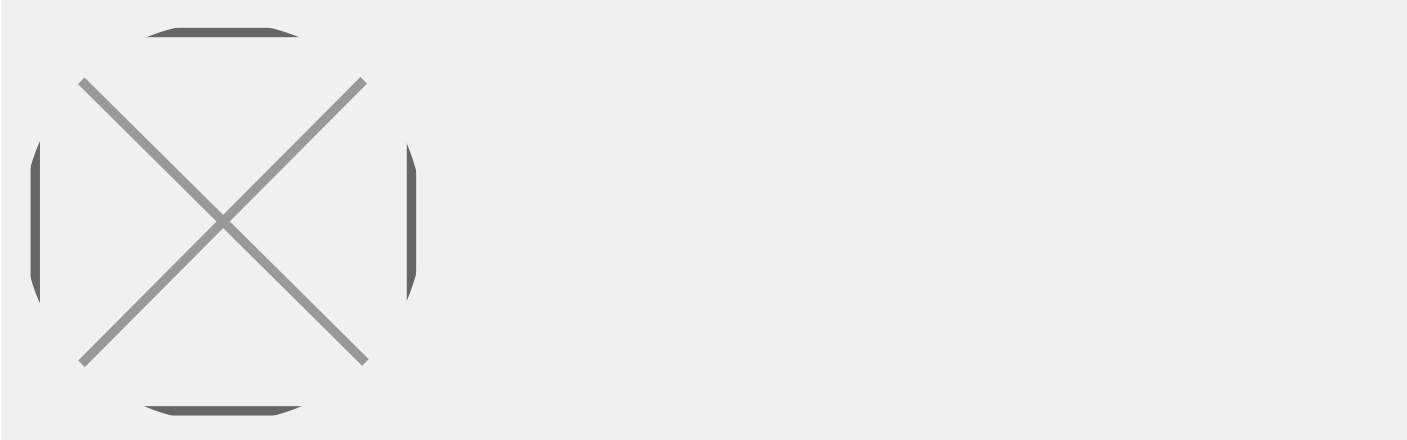
Interview with Elisabeth Beck, Managing Director, IMS Health Germany



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Could you give us a brief introduction to IMS' business model? What would you say are the main challenges encountered today in the German market for IMS?

IMS has been the partner of the pharmaceutical industry for over fifty years and has evolved alongside it. IMS today is the partner of choice of the heath care community, and is continually including new partners and customers. By being an exclusive partner to the pharmaceutical industry IMS has a worldwide franchise with a focus on market transparency in each individual market. In order to stay ahead of the changing market and customers, IMS evolved from being a pure data provider to offering customized solutions and consulting services. IMS works in close collaboration with customers, thanks to its ability to connect data combined with its expertise in the therapies, identifying potential opportunities and risks for customers and being able to solve these issues.

The main challenges in the market for all the main pharmaceutical stakeholders are the rate of change and the increased complexity of the market. Complexity is encountered in all areas ranging from research and development, production, supply chain management, sales and marketing without forgetting the regulatory frameworks. It is a challenge for every pharma company to adapt its business model.

How would you describe the German market today? What would you define as the specificities of the German market and do they represent a threat or opportunities for IMS?

Today pharma players are increasingly global and the national heritage of a company no longer influences the location of its operations. What does influence such a decision is the allocation of resources in order to optimize best conditions. Thus, if a market with established operations is changing in growth opportunities, companies will no doubt invest their money elsewhere.

Specifically to the Germany market, the present complex and overlapping regulatory frameworks are negative for investment in jobs.

Taking into account the mentioned specificities of the overall German Pharmaceutical Industry, what does IMS provide to its customers to make them successful in such a competitive industry?

When looking at the priorities of pharmaceutical companies in terms of their operations, three main points come to mind. First, they require successful product launches; the growth of companies is created through new products being launched in the market. Secondly, firms need to adapt to the changing environment in which they operate; this consists in establishing new commercial models for go-to markets. Thereby, it is crucial to prove “the value of the medicine”.

IMS is committed to helping companies prepare their product launch and assisting the actual execution process. IMS checked the evidence of prior successful launches, having analyzed over 4000, and is thus able to identify specific success factors. Being able to show evidence for these successes enables companies to trust IMS and helps adapt these techniques to their own launches.

As for the new commercial models of go-to markets, the past business model at IMS was mainly doctor-centered. Today the industry has to deal with new decision makers. Thus new criteria are crucial, as well as new decision points. According to these changes, it is crucial to readapt the sales and marketing organization as well as the entire structure of the business has to be re-though. But a new commercial model is thus portfolio specific and IMS helps its customers to quantify the resources required, to define the message and to measure the results.
IMS’ strength relies on the therapies and how to use the information in a decision making process. IMS is fully committed to its customers and involved in different projects like support in calculating reference price levels for drugs, modeling, realizing special statistics features, and writing the dossiers. IMS does this through the launch, establishing new commercial models and as an umbrella of it all by establishing the value of medicine.

What would you highlight as the main strengths of IMS’ portfolio? Are there new areas of focus in sight for IMS?

It is impossible to sum up all the highlights into a single achievement. For IMS it is the combination of all its activities into a sole portfolio. This means capabilities in data handling and methodology,

expertise in analytics and consulting services. The strength is the combination of data and our consulting expertise. In terms of achievements, it must be said that the three areas of launch, the new commercial model and the value of medicine represent key aspects giving us competitive benefits.

Moreover, it is increasing the number of business process outsourcing. Today, companies are under pressure to manage costs, but this does not mean that the same amount of work is no longer required. IMS helps them cope with this situation by outsourcing some market research processes or establishing dashboards. This in turn represents an opportunity IMS as well as the customer.

What about new cooperations and specifically new customers?

Companies today have to manage their spending much more and IMS is adapting in finding innovative solutions to suit all relevant parties and find new data sources. Sick funds is an important new customer group as IMS has the information for every sick fund, permitting it to remain at the edge of the industry with clear market transparency. Again, evidence-based findings may also help these customers in more secure decision making, i.e. regarding the field of contracting.

Change is continuous in this complex pharmaceutical industry; what has been IMS' approach to change and how does it help its customers cope with it?

I think adaptation is always important, but what is more important is to drive the change. Although some changes might come by surprise like in 2007 when the government limited data access. When required to react IMS does so alongside the customer. IMS holds customer committees and customer boards, all meant to help the customer cope with the changing environment and turn this change favorably for the business. Customer feedback helps IMS in developing appropriate new services.

When not reacting to unpredictable events, IMS likes to be the one leading the change in the market. When IMS changed its sell-in data to a sell-out alternative through prescriptions, it was an anticipated change where IMS showed insight. Today the same is occurring with the decision to develop contracting which showed to be a great investment with positive outcomes.

In this competitive industry companies struggle to attract and retain the best labor force. What is the situation for IMS Germany when dealing with attracting and developing the brightest minds?

In order to get the right people on board, IMS usually proceeds in two ways. The first is through internal people development with very comprehensive career pathways. I, myself, started at IMS 30 years ago as a market research assistant. Since IMS is so specific in terms of its activities, it is sometimes difficult to find people externally who will be completely familiar with the business

model. But external hiring does occur, and this represents our second strategy. The hires are usually from business to business areas such as consultancies, which can also be found outside the healthcare sector, but also from the pharma industry.

IMS benefits from the combination of internal development with accumulated expertise in such a specific sector, along with external hires. IMS fluctuation is low as people stay within the company for a long time.

Sometimes, on the other hand, fluctuations must be forced due to restructuring for example. It is the objective of IMS to increase productivity. But this is not the unique viable reason for restructuring: changing the way things are done is also necessary. Establishing a new skill set refreshes the company and is crucial to staying on top of the game in such a constantly evolving industry.

What makes IMS the partner of choice for the health industry? What is the added value brought to the table by IMS Germany?

As already explained, IMS is partner of choice because of its combination of data with the analytical capability to develop these facts in figures into useful and insightful information. Adding to this its ability to help customers understand and apply solutions with its consulting services is truly unique.

There are many companies competing with IMS for budgets but the model of combining data and consulting is unique. Having even indirect competition makes IMS stay on its toes and continually develop and improve its services.

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