ZS medical affairs outlook report 2022

Analysis of medical affairs growth and industry trends

By Sunil John and Sarah Jarvis

Executive summary

As the healthcare ecosystem moves into the new normal, there is an immediate need to strengthen the strategies and approaches of medical affairs organizations. Medical affairs leaders must redefine and refocus their objectives to remain a strategic partner for their organizations in this evolving landscape.

ZS's 2022 medical affairs outlook report highlights key trends across critical topics such as the long-term impact of COVID-19 on the customer engagement model, omnichannel engagement, evolving needs of stakeholders, expectations from medical affairs personnel and implications for the future of medical affairs. We have analyzed perspectives of both medical personnel and external stakeholders to understand the expectations, roles, responsibilities and critical next steps for the medical affairs industry as a whole.

Key findings include:

- A majority of medical affairs organizations are still finding their footing in terms of establishing a robust strategic planning process, designing well-coordinated roles and responsibilities and enabling data-driven decision-making.
- Medical affairs organizations are thinking about building customer-centric engagement models because responsiveness and agility in responding to key opinion leader (KOL) queries and co-creating solutions with healthcare customers are increasingly important. Forging relationships with patient advocacy groups (PAGs) will also be important in the future.
- A majority of medical affairs organizations are in the ideation or foundational phase of omnichannel engagement. Medical affairs teams are deploying systems for virtual channel data capture and they are implementing centralized databases. Artificial intelligence (AI) and natural language processing (NLP), however, have not been universally prioritized for investment.
- Field medical continues to receive the maximum investment from leadership. The biggest investment has been in people, in areas such as resourcing, upskilling and training.
- In addition to scientific and therapy area training, the most desired attributes from future medical science liaisons (MSLs) include the ability to use virtual tools and engage in value-based discussions.

- Compared with our 2021 outlook report, the comfort and satisfaction of virtual interactions with MSLs dropped globally in 2022, as it appears many are fatigued with remote engagements.
  - The shift to virtual engagements has worked well with KOLs who have long-standing relationships with MSLs, and younger KOLs who are digitally savvy. But this is not the case with new KOLs whom MSLs are meeting for the first time.

The study

Methodology

In March through April of 2022, ZS fielded two industrywide surveys yielding insights on current and future trends across medical affairs organizations. Participants included 134 medical affairs personnel—also referred to as internal respondents—from 34 global companies, as well as 225 healthcare professionals and KOLs from North America and Europe, who are referred to as external respondents. Almost 70% of surveyed internal respondents were at the director or executive level, while nearly half of them had a global purview. More than half of the internal respondents classified their own organization as a big pharma company.

External respondents were spread across therapy areas, including oncology and hematology, neurology, cardiology, respiratory, pulmonary and allergy, and immunology.

Assessing the maturity of medical affairs organizations

As medical affairs gains prominence as a strategic arm of pharma companies, it's important for senior management to assess the status quo and identify the quick and long-term wins to stay on par with industry expectations. But conducting an accurate evaluation of the current environment, including an assessment of essential capabilities and skillsets, is a complex process. To gain a clearer picture, ZS developed a proprietary maturity model that benchmarks medical affairs organizations across the industry. This model helped identify organizational expectations and form conclusions on necessary next steps for medical teams.

The ZS medical maturity model (M^3) is based on three key dimensions: a strategic planning process, data-driven decision-making and coordination amongst roles. The M^3 analysis assesses maturity and identifies essential growth drivers and opportunities for medical affairs organizations. Results from the M^3 analysis helped us classify medical affairs organizations as nascent, evolving or best-in-class.

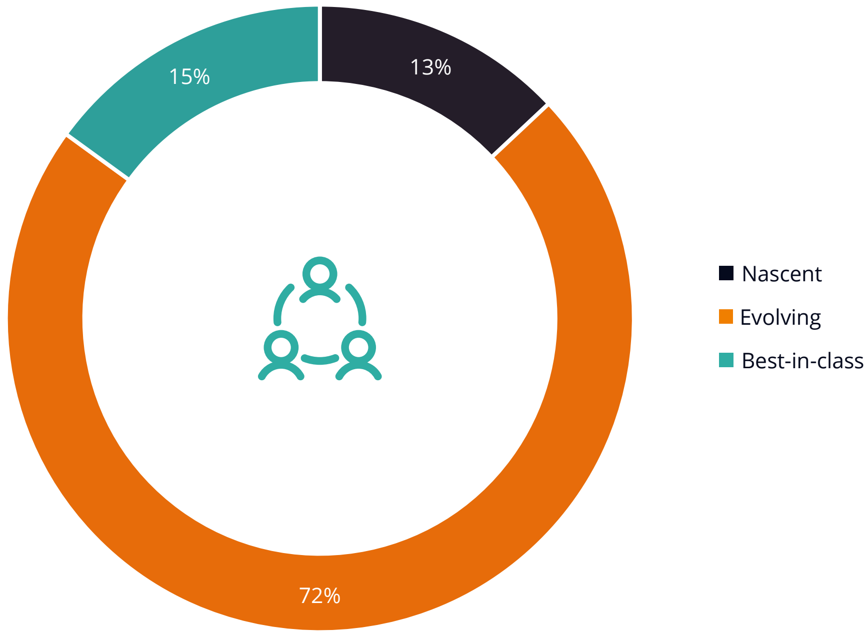
FIGURE 1:

Definitions for stages of medical affairs maturity

Nascent	Evolving	Best-in-class
• Limited to no strategic planning • Medical affairs is mainly reactive • Roles are not clearly defined • Medical and commercial are strongly delineated	• Annual plans, goals and objectives are in place • Roles are structured, with well-defined responsibilities • A mix of quantitative and qualitative KPIs are deployed • Medical-commercial collaboration is primarily tactical	• Long-term (3-5 years) strategic priorities are in place • Centralized data repository and impact assessment metrics are captured • Structured and unstructured data analyses are used to drive decisions • Seamless and compliant collaboration exists between medical and commercial

FIGURE 2:

How internal respondents rated their own organizations using M³



Currently, most medical affairs organizations are in an evolving phase, which highlights the need for further growth and refinements.

Customer engagement model of the future

ZS's 2019 medical affairs outlook report highlighted the expanded set of roles and activities under the medical affairs purview. The report provided an overview on navigating the dynamic landscape along with the growing presence of new field medical roles, such as nurse educators, health economics outcomes research (HEOR) professionals and payer-focused roles to meet evolving customer needs. Fast forward three years, and along with expanded activities, medical has been engaging with a broader range of customer types—beyond clinical trial and publication support—to meet the growing expectations of the organization.

Medical is playing a bigger role during launches

Today, medical affairs teams play a key role in how their organizations provide trial support, disease area education, enhanced patient care, health economics and more. As pharma organizations look to enhance their patient care capabilities and develop innovative therapies, involving medical earlier will be crucial. Ninety percent of internal respondents said they participate in launch planning strategy.

Globally, about 80% of the KOLs consider it necessary to engage with MSLs prior to launch. With the growing emphasis on precision therapies and the need for customized scientific content and complex scientific information, establishing strong scientific relationships with the KOL community in the early stages of the product life cycle is crucial. So is understanding their needs, topics of interest and preferred channels of engagement. This will also enhance the development of personalized content for KOL engagement to better address their unmet needs.

The evolving customer universe and the impact of COVID-19

Today, medical affairs organizations need to engage with stakeholders beyond academic KOLs to address their scientific needs and capture the insights from these engagements to drive future organizational strategies. More than three-quarters of internal respondents indicate they are engaging with community oncologists and hospital networks. Approximately 65% of internal respondents said the hybrid engagement model has enabled them to engage with un-tiered physicians and physicians who were not covered previously due to geographical constraints. Thus, the hybrid model of interaction has enabled medical affairs to widen its coverage across stakeholders.

Stakeholders are also becoming more digitally savvy. Approximately 60% of internal respondents indicated that digital online influencers have emerged as a new type of stakeholder MSLs are engaging with, and nearly three-quarters of respondents whose organizations are currently not engaging with these KOLs plan to in the future. Virtual MSLs have become more prominent since the beginning of the pandemic, complementing the field medical excellence and payer-focused MSL roles that existed pre-pandemic.

Eighty-three percent of external respondents said they engaged in virtual interactions with MSLs across pharma companies, while 70% of respondents said they engaged with medical education virtually. Thus, other medical functions, such as medical education, have also ramped up virtual engagements with the KOLs.

A significantly higher percentage of KOLs from the EU and Canada engaged virtually with medical education teams, compared with KOLs from the U.S.

Overall, the shift to virtual engagements has resulted in a threefold change: an increase in the types of stakeholders covered, an increase in the number of stakeholders engaged and an increase in the number of medical functions engaging with external stakeholders. The breadth and depth of virtual interactions has grown, and as stakeholders see a growing need for the expertise of medical affairs personnel, they increasingly welcome virtual engagements.

Understanding the shift to hybrid modes of engagement

While face-to-face engagements dominated MSL-KOL interactions pre-pandemic, MSLs have been actively interacting with KOLs via virtual platforms. Globally, almost half of external respondents are extremely comfortable with virtual interactions. While KOLs and MSLs are more inclined to accept virtual engagements, there seems to be a growing dissatisfaction with the quality of virtual interactions. Compared with what we observed in 2021, we noticed a dip in the comfort and satisfaction KOLs experienced with virtual interactions globally.

Ninety-one percent of KOLs in Canada were comfortable with virtual interactions in 2021, but that fell to 56% in 2022.

KOLs in the U.S. expressed significantly lower satisfaction with virtual engagements compared to KOLs in the EU and Canada.

The dip in satisfaction is driven by technical difficulties and the lack of a personal touch in the interactions, according to external respondents. To enhance virtual engagements, MSLs should engage KOLs through interactive and personalized presentations.

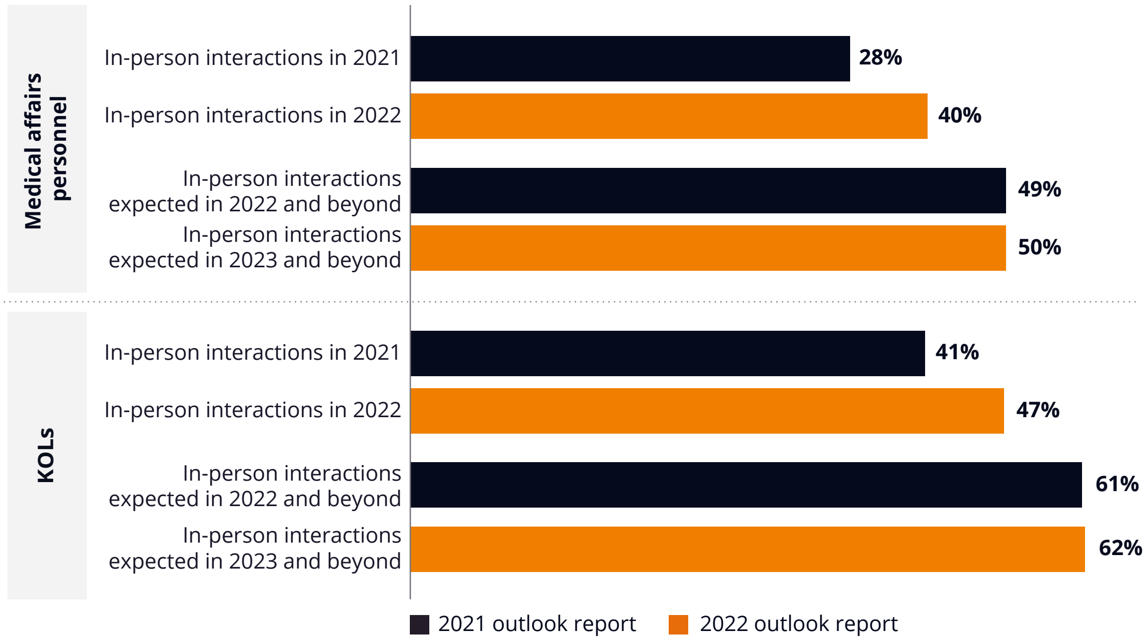
KOLs with well-established relationships tend to have a smoother transition from in-person interactions to virtual ones, which makes adoption of virtual platforms easier. Of internal respondents, 76% said that virtual engagements have not worked well when an MSL meets a new KOL for the first time. However, around 45% of internal respondents mentioned that MSLs who have a long-standing relationship with the KOL have experienced an easier transition to virtual engagements across geographies. Medical affairs personnel from big pharma companies felt that the transition to virtual engagements worked best for younger KOLs who are digitally savvy, compared with personnel from mid-sized pharma companies.

The industry anticipates that in-person interactions will increase in the near future, and external respondents said they would prefer in-person interactions with their most engaged MSLs in the next year. With the MSLs they plan to engage with the most, highly experienced KOLs prefer more in-person interactions, compared to KOLs with less experience—but both internal and external respondents expect the hybrid model is here to stay.

As was the case in 2021, both internal and external respondents expect more than half of their future engagements to be in-person. However, in-person interactions in 2022 were fewer than anticipated.

FIGURE 3:

Percentage of total in-person interactions with MSLs



To be customer-centric, medical affairs should be future focused

With the accelerated adoption of digital, the channel and content preferences for each KOL is unique. KOL segmentation and archetyping activities are gaining traction across medical affairs organizations to help enhance customer experience. Twenty-seven percent of internal respondents said ideation for segmentation has begun in their organizations, while 48% said the ideation phase is completed. Delivering best-in-class scientific information via preferred channels of consumption should be a key focus area for medical affairs organizations. Additionally, 61% of external respondents believe medical affairs organizations must focus on the digital dissemination of high-quality medical content.

An evolving landscape requires MSLs to upskill

The ability to drive deep scientific conversations on topics such as real-world evidence, health outcomes and economic value are the most important skills for MSLs of the future, according to two-thirds of KOLs. KOLs expect MSLs to respond to queries with agility. KOLs also expect MSLs to present scientific data through virtual channels in the future.

Scientific and therapy area focus will continue to be important, but nearly two-thirds of external respondents said it is extremely important for MSLs to improve their understanding of the challenges KOLs face and adapt to their needs. Additionally, about 55% of the KOLs also want to see MSLs engage frequently in value-based discussions, while 40% of KOLs want MSLs to focus on strategic thinking. Therefore, it's imperative that MSLs focus on upskilling to deal with increasing complexity in the engagement landscape. They also must do so in a way that aligns with industry expectations and needs.

Future outlook for medical affairs

As we look to the future, developing highly trained field medical teams and implementing robust technology and analytics will require leadership support. Investment in areas such as omnichannel engagement and patient centricity will help medical affairs organizations thrive and shine in the competitive landscape.

FIGURE 4:

Areas prioritized for investment by leadership

	Tools and technology (digital)	People (additional resourcing, upskilling and training)	External vendor and consulting support
Field medical	28%	67%	2%
Medical communications	49%	29%	18%
Medical analytics	50%	24%	24%
Health economics and outcomes research (HEOR)	9%	59%	28%
Publication	25%	32%	43%
Artificial intelligence and natural language processing	70%	7%	17%
Medical information	53%	13%	27%

Highest area of investment in each function

Key investment areas for medical affairs

Internal respondents said field medical is the top area of investment, followed by medical communications and medical analytics. Almost two-thirds of internal respondents cited “people” as a key area of investment in field medical, which is similar to what we observed in 2021. To support medical affairs as they shift from evolving to best-in-class, as seen in Figure 1, organizations should prioritize resourcing, training and upskilling of field medical teams. Medical leaders can continue to increase their investments in medical communications and medical analytics to be ahead of the curve in data-driven decision-making.

Around half of internal respondents said their companies have begun implementing a centralized data and analytics hub for their medical teams. Investments in systems that capture and analyze data from virtual channels are also on the rise, as nearly 44% of internal respondents said they’re currently implementing these. Overall, when compared with 2021, the industry is moving from ideation to implementation across these avenues.

Only 7% of medical affairs respondents cited AI and NLP as the top area of investment in their organization. This could be due to the complex nature of the scientific information, inconsistent data availability and possible challenges in change management.

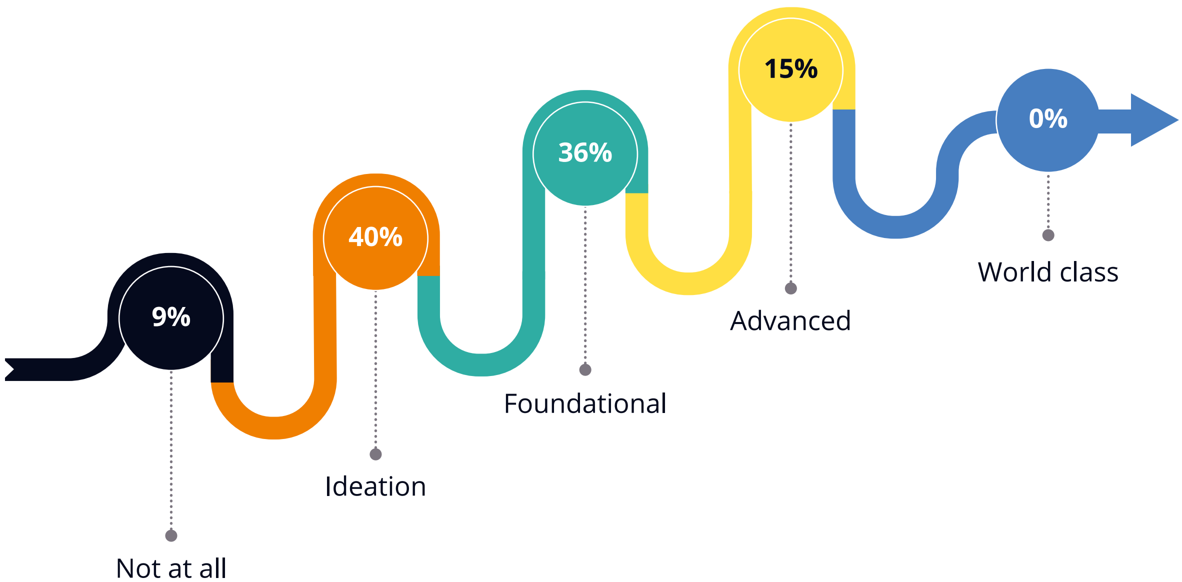
The rising significance of omnichannel engagement

Over the past few years, organizations have revamped their strategies to cater to the channels and content that KOLs prefer to enhance customer experience, thereby establishing a strong scientific relationship. Globally, organizations have taken the needed steps to implement omnichannel engagements to help achieve this vision.

However, in terms of omnichannel engagement, a majority of internal respondents indicated their current state is ideation (40%) or foundational (36%). None of the internal respondents consider their omnichannel engagement to be world-class. There is an immense opportunity for medical affairs organizations to enhance omnichannel engagement in their organizations.

FIGURE 5:

Current state of the omnichannel setup across medical affairs organizations, as indicated by internal respondents



Critical patient-centric avenues for medical affairs organizations

As the focus on precision medicine, early detection of diseases, novel therapies, treatment for rare diseases and patient support programs continues to increase, so too will the importance of patient centricity. According to more than half of external respondents, medical affairs has the opportunity to move beyond its traditional role and participate in the development of novel medicines and patient support programs.

To contribute to patient centricity, organizations are engaging with PAGs to understand the requirements and perspectives of patients. About 65% of internal respondents indicated they have engaged with PAGs and 72% of those who do not engage currently are planning to in the future. To enhance patient care and add value, MSLs can interact with PAGs to understand the patient view and share their insights internally. Almost one-quarter of internal respondents said that in the future it will be important for MSLs to engage with PAGs to gain insight into patient needs.

Enhancing collaboration to realize the true impact of medical affairs

As medical affairs grows in importance, there is also a need to coordinate and collaborate internally to ensure seamless communication of insights and learnings. Approximately 90% of the internal respondents indicated that medical collaborates closely with other functions (managed markets and HEOR, marketing, sales and R&D). However, while looking at coordination amongst roles, 77% of internal respondents believe their medical affairs organization is still evolving. Clarity in terms of processes and standard operating procedures will be essential to developing a seamless internal coordination process.

In addition to internal collaboration, medical affairs personnel should also look to foster external collaborations and create new avenues for stakeholder engagement with pharma companies. Globally, 70% of external respondents believe that future medical affairs organizations should co-create solutions with healthcare customers. This will aid in developing provider and patient-centric resources that address current educational gaps. KOLs also want medical affairs organizations to focus their efforts on leveraging cross-geography insights and developing cross-disease area expertise.

About the authors

Sunil John has been with ZS for 12 years and co-leads the firm's global medical affairs practice. He has authored several articles and industry reports on various medical affairs issues, such as MSL assessments, future customer engagement models and using data to define customer centricity for field medical teams. Sunil has spent the last seven years at ZS focusing exclusively on global medical affairs, helping emerging and large pharma, biotech and medtech clients with business strategy, launch planning and organizational design. He also assists with KPIs, digital strategy and road mapping for medical affairs, medical insights and omnichannel engagements.

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