Pharmaceutical Industry Innovation
InnoLead Member Meeting, Jan 19, 2024
Live Webcast Notes (Human scribed!)

Participants — 28 pharmaceutical executives at companies such as Takeda, Astrazeneca, Roche, Biogen, Eli Lilly, and others. A few industry providers (i.e., pharma manufacturer Lonza, and industrial automation firm Rockwell) also participated.

Priorities — A survey was conducted to understand desired outcomes of senior leadership at the participants' companies:
- Cut costs / efficiency (42%)
- Generate new revenue (26%)
- Brand building / market perception (21%)
- Employee engagement / culture (5%)
- Other (5%) … some topics added to the list included "patient-centricity"

Perspective — Prompted by the insights of Nooma's Tirrell Payton, three other industry developments or concerns were discussed:
- Net New Revenue — Payton noted there wasn't much of a focus on this among his clients
- Commercial Pharma Model — Concerns about the sustainability of the commercial pharma model, particularly amid a new generation of consumers and providers who are harder to reach, consume media differently, etc
- Doing More With Less — Concerns about productivity demands amid flat headcount

Adoption Challenges — The group discussed adoption of new technologies such as GenAI
- The importance of having use cases
- The importance of "eating your own dog food" and testing things internally first

Pharma Shifts — Based on adoption challenges discussed, Payton provided a fictional use case that highlighted common resistance to new ideas, which are typically perceived to:
- Add risk (or perceived risk) to the enterprise
- Add work to employees
- Add cost (not revenue)
- Are not aligned with key priorities
- Are not aligned with company culture

To overcome resistance, Payton recommended five "shifts" for communicating innovations:

MOVE FROM...	TO...	EXPLANATION
Novelty Over Value	Value-Focused Innovation	*Showcase solving specific problems*
Big-Bang Disruption	Gradual Integration	*Start small, incremental*
Strategy Without Execution	Collaborative Execution	*Emphasize partnership, co-creation*
Detail Overwhelm	Visionary Storytelling	*Need overarching narrative*
Culture Deaf	Culturally Aligned	*Connect to core values, initiatives*

Discussion

1. GenAI — A few people discussed how Payton's bullets above related to AI and culture, and how there may be a disconnect on specific technologies and strategic vision. Payton noted that the narrative or storyline is around "freeing people up for more strategic work" vs. "eliminating headcount." Others noted that lack of clear definitions (i.e., machine learning vs. generative AI) creates obstacles to adoption and clear KPIs. Some specific examples of GenAI "early adopters" were discussed — most related to speeding up internal processes (i.e., research, etc.). One participant mentioned that his company is using Jira requests to prioritize and move forward with Gen AI projects, and is even working on a customer-facing project.

2. Risks — Lots of conversation and agreement around adoption risk that executives feel, as they don't want to screw up "my" clinical trial, which may be several years and millions of dollars in the works (not to mention regulatory requirements around changes or technology implementation).

Domains of Innovation — A second survey was conducted to understand the specific domains that are high on the priority list of participants.

- Exploring AI or Other Technologies (74%)
- Scouting / Partnering with Startups (58%)
- Business Model Innovation (58%)
- Digital Transformation (58%)
- Culture Change / Capability Building (47%)
- Making R&D More Productive (42%)
- Digital Interface with Patients / Apps (42%)
- Clinical Trials (26%)
- Manufacturing (11%)
- Regulatory / Government Affairs (11%)
- Sales and Marketing (5%)
- Other (5%)