Determining value to withstand all tests

The late arrival of an early role for communications

The industry and communities we work to serve are bound by a common goal - the creation and delivery of universal access to the highest quality diagnostics, care and treatment. However, 2014 has been a year of even greater scrutiny of pharma’s dedication to this ambition, with the spotlight on pricing and the role of communications greater than ever before in telling the value story.

We all know that communications has a critical part to play in defining and making known a value proposition. Communications being fundamental to access is hardly revolutionary; however, its power across the access continuum remains underutilised, especially in early lifecycle stages. If we are to transparently prove the industry’s genuine dedication to putting health outcomes first, we need to cross-functionally take payers and influencers on a more impactful journey starting much earlier.

First, value needs to be defined in a way that can be translated for all stakeholders. The access challenge is far from over once pharma-calculated value has been endorsed by key decision makers, particularly given the deservedly and overdue increasing voice of the patient community.

What is value?
Marketing, no matter the industry, has always been about an exchange of value, be it rational or emotional. Every buying decision is based upon the answer to a simple question: is what I am going to receive worth what I have to give up in order to get it?

As we know, the challenge is that the definition of value varies widely across the far reaching, complex and evolving group of access stakeholders that we must take into account.

A small handful of secondary therapy areas have this year seen the impact of non-traditional access stakeholders demanding more transparency in pharma’s calculation of value, including price - particularly as it relates to the implementation of tiered models.

As an industry, we must be questioned and held accountable for our determination of value. We shouldn’t be surprised by the scrutiny and need to embrace it as an opportunity to demonstrate why pharma is a vital part of every healthcare system. It’s no longer enough for us to be ready to respond to value and pricing questions, we need to proactively communicate, engage and educate, and not just with decision makers.

Having arrived at a value calculation that is going to stand the test of pricing and reimbursement authorities is a significant achievement. However, we’re best not to feel completely reassured by this type of milestone. There is still great likelihood of product uptake being challenged, with industry-set value questioned by other pockets of the community.

Ensuring a truly cross-functional approach to the creation of a value proposition, and the cost attached to it, is an imperative first step if we are to create value that is going to be more widely in-tune with needs. Hard questions must be asked early through the lens of the communications function. Will the decided upon value ultimately be seen by all needed stakeholder groups if communicated effectively?

Communications isn’t a solution for business decisions that don’t take into account all of the stakeholders that should be addressed. It should go without saying, but transparent communications is a must; otherwise we are attempting to defend the indefensible. We need to create value that withstands all imperative (and evolving) stakeholder needs from the outset if a product, and the corporate reputation behind it, is to be successful in the long-term.

Where to from here?
The sometimes premium price for real innovation allows us continued investment in the future of improved health. For the innovation delivered, and that on its way, we should feel immensely proud.

We exchange great value with our stakeholders be they payers, physicians, patients or society at large - and we are increasingly ready to successfully demonstrate this value to a broader and more active community. The nature of today’s and tomorrow’s environment, with many official and periphery stakeholders, is an invitation for us to refine our own definition of value, but we must act early, and together, to seize the real opportunity.

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