

Achieving Operational Marketing Excellence in a Regulated Industry For Maximum Growth and Return on Investment



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Every year, businesses spend millions of dollars to get their marketing endeavors right. While spending on marketing is an integral part of every business, there is a need to focus on getting operations right, too. Operational excellence involves striving for continuous improvement in all areas of the business -- people, process, and tech -- through disciplined, democratic problem-solving and deliberate action. To ensure growth occurs as planned, a proactive marketer invests in optimizing operations as part of all marketing initiatives.

Operational excellence results from inculcating and undertaking meaningful change management and often acts as the element that fuels growth and helps deliver excellent customer value. At its core, it's part of a business' culture -- educating and empowering people to make positive change.



If you aim high, you will achieve things that you never thought possible. And, if you trust people and allow them to aim high, they will achieve for you things that you wouldn't even dream.

-- Dr. Albert Bourla, Pfizer chairman and CEO

Heavy spending on marketing is barely bearing fruit for numerous organizations in the life science landscape, with growing competition, new and stringent regulations, and regular privacy updates, propelling organizations to rethink their costs and find ways to optimize. Heavy spending on marketing is barely bearing fruits of numerous organizations in the life science landscape. With growing competition, new and stringent regulations, and regular privacy updates, organizations are rethinking their costs and finding ways to optimize. While historically marketers were never too concerned about achieving operational excellence, these environmental pressures have pushed them to re-evaluate its worth and feasibility.

In previous decades, the Big-Pharma model of spending billions in development to uncover “blockbuster” technologies allowed pharma businesses to bypass careful analysis of their marketing operations and still make a lot of revenue. But with fewer blockbusters and more attention to niche product development, life science companies are looking to optimize their processes and lower their operating costs, strengthening the case for implementing and achieving operational excellence in marketing.

Also, given that marketing is often the meeting point between the company and its potential customers, brands gradually understand that optimizing it can help them streamline other processes such as sales, product marketing, and customer/technical service.

The use of new-age technology such as Real-World Evidence (RWE), Artificial Intelligence (AI) and Machine Learning (ML) has driven organizations to implement novel approaches to marketing. Moreover, the heightened focus and implementation of digital communications has led to a gradual evolution in modern customer behavior understanding. Life science and medical device companies are looking beyond customer experience and focusing on business experience — creating an efficient and effective customer journey that encompasses all the areas where the customer interacts with the company and builds loyalty in equal measure.

While exceptionally tech-savvy managers are finding it easy to shift, the more traditional marketers struggle to match their pace and find a place for themselves in modern work environments. The former is developing a toolbox of flexible end-to-end global marketing strategies that help them ride the changes with ease. The latter are taking their time to understand the nuances of the new customer behavior patterns and adapting to them gradually. This closer focus on operational excellence has brought forward at least two “customer” journeys – External customers & Internal customers. There are multiple facets involved in each of these journeys. Understanding and catering to them help life science companies create exceptional overall experiences and loyalty.

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An Accenture [report](#) conducted with over 1,550 executives had an exciting insight for marketers – companies that instilled best business experience practices were able to supercharge their profitability and garner 6x of what their peers could in the same period. It also provided interesting insights about the customers – they no longer compare two similarly positioned companies in the same sector but are focusing on cross-sector experiences.

THE ISSUES PLAGUING MARKETING IN THE LIFE SCIENCE SECTOR

The capabilities needed for today’s life science marketing departments has led to a plethora of issues that pose challenges. Some of the most prevalent of these are

- Shifts in customer expectations
- Ever-changing technology
- Silos in approach and communication

SHIFTS IN CUSTOMER EXPECTATIONS

A [study](#) by Gartner found that customer-centric companies grow twice as fast as non-customer-centric ones. While this means the customer is of paramount importance, the constant shifts in their taste and preference have made the job that much harder for marketers.

Add to that the pandemic-influenced rise in the growth of digital communication mediums. Today, [65% of customers](#) want to buy from businesses offering quick and seamless online transaction facilities. Moreover, [63% of customers](#) prefer socially responsible companies.

All of this has made life more challenging for marketers to maintain the efficiency levels of offline mediums for the life science sector. As a result, there is a need to utilize a wide range of channels to augment customer service and optimize internal operations. Feedback loops are becoming an important way to collect and utilize customer insight and experience in near real-time -- allowing continuous evolution to meet customers' needs.

The goal is to create a closed-loop approach to improve operations based on customer feedback. How do we take what we learned to make the business better? What do we need to change to create sustainable improvement?

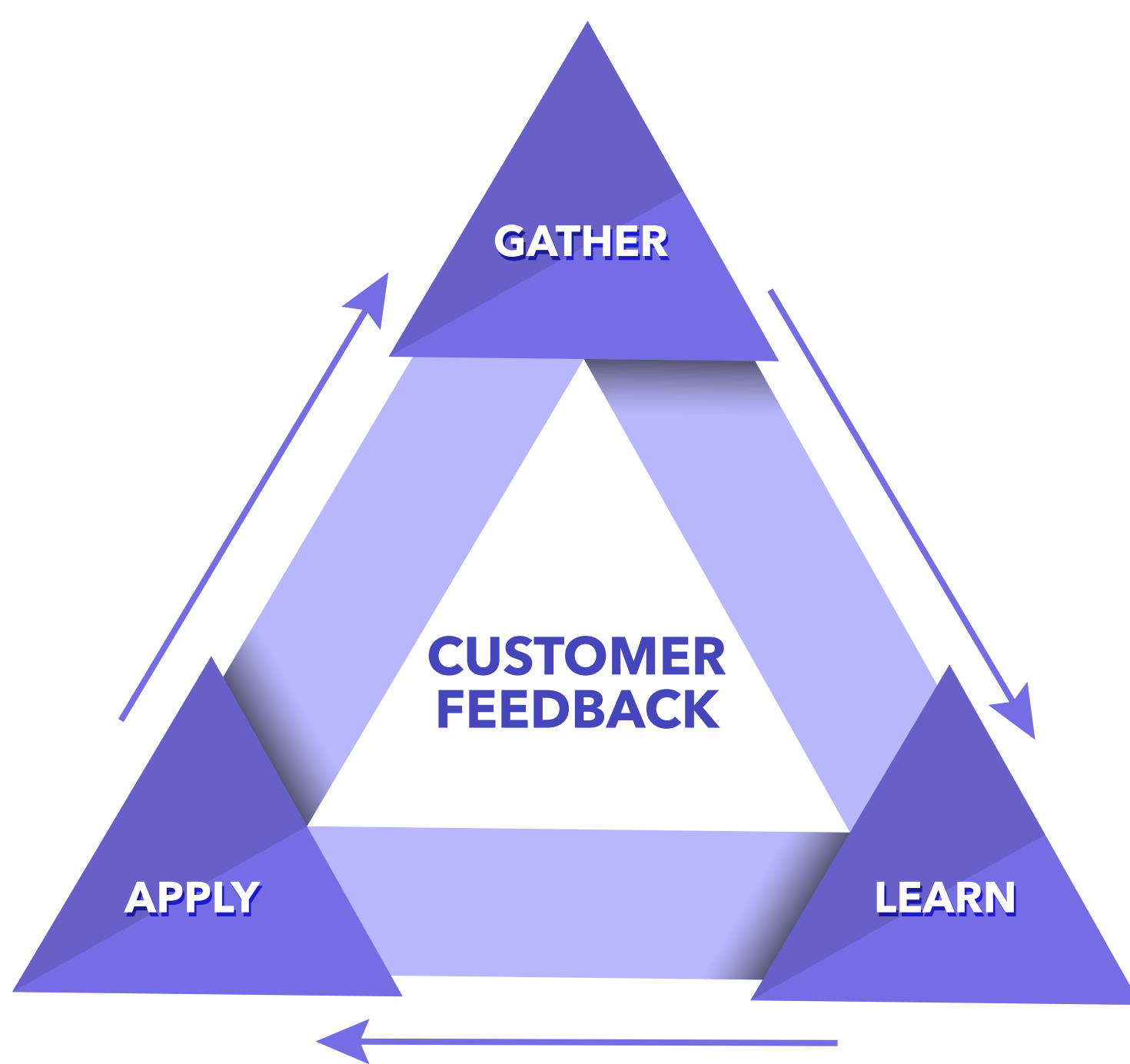


Figure 1: Customer Feedback Loop

When we incorporate customer feedback into business operations, it supports a continuous improvement culture. With continuous improvement, then, we strive to create remarkable experiences for both internal and external customers.

THE EVER-GROWING MARKETING TECHNOLOGY SPACE AND LACK OF SKILLS TO TACKLE THEM

There is no argument that technological adoption is at an all-time high. We are seeing several digital solutions getting released daily, and yet there is no stopping the influx. If we do some number crunching, there were around 150 marketing technology solutions in 2011. The number grew rapidly to reach [5000 in 2017](#). By the end of 2020, we had over [8000 MarTech](#) (marketing technology) offerings, a 60% growth in three years and a 13.6% uptick from 2019. Add to that, 615 MarTech solutions from 2019 were either defunct or merged, meaning the surge comes to 24.5% in just a year. But the companies have failed to match the growth, and most of us are playing a catch-up game.

In early 2020, the world was getting ready for the digital expansion phase and the arrival of COVID-19 quickly escalated it to the top priority for businesses. The shift happened whether companies had the data to support it or if they understood the resources needed. This led to companies quickly implementing new technology with workforces incapable of maximizing it. The result was technology implementations that gained only a portion of their expected Return of Marketing Investment (ROMI).

As per [TalentNeuron](#) survey, 53% of respondents cited the inability to identify needed skills as the primary factor behind companies lagging in workforce transformation. Additionally, 31% of those surveyed stated that they had no means to identify market-leading skills.

If entities want to solve workforce redundancy, they will have to undertake a dual focus while recruiting future talents: finding people with the requisite soft skills and hard skills, along with the ability to adapt and grow with the organizational atmosphere. To support this improved hiring and workforce development, standardized processes and data analysis will be needed to help companies effectively use their “mental horsepower”.

SILOED FUNCTIONAL GROUPS AND VENDOR ENGAGEMENT

There is not an iota of doubt in us when we say that cross-functional and diverse teams are the future of an efficient work culture. The pandemic has brought to light that businesses lacking flexibility and diversity in their workforce faced severe repercussions.

A [Forbes study](#) found that companies promoting collaboration in their staff were five times more likely to perform well. But employees continue to complain of workplace silos between departments, leading to unwanted constraints creeping in and ultimately affecting the organization's overall performance.

If you are finding it hard to pinpoint prevalent silos, you can verify if mid-to-senior level managers are unaware of initiatives undertaken by other groups. Another indication of organizational silos is departments feel underprepared for a project even after having sizable preparation time for a project.

These situations cropping up regularly can impact the overall performance and have a significant effect on the organization's profitability. While it can be challenging for a large organization to get rid of silos, management must promote transparent communication as a way forward. It helps everyone, irrespective of their position, to have first-hand information of what is going on and utmost clarity about their roles.

Today, with the presence of several online tools such as Slack, it has become easier for management to convey information across personnel. If properly used, these can help shrink silos preventing the organization from reaching its optimum potential. In addition, products like BambooHR are breaking down barriers by displaying your organizational structure in a clutter-free manner, allowing everyone to see how they and others fit into the big picture.

THE NEED FOR A MARKETING CENTER OF OPERATIONAL EXCELLENCE

There is a need to get the basics right and to enable an organization to better-utilize its marketing resources and bring about flexibility missing in its workforce.

This indicates the need for a marketing center of excellence, which will allow the workforce to embark on seamless communication and eliminate the gap existing across individuals and departments. In addition, it would also enable the marketing team to undertake innovative endeavors allowing them to rope in more leads effortlessly.

There are five pillars that shape any business' marketing center of operational excellence:

1. Capabilities
2. Skills
3. Scalability
4. Stability
5. Profitability

These pillars combine to create a conducive ecosystem that is agile, people-centric, augments collaboration, and helps businesses optimize their resources. Let us discuss each.



Figure 2 : Five Pillars of Marketing Operational Excellence

1. CAPABILITIES

The ability to sense and manage change, building a collaborative and agile environment for your workforce.

The capabilities and talent required for successful digital transformation and marketing operational excellence is deeply rooted in a change of mindset in organizations and their people. Life science companies get so focused on scaling technology or scaling databases that they forget about the change management aspect of the process needed to facilitate transformation. While the COVID-19 crisis certainly has accelerated the adoption of digital in the workplace, there are still many organizations that continue to be challenged and unsure of what to expect going forward and ensure operational best practices, regulatory compliance and governance are in place. Some of the barriers to scaling up marketing operations for the digital age include the way biotech and life science companies are built which are traditionally very siloed and working across functional areas can be challenging. There is also a degree of risk aversion at trying new things through the implementation of digital solutions, whether it's clinical trials, commercial launch or a discovery project.

Marketing is an ever-evolving endeavor that can be successfully executed only when you have the requisite capabilities. It involves the following –

1. Ability to sense market shifts and share information and learnings, including finding ways to continually generate, disseminate, and respond to changes.
2. A robust relational framework for acquiring and retaining valuable customers and undertaking cross-channel partnerships.
3. The architectural capabilities to seamlessly embark on change management periodically.

For any brand looking to achieve marketing operational excellence, it is imperative for it to understand the need to have a positive change management plan in place. It would enable effortless scaling and allow people to participate and contribute to the cause throughout the value chain. It also includes hiring the right people and software to help you indulge in change management without causing a negative impact.

Given that life science leaders are often risk averse, it can be more challenging to attain change management. Plus, we have often experienced capabilities-based bottlenecks that have hindered the growth of biotech firms. If these unwanted silos continue to exist, it can be impossible for brands to be innovative and find ways to deal with marketing challenges.

The biggest challenge with respect to capabilities has to be with regard to digital adoption. Many managers in this field are reluctant to embrace the vociferous technological shifts and have struggled to match its pace.

It has led to them being unsure of the best practices to implement and ways to thrive in an increased competition-based environment.

In contrast, we see a host of organizations open to change, finding ways to thrive and make a strong case for themselves. They have embarked on improved communication, primarily digital and touchless, and have helped customers find the right solutions.

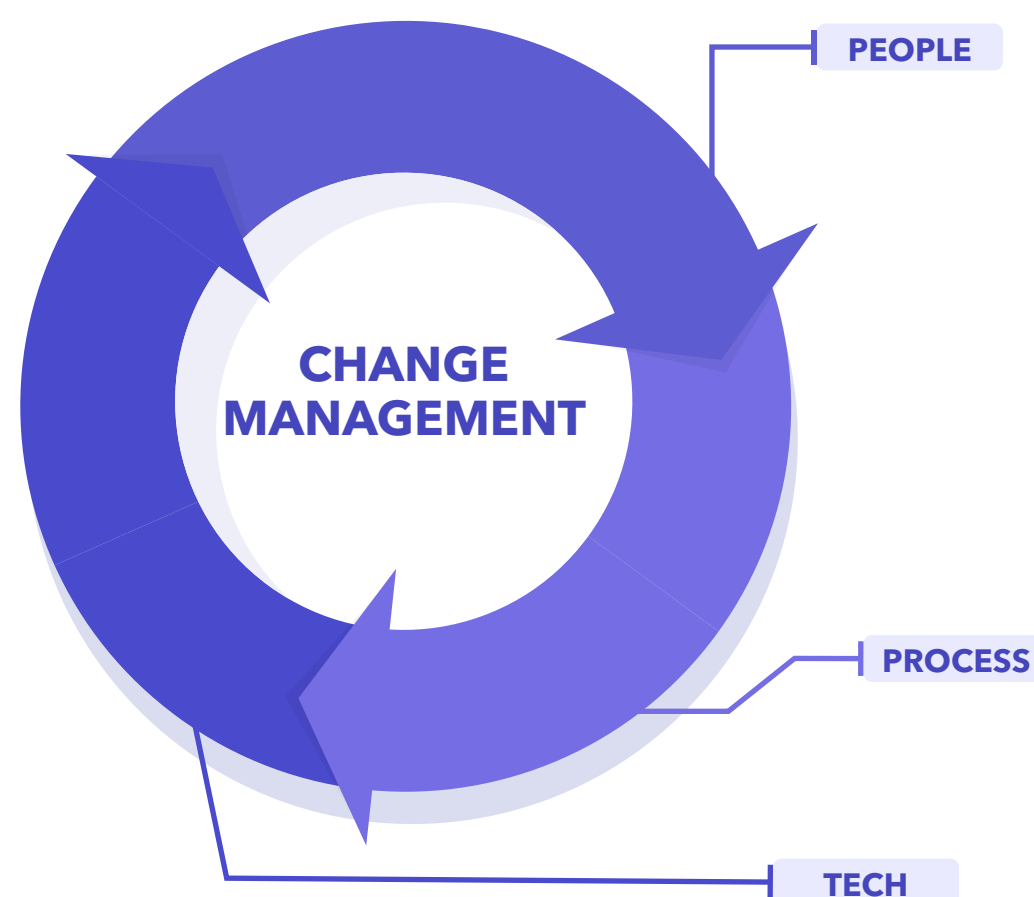


Figure 3 : Framework To Implement Change Management In Organizations

Below we list some elements that are essential to build a better organizational framework –

Developing a change culture

- Developing a template for adopting an agile marketing approach, including project-centric ethos for a variety of conditions
- Building a flexible team with the requisite skills required to ace change management
- Covering skill gaps by assessing the existing business goals and finding the right partners to fill the requirements
- Gathering feedback continually and figuring out shortcomings
- Automating repeatable functions

Change is the ultimate need for every business today. It is no different in the heavily regulated life science industry. With rapid scaling being the need of the hour, it is vital for companies to find the optimum balance. It is imperative to understand that the ad hoc approach is not the best way forward.

Instead, hiring with a long-term goal in mind would help businesses better cater to changes. Also, undertaking training that enables marketers to bridge the gap between business strategies, analytics, and technology would help eliminate the limitations and make the most of the available resources.

Getting rid of value chain silos

It is usual for life science firms to embark on vertical or horizontal integration to eliminate silos hindering their growth. However, while horizontal integration is more for supercharging your existing ecosystem by acquiring similar companies in the biotech sector, vertical integration is more about bringing versatility and embarking on complete leadership.

2. SKILLS

*In today's work environment,
it's not about success or failure,
it's about what you are learning.*



Figure 4 : Skills Needed To Reach The Modern-day Customer

In order to close the gap in customer experience through enhanced insights and customer interventions, marketing teams need to develop new skills of working and thinking like scientists. Therefore, it is imperative for the management to refine their skillsets and those of their teams to ensure a competitive advantage. Marketers must know how to define their business better and what needs to be done to create a sustainable ecosystem for the brand.

With market shifts and constant changes in customer preferences, brands must consistently hypothesize, test, analyze, and execute the improvement cycle. In addition, cascading communications by imbibing standardized and consistent messaging with internal and external customers is the way forward.

If marketers are looking for operational excellence, they should embrace scientific thinking and follow a problem-solving structure. It will allow marketers to allow testing ideas without worrying about the results as it is not about success or failure, it's about what you are learning.

In addition, there is a need to focus on the process and developing skills for themselves and forging meaningful relationships by augmenting data literacy, visualization and knowledge sharing.

- Collate data to understand current performance to find room for improvement.
- Measure customer experience and find ways to align it with business metrics.
- Link customer experience results to business measures and operational performance to understand its overall impact on business.

3. SCALABILITY

Utilizing MarTech to enhance Market Development activities to fuel current and future growth

Scalability is critical for businesses as it allows them to expand their options and enable seamless growth.



The only essential thing [for startups] is growth. Everything else we associate with startups follows from growth.

-- Paul Graham, co-founder, YCombinator

But in reality, it is not only startups that should focus on scalability as their prime function. Irrespective of where you stand in your life cycle, it is imperative for organizations to continually improve operations and functionality.

Scalability has manifold impacts on marketing function and business as a whole. While it helps companies profit, it allows marketers to access better resources for improved planning and execution.

The culmination of the right marketing strategy with tech investments helps create synergistic benefits and helps brands make data-driven decisions effortlessly. Coupling the data with key performance indicators (KPIs) for individuals and teams help you seamlessly appreciate the shifts and use the insights to improve quality and optimize the scalability function.

The year 2020 supercharged the growth of digital mediums and necessitated the need for making MarTech investments for brand growth. But using any tool won't do the job for your marketing endeavors. Therefore, it is imperative to manage the best tech stack that can drive results tailored for your specific goals.

With only [20% of marketers](#) having a strategy for optimizing their MarTech stack, it presents you an opportunity to be an early mover and make significant inroads. But for that, you will have to identify business goals, challenges, allocate a budget, research, and then test and learn. It will help you cut down costs and optimize your marketing as a whole and then build on to your expansion plans. Importantly, implementing change management capabilities allows your team to integrate new ways of working that provide long-lasting improvements.

In today's digital age, organizations need to move and move fast, create content that is channel agnostic, test, learn, and use insights of data to understand new opportunities and strategies. The new and agile way to decouple the creative process and the content production process. Essentially forming two hubs; one for content creation and one for producing content is to separate the creative from production and develop content factories.

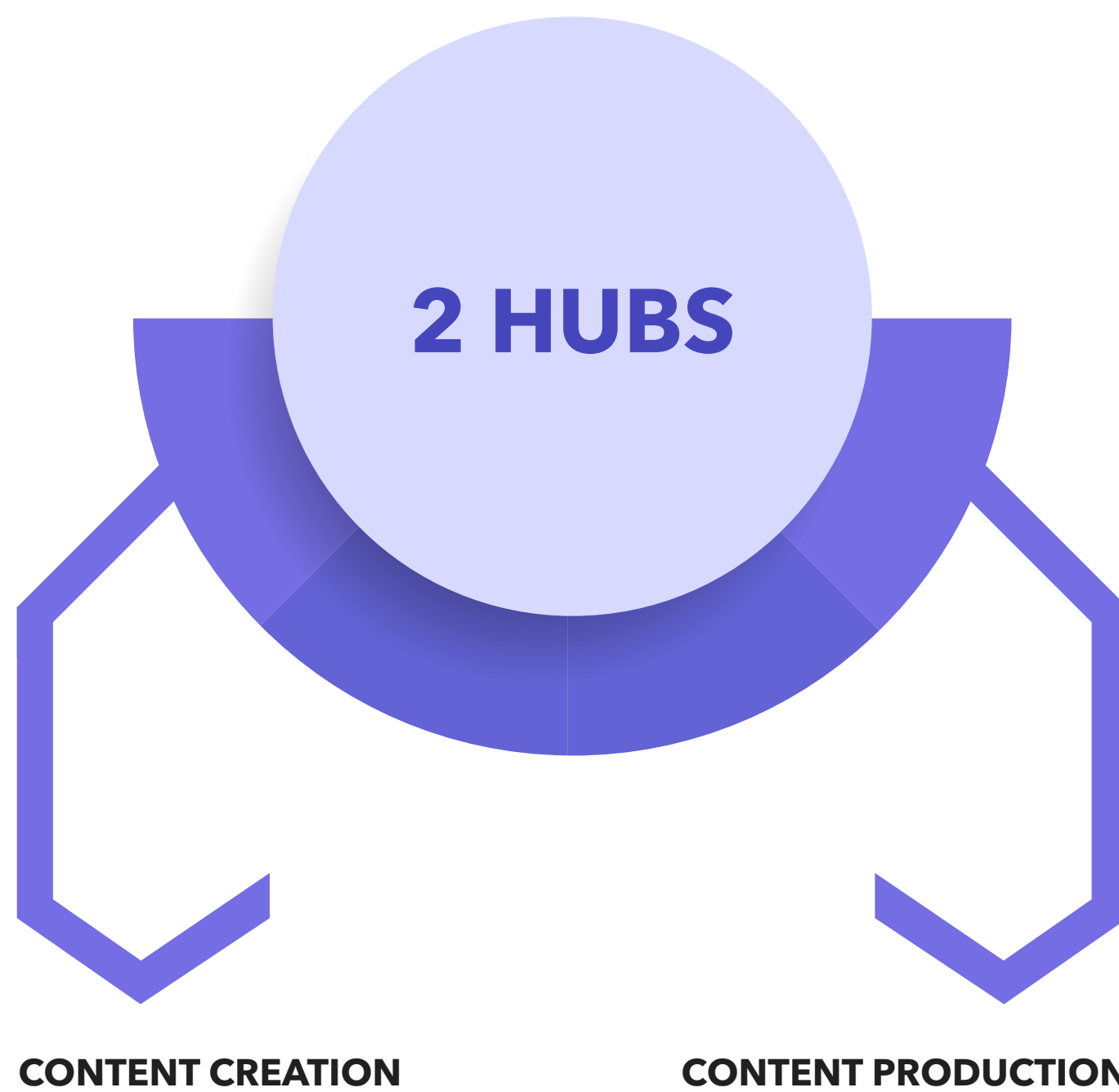


Figure 5 : Decoupling The Content Creation Process For Market Development

Decouple the content creation process and have two hubs; one for content creation and one for content production. This allows you to optimize on both sides and potentially outsource one or the other. Create modular, fragmented nuggets of content that can be easily consumed by your customers and leveraged across various channels to create exceptional customer experience.

4. STABILITY

Stable overall experience with meaningful collaborations and regional buy-in will enable product launch excellence

Creating Product Launch Excellence in your organization closes the gap between expectations and results. Elements of the agile methodology can be strategically adopted and applied to the process of launch planning. To ensure successful outcomes while avoiding the implementation of an entire new process for launch planning.

It is essential for regional team alignment, ensuring the roadmap, quality standards, benchmarks, and readiness processes are in place. Developing living documents, mobilizing launch strategy and facilitate informed decision making.

Monitoring progress of global, regional and affiliate activities against the roadmap- have stand-up monthly global readiness meetings to discuss objective quality standards (not just checking off boxes) and also use this as an opportunity to ask for help.

Stability is the backbone of every business endeavour. An organization cannot think of growth unless they understand their mission and vision well and embark on stable internal communication and strategic planning. Similarly, marketers can think of innovating when they have a sound setup.

As for businesses dealing internationally, there is a need to streamline communication across borders.

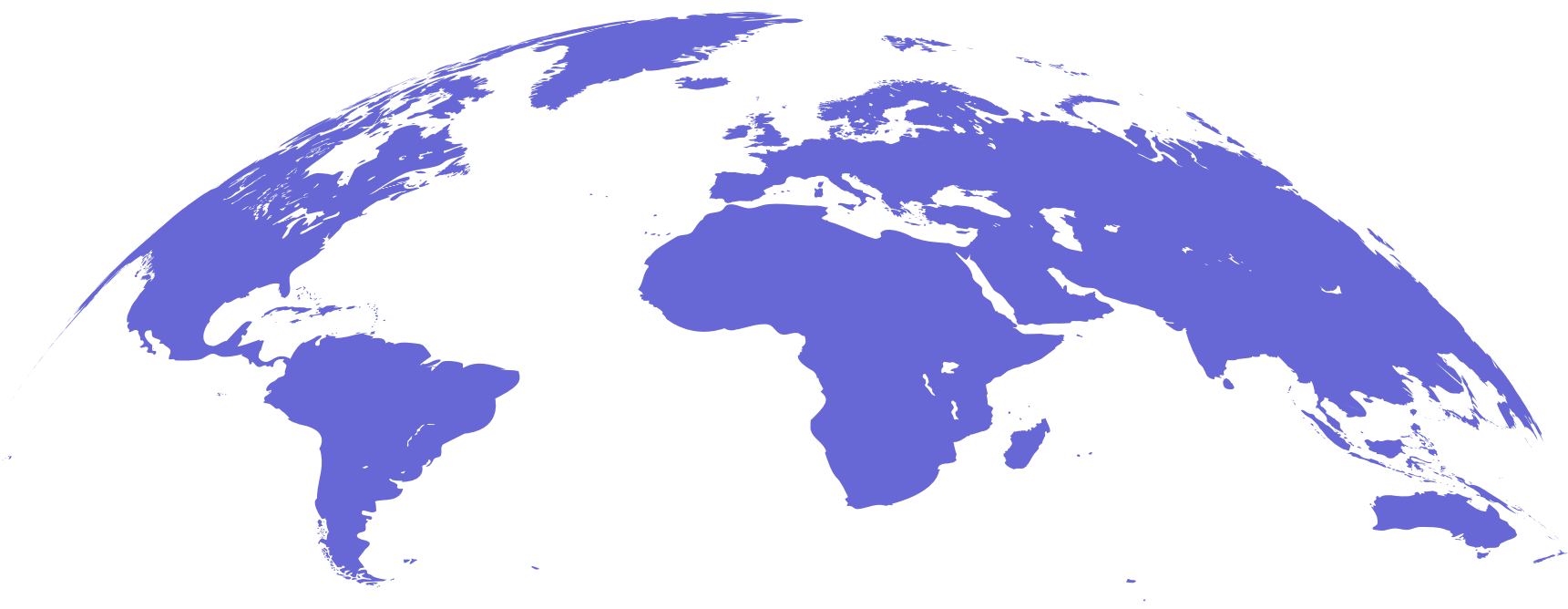


Figure 6 : Regional Alignment Ensures Stable Market Presence

01

Developing Regional Governance

With the increase of social media usage platforms and patient directed communications, recurrent updates on privacy policies it is of utmost importance that regional specific regulations, social media and influencer rules of engagement are adhered to. Systems need to be in place that are automated and regular in order to monitor the digital landscape for brand safety effectively and include, ADA compliance and Medical/Legal/Regulatory considerations.

02

Regional Team Alignment

Once you have the regional governance in place, the next step is to create a roadmap, quality standards, and flexible processes that would enable the marketing team to be in alignment with the company's overall objectives without disrupting brand integrity. Monitor progress of global, regional and affiliate activities against the roadmap and have stand-up monthly global readiness meetings to discuss objective quality standards (not just checking off boxes) and also use this as an opportunity to ask for help.

5. PROFITABILITY

Create the value that you ultimately receive by building confidence from your potential buyer and truly understand ROMI

In today's unpredictable markets, marketers are expected to do more with less. Therefore marketing spend management is essential to create impact on a budget. Yet a striking 76% of marketing leaders surveyed by Gartner, felt that they could not fully maximize the impact of their marketing when also striving for efficiency (ref). According to a Gartner survey, 72% of marketing executives say they don't really know their true ROI or the impact of trade-offs. True ROMI is not an easy metric to obtain because it's difficult to measure the incremental financial value of any particular marketing program. It's usually easy to understand what you are paying for but it's difficult to understand the financial return. In general, it's helpful to build a lean operating procedure, perform regular evaluation of how you work with external agencies, bring core capabilities in-house, cut down and maintain the tech stack and make better decisions with data driven insights.

Marketing spend management is essential to create impact. According to an article by [Harvard Business Review](#), one of the best ways to understand ROMI derives from its ability to reduce customer churn. Companies with returning customers help organizations gain brand trust and awareness in competitive markets. In the life science industry, the sales cycle is very long, an increase of Marketing Qualified Lead pipeline is also a good indicator of the success of your marketing programs. In this case, managers need to measure how much profit was retained that would have been lost without the marketing program. Marketing is so crucial for maintaining that lasting value and drives future profits. Include the customer lifetime value into your financials. Another trick is to ensure that you cut down on marketing technology tools. The goal is to get a number that is positive. Ideally your marketing programs affect your sales and profits but also strengthen brand equity and customer relationships. It's important to justify marketing spend and understand where you should spend moving forward.



Figure 7: Understand Return Of Marketing Investment

Any input comes with a cost, whether that be the cost of the technology or the staff time spent on the same activity; however, the output will be dramatically different. Knowing your options, the costs, and the expected returns will help to evaluate ROMI and the direction you need to go. Every business exists as it wants to generate profits. The pandemic proved that agile models could quickly switch and find a way to stay afloat irrespective of the situation. In difficult times, marketers also play a crucial role in helping businesses be profitable.

To gauge marketing and its impact, ROMI can help determine the value of any particular marketing program. However, irrespective of the situation, marketing needs to contribute to the financial return of a business.

But for that, marketing people will have to answer the following –

- What kind of data do we have, and what does it mean?
- What was the most effective money we spent this year?
- How do we spend effectively?

WRAP UP

There is a need to get the pillars right and ensure that they work in synergy to achieve marketing operating excellence. It allows organizations to be agile and follow a growth mindset without worrying about market situations. Given that biotech is a volatile affair, operational excellence in its marketing would help curb uncertainty and find ways to remain profitable during challenging times.