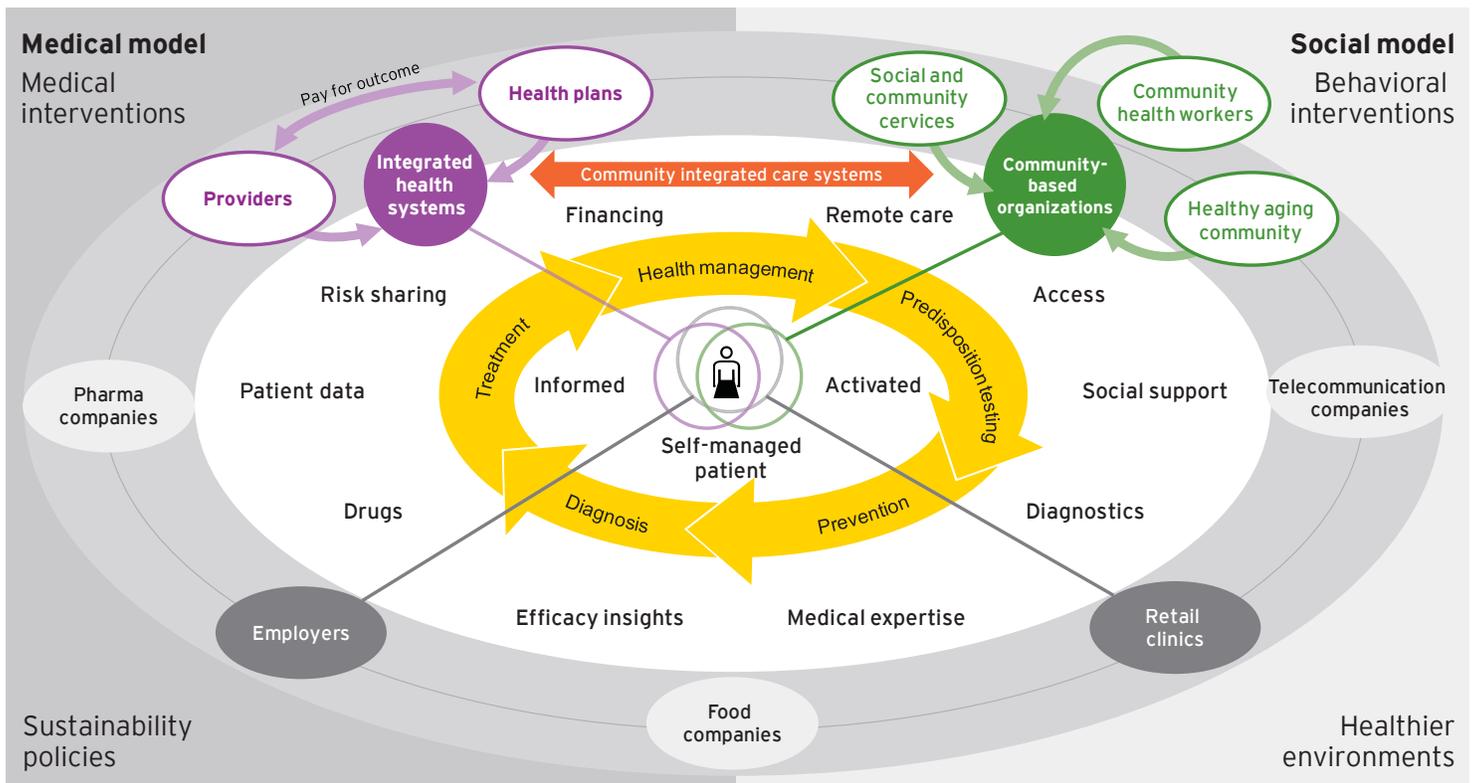
What's the fix?

Coordinating efforts across the health care ecosystem will require changes in the clinical, commercial and delivery space. The required fundamental transformation is based on three key tenets: developing a common sense of purpose, or "collective intent"; creating networks of trusted partners organized in disease networks, or "collective spaces"; and partnering with patients for life around "collective outcomes."

Building a collective intent care network designed to engage patients for life will require unprecedented collaboration among all players across the continuum of care. Organizations must work together to align their incentives and to co-create value during a process in which participants target a disease and focus on it until an effective approach is found. Additionally, effective data sharing and management, targeted use of innovative technologies and enablers, and the right organizational governance are keys to building successful networks and delivering desired outcomes.

Care networks are collective spaces where data and insights can be shared among health care providers, researchers/academic medical centers, contract research organizations, payers and life sciences companies. Platforms that enable the efficient analysis, transfer and use of this data and knowledge can advance collaboration, accelerate drug discovery and transform health care.

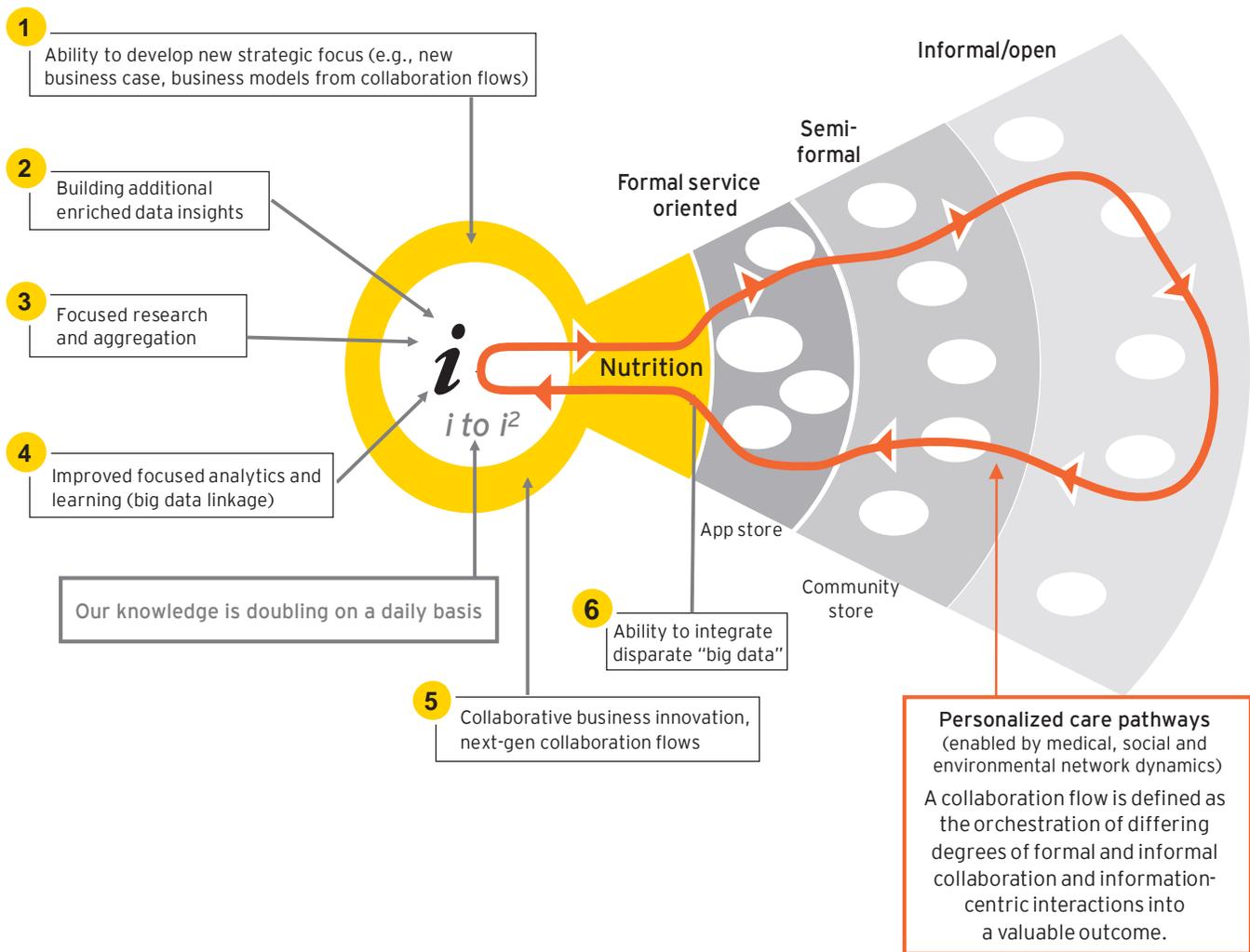
These networks will drive stakeholders to organize themselves around the patient and desired health care outcomes. A patient-centric, provider-supported primary care collaborative network offers a unique opportunity to engage patients in a participatory model. Patients would share their data and provide clinical samples throughout their lives. In turn, they would have access to personalized treatment plans and additional treatment options as they engage in clinical trials.



Collecting and leveraging the right data is key to building the network. The emergence of social media provides interactive platforms for building relationships with patients. And the proliferation of mobile devices offers a significant opportunity to connect with patients and collect data through apps; the day is coming when apps will be prescribed just as medications are.

The appropriate use of new technologies, including choosing and supporting the right social media platforms and apps, will be vital, as will the use of the right suite of powerful, predictive analytics and the right organizational governance. Collaboration and data sharing will require agreement on common standards and practices – and, in some leading networks, the construction of “collaboration hubs” to help drive and regulate the networks.

Collective intent supports multiple future strategies – stochastic social network*



* A stochastic social network refers to network dynamics models that can represent a wide variety of influences on the ecosystem, allowing stakeholders to pilot multiple future business models to increase the probability of capturing unrealized value.

5

What's the bottom line?

Forming patient-centric, primary care-led, collaborative disease networks will result in improved outcomes and market access for life sciences companies while addressing the unmet needs of patients. It will enable stakeholder mapping to build a value proposition for health technology assessment reviews; allow the use of real-time, real world data to identify market opportunities; and drive patient adherence.

It will also drive the development of elastic strategies to accommodate a range of futures, engage physicians and support practice transformation, and it will enable a learning health system. The end result, incorporating today's innovative cost containment and reimbursement models, will be new revenue models and increased market share for those organizations that drive improved health outcomes.

Want to learn more?

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Let's talk growth

Slow global economic recovery, changing consumer needs, shifting political landscapes and greater regulatory oversight continue to shape how organizations do business. In an increasingly complex environment, organizations are looking for new ways to increase revenue, boost margins and drive profitable growth.

Growth can come by exploring new markets or through acquisition. For many leading organizations, however, growth comes from within. They embrace innovation as a catalyst for change. By redesigning business models, using emerging technologies, improving the effectiveness of business processes and focusing more effort on the consumer, organizations can accelerate their performance in today's fast-paced, highly competitive business world.

