managing talent
to meet pharma’s
next great challenge:
global market access

Life Sciences and Healthcare Services

EgonZehnder
In an environment where private and government payers around the world are becoming more powerful than ever, pharma CEOs increasingly recognize the critical role “market access” plays in company success. In the past 18 months, Egon Zehnder has spoken with more than 200 global and regional market access executives to help organizations enhance their skills and talent in market access. During the course of this work, we have uncovered a range of approaches to talent development and organizational structure that leading companies are using to help embed market access thinking in their strategies and operations. What is your organization doing?

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managing talent to meet pharma’s next great challenge: global market access

In the past, if a pharmaceutical product was safe and it worked, market access was usually assured. No longer. Market access has become far more challenging due to a confluence of factors: the need to contain rising costs, the proliferation of competing drugs in the same therapeutic areas, the consolidation of payers, the use of evidence-based medicine (EBM) and health technology assessments (HTAs) in payer decisions, and the establishment of new HTA institutions in many regions. Generics and biosimilars also play a role by giving payers additional choices when deciding what products they will cover.

Incorporating the voice of market access is crucial for a company’s most important and costly investments, including Phase III trials, M&A activity, and resourcing for product launches. Underestimating or misjudging payers’ likely approaches to managing your products can have a price tag in the billions of dollars. Hence, the pharmaceutical industry has had to evolve its market access strategies and capabilities across a variety of functional disciplines, that together broadly represent “market access” (See Figure 1 below.)

Figure 1. Elements of Market Access

- Developing global pricing and reimbursement strategy (including pricing bands, launch order, etc.) for launch products, and maintaining over time
- Determining contracting/net price strategy (including risk sharing arrangements, discounting, etc.)
- Developing and executing reimbursement support and patient assistance services to ensure patient access to products
- Developing strategy for government payers, health plans, physician groups, medical centers, etc.
- Field-based/country-specific teams that establish and maintain relationships with key payers
- Communicating outcomes and pricing decisions with the payers and governments
- Forming or aligning with patient groups for effective reimbursement strategies
In the past 3-5 years, there have been some notable advances in market access, including sophisticated segmentation of market and payer types, new ways of engaging payers to better understand their needs, and innovative local level go-to-market models that bring market access together with sales and public affairs to address specific customer needs. In addition, the industry has established processes and approaches to ensure market access input into R&D and business development efforts and has invested in “real world” data and analytics to help better define product value to payers.

Our discussions with 200+ global and regional market access executives confirmed that companies can better integrate market access perspectives into global, regional, and country strategies, and that addressing structure and processes, as well as talent management with both market access specialists and commercial leaders, can help better ensure the integration of such perspectives. Our discussions also led us to uncover several practical challenges that may be preventing companies from doing more on the talent and organizational fronts, including:

**Makeup of the existing global and regional leadership teams.** We recently analyzed the career histories of the top commercial officers and regional leaders at the 15 leading global pharmaceutical companies. Among these executives, less than 10% have ever spent time in one of the market access disciplines over the course of their careers. While formal training or experience in market access may not determine the degree of understanding of the payer environment, there is a significant gap in market access expertise on executive leadership teams today. In addition, it is clear that gaining market access experience is not a priority for choosing commercial leaders, compared to other functional experience such as marketing or sales.

**Perception of market access leaders as the “bearers of bad news.”** Market access leaders are increasingly called upon by the organization to provide input on product forecasting for development-stage assets and due diligence efforts for M&A and licensing opportunities. They also make recommendations on critical pricing decisions for launch and in-line products. While this provides great exposure for these market access leaders and their organizations, their ability to manage expectations around the value of products varies. Often they are perceived as the bearers of bad news or the “naysayers”. For example, they might defend a price point that does not match the perceived value of the asset by others in the organization, or become known for “killing” a deal. This risk is compounded when market access does not have a seat at the table in the early stages of asset investment decisions. As one executive shared, “Providing input to senior teams sometimes feels very risky to my career, even though I believe it is the right decision for the business.”

**Lack of integration of market access experts in the organization.** We identified and analyzed the career paths of the top global market access leaders at the leading global pharmaceutical companies. Our analysis (see Figure 2) showed that the vast majority of market access leaders today are specialists – 69% have spent on average 12 years of their careers in a market access function (out of their total average of 15 years of pharmaceutical industry experience). While these individuals work cross-functionally with many disciplines (R&D, Marketing, etc.), their knowledge and expertise generally resides within their own functions.

When we ask market access executives why they have not made a move outside of their core area of expertise, we often get a two-part answer. First, they say that they love the challenge and excitement of being a market access leader today, especially as their exposure within the organization continues to grow and the challenges become more interesting and complex. Second, they say that they have not been encouraged to move outside of market access, either because they are seen as having uniquely valuable expertise or because they have not convinced others in the organization to take a chance on them outside of their specialty.

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1. Our analysis includes global and regional commercial leaders at the top 15 pharmaceutical companies (measured by global revenues). (n=80)

2. We identified the top global market access leaders at the leading 25 pharmaceutical companies (measured by global revenues). For each company, we identified between 1-4 individuals with global market access responsibilities, at both the corporate and business levels. (n=32)
Lack of coordination between and among market access disciplines. In the past, market access has been seen as a set of discrete activities that accompany the launch of a new product. In many companies, these activities and the people who are responsible for them are spread out geographically, work in different functions, and communicate infrequently with each other. Health Economics and Outcomes Research typically report to R&D; Public/Government Affairs is often a standalone department; and Pricing and Reimbursement (often called “Market Access”) reports into Global Marketing, and in some cases, the Finance organization.

While there may be global or regional teams on which representatives of these disciplines sit, there is often tension between and among these groups due to the ambiguity and lack of collaboration. When market access leaders consider new opportunities for professional growth, they often gravitate toward roles that integrate several of these disciplines under one broad market access leader, with the belief that such integration will enhance business impact.

Further Embedding Market Access in the Organization: Talent and Organizational Considerations

Despite these challenges, there are some practical steps pharmaceutical companies can take to meet the demand for high-level, broad-gauged knowledge of market access and ensure that a leadership team has the right talent and capabilities to drive successful market access strategies:

Represent “market access” in the top executive team structure. Over the past 5 years, pharmaceutical companies have made market access roles more senior and, in at least one case, designed the role to report directly to the CEO. Where there are global business unit structures in place, market access often has a seat on the leadership team. And in the US and Europe, the heads of Market Access often sit on the regional GM’s leadership team. However, these market access executives often only represent a small piece of the market access pie (see Figure 1), limiting the business’ need for a broader perspective.
There are a number of efforts organizations can undertake or are doing to address the gap in market access knowledge on their executive teams. They include:

1. Bring market access experts in regularly or on an ad hoc basis to address high profile decisions. In such meetings, it is crucial to create an open environment for debate and discussion that helps shift the perception of these individuals from “bearers of bad news” to evidence-based advocates of commercial value.

2. Create opportunities for senior executives to get hands-on experience with payers. For example, it is increasingly common to convene “market access advisors” in regions, or globally, among key payers, public policy makers, or key opinion leaders to speak broadly about the issues and challenges they face in making decisions around pharmaceutical spending. (These efforts supplement the more established advisory committee discussions with payers that focus on specific products or therapeutic categories.) We also know of “market access summits” sponsored by regional GMs that bring together a range of functional disciplines within an organization (public policy, HEOR, pricing/reimbursement, marketing, sales, and others) to discuss emerging market access issues and develop potential solutions. Often, a payer or payer-influencer will be a guest speaker at these sessions.

3. Have global CEOs and senior leaders meet more often with their peers in the insurance, pharmacy, pharmacy benefits management, HTA, and policy arenas to discuss broad policy and market access opportunities to find common ground. Defining an agenda for such meetings outside of product-specific discussions is crucial in order to shift the focus away from negotiations and toward mutual understanding, collaboration, and partnership.

Encourage high potentials to rotate through market access roles. Recently, a small number of leading organizations have begun to encourage their high potentials to spend time in a market access role prior to taking on general management positions. In fact, today over a quarter (31%) of global market access leaders have an average of only 3 years of “market access” experience. While half of these executives (50%) grew up in the commercial organization (marketing, sales, or general management roles), the other half started in a variety of backgrounds, including R&D, government/corporate affairs, and consulting (See Figure 2). One executive who made the move from marketing to market access sheds light on the value of this approach to both the organization and the individual. Contrary to his initial expectations, he found market access leadership to be one of the most challenging and engaging experience of his career. “It brings together all of the pieces of the puzzle,” he says, “regulatory, clinical, commercial, and policy. And it requires a high degree of competence in developing strategy, getting results, and collaborating with people in other functions and influencing them.”

Be clear on the critical success factors for selecting and recruiting market access leaders. Our analysis suggests that organizations highly value “technical” expertise in market access, measured by both depth of experience in the function and educational training. Previously, we noted the high proportion (69%) of market access “specialists” in senior leadership roles in market access. Additionally, over 50% of the top leaders are either MDs or PhDs by training. Regardless of the makeup of today’s market access leaders, organizations should be asking themselves what experiences and competencies are most critical for the market access leaders of tomorrow. When we are asked to help recruit market access leaders, our pharmaceutical clients usually put functional expertise (as measured in years of “market access” expertise within pharma or training in a scientific discipline) at the top of the list. From a leadership competency perspective, we believe the top global market access leaders will need to master excellence in the same areas as global marketers and general managers. Strategic thinking and the ability to drive results will always remain paramount, but market access executives will need to be exceptional at collaboration and influencing as pharmaceutical organizations become increasingly global and complex.
Encourage market access high potentials to move elsewhere in the organization. Organizations should also expose high potentials in market access to roles outside of the function. Doing so will ensure these individuals gain knowledge, relationships and communications styles that will help them be a better market access executive, and better executive overall. Such a talent management approach will also help diffuse market access expertise outward and upward in the organization. Releasing some of their most trusted and experienced market access experts may make companies nervous, but the return for both the individual as well as the organization may be significant. For example, one General Manager who hired a market access leader for the Marketing team stated, “I was somewhat hesitant in hiring him because he had no experience in a marketing role. But he brings a unique and highly relevant perspective to my leadership team, and has been able to leverage his strong collaboration skills to earn trust and get up to speed quickly. Because he had already had access to the CEO in his previous job as the top global access leader, I knew that he had the leadership capabilities required, which was my main priority.” Another top market access executive shared her concern about succession planning in the market access organization. “Very few market access professionals venture out of the function, which limits their ability to understand the business and grow professionally. I believe that getting out of market access to learn about other aspects of the business is one of the most important ingredients for succeeding as a market access executive.”

Market Access: From Add-on to Advantage

Companies that succeed in the rapidly evolving global pharmaceutical marketplace will experiment with new ways of leveraging organization and talent management approaches to enhance their market access capabilities. To understand where your company stands today, consider these questions:

- Would everyone in the commercial organization define “market access” the same way, and how broad is that definition?
- To what extent are market access perspectives adequately and consistently represented on the top executive team – globally? Regionally?
- Are market access executives seen as valuable contributors in your organization today, or are they outside the important circles of influence? If the latter, why?
- Does or should your organization value market access experience as a part of developing high potentials? If not, why?
- Are there high potential market access specialists in your organization today who could contribute more to the organization if they were moved outside of their functional area? If so, why haven’t they and what can you do to encourage them to broaden their skillset?
- Are the skills/competencies that you are encouraging your market access teams to develop today the same as what they will need for the future?

Getting it right requires an enterprise-wide, holistic and coordinated view of market access, grooming future leaders who grasp this view comprehensively and can represent the integrated market voice at the top table, and taking full advantage of market access talent. Some leading companies are already taking some or many of these approaches. More are sure to follow as the accessibility and affordability of pharmaceutical products continues to be challenged. How can your company do so in order to develop and attract top talent in the industry?
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