



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

Procurement and Healthcare Communications

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HCA Mission

Founded in 2001, the HCA exists to:

Provide an independent forum to drive the highest standards and promote best practice, innovation and excellence in healthcare communications



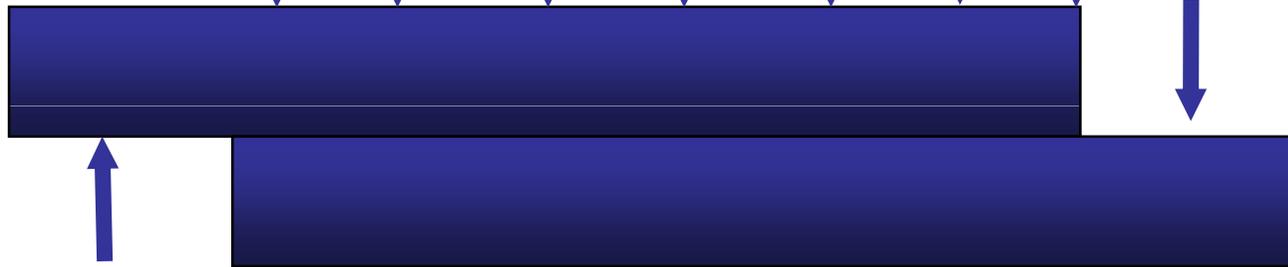
Healthcare Communications Scope

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Opinion leader programmes,
medical education, meetings,
publications, newsletters

Publications
planning,
monographs

'PR'



'MedEd'

Media relations,
issues management,
corporate communications



HCA Scope



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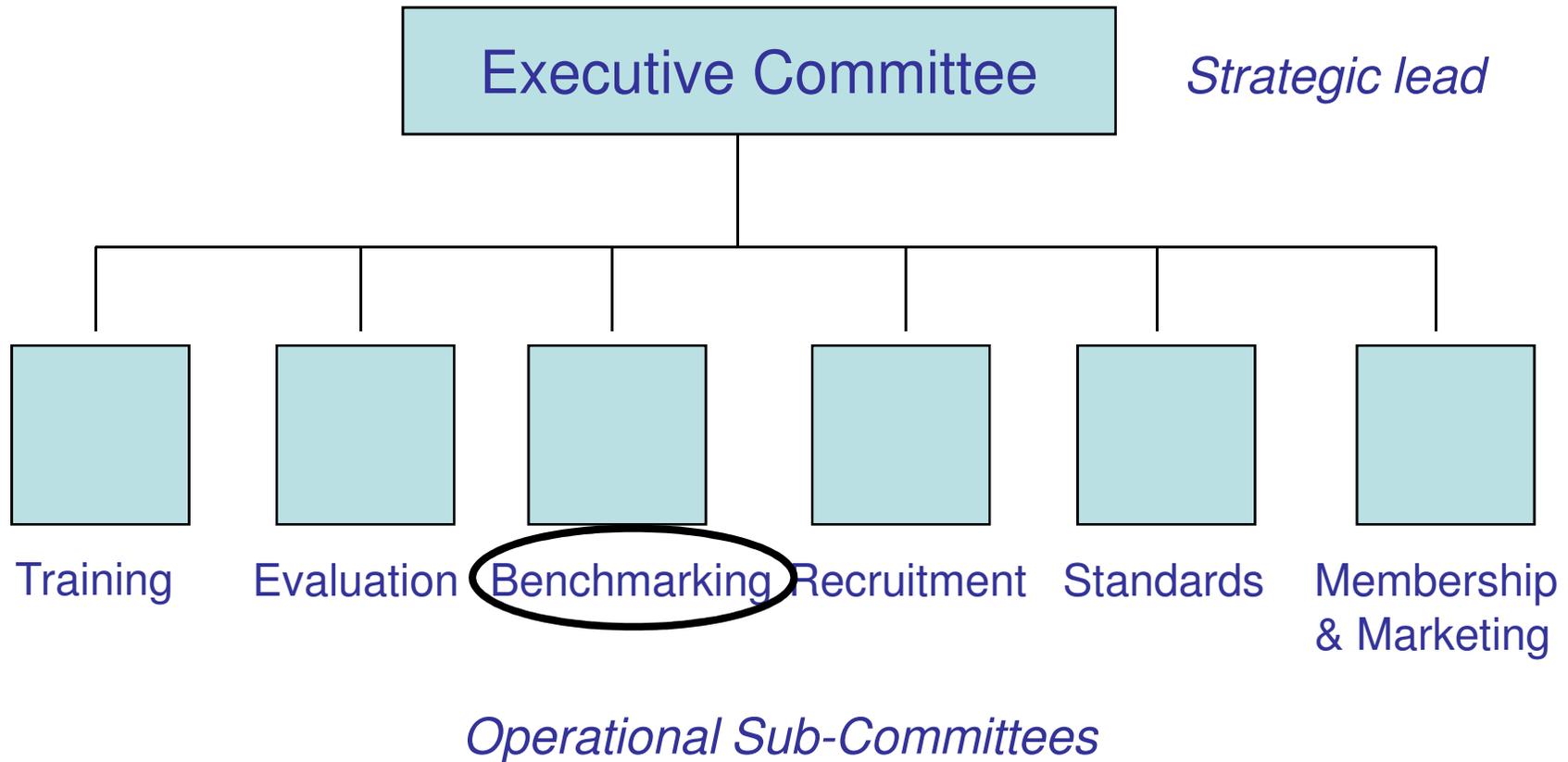
The HCA in Operation

- Unique membership, comprising corporate members from both healthcare communications agencies and pharmaceutical companies
 - Currently >80 corporate members
 - Our USP is our dedicated pharmaceutical focus
- Not for profit organisation – all activities funded by membership subscriptions
- All member companies agree to follow the HCA Charter and abide by the Association's Code of Conduct



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Current HCA Operational Structure





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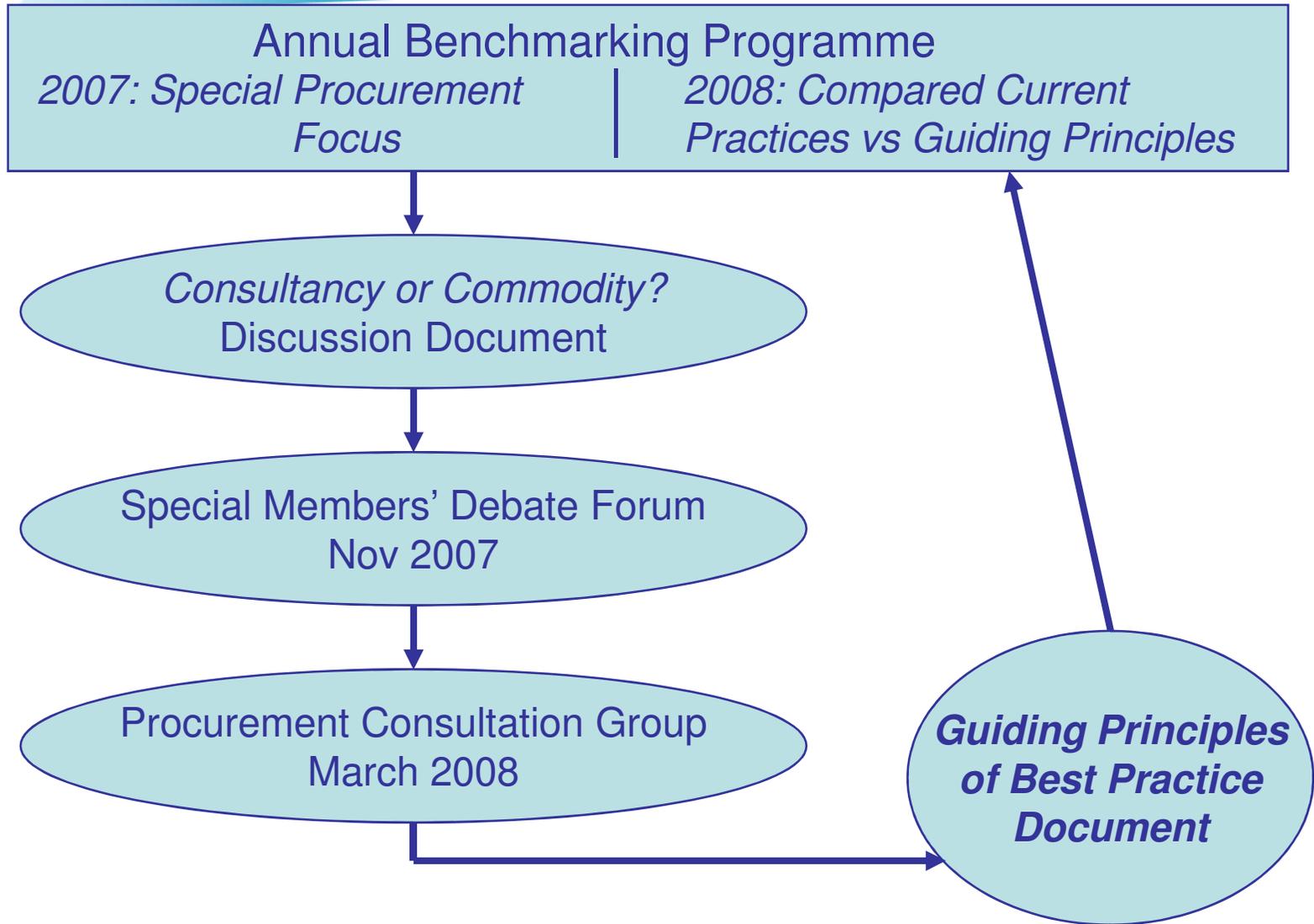
The HCA Benchmarking Survey

- **Consultancy survey**
 - Conducted annually for last 6 years. Self completion questionnaire – 25 consultancy heads in 2008
 - Financial performance/billing and salaries/benefits, shared only with participants
 - General industry trends + topical in-depth section
- **Pharmaceutical industry survey**
 - Conducted annually for last 4 years
 - Ten pharma companies participated in 2008
 - Focus on industry trends + topical in-depth section paralleling consultancy survey



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Development of the Procurement Programme



Models for engagement in the procurement process

Fig.1 'Cost-containment'

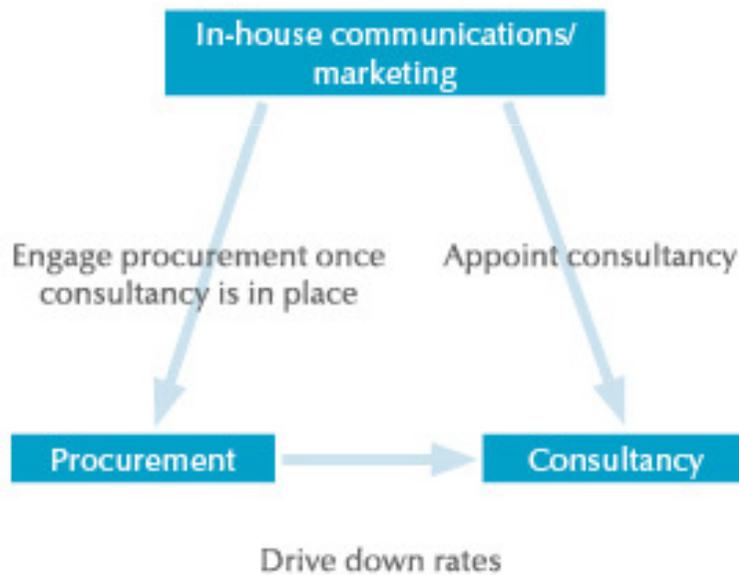
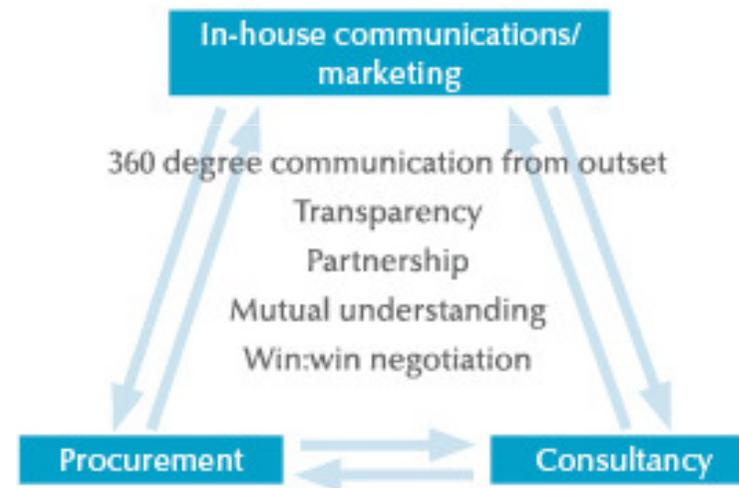


Fig.2 'Collaboration'





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Debate Forum Questions

- Where are we now across the whole industry?
- How far can communications and procurement move towards a more collaborative way of working?
 - Should some consultancy services be treated as commodities?
 - What are realistic goals for change and disseminating best practice?
- How do we best progress the value proposition for the industry – is this an opportunity for collaborative effort?



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Guiding Principles of Best Practice

- *All relevant parties should be involved from the start and throughout the process*
- *Transparency is important, but within limits*
- *Pitches should only be conducted when absolutely necessary*
- *There should be a commitment to the longer term*
- *Procurement arrangements should look for the 'win:win'*
- *Companies and consultancies should work together to make savings by buying 'commodities' at the best price*



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How do 2008 practices compare? Key GOOD news

- ~70% of responding companies involve procurement before a pitch and in ~90% marketing/ comms stay involved in financial discussions
- 90% are willing in principle to appoint agencies without a pitch when appropriate
- In 50% procurement had challenged the need for a pitch – although its not commonplace
- Annual rolling contracts are the most common arrangement, facilitating lasting relationships
- In ~ 80% the procurement function is now perceived as important in effecting 'win-win' agreements
- Discussions are taking place on carving off commodity elements, albeit this is not routine practice yet



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How do 2008 practices compare - areas for further work towards the win-win?

- Whilst 3-4 agencies are typically involved in a pitch, 40% of agencies had been involved in pitches with 6 or more
- In an average of 20% of unsuccessful pitches for agencies this was because NO agency was appointed at all
- Only 20% of pharma respondents monitored their own time in pitches and in changing agencies
- Agencies wait an average 47 days from invoicing to payment (vs average contract of 34 days) but additional delays come from delays in raising POs – average 40 days. Comms functions were unaware of this



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To find out more about the benefits of HCA membership visit the HCA website at:

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