



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

Procurement and Healthcare Communications

Julia Cook, HCA Deputy Chair
November 26th 2008



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

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

HEALTHCARE
COMMUNICATIONS
ASSOCIATION

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

Publications
planning,
monographs

'PR'

'MedEd'

Media relations,
issues management,
corporate communications



HCA Scope



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

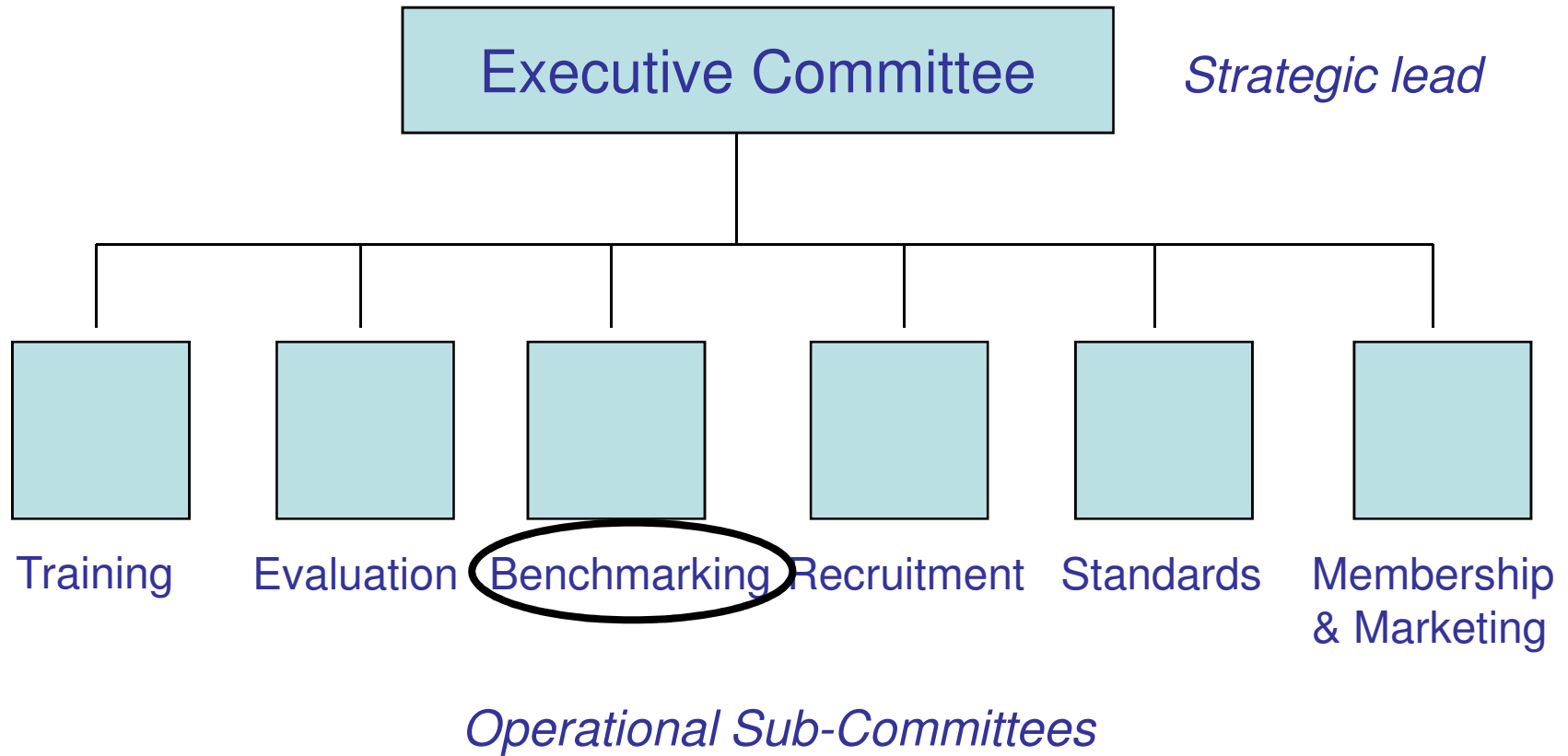
The HCA in Operation

- 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



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

Current HCA Operational Structure





HEALTHCARE
COMMUNICATIONS
ASSOCIATION

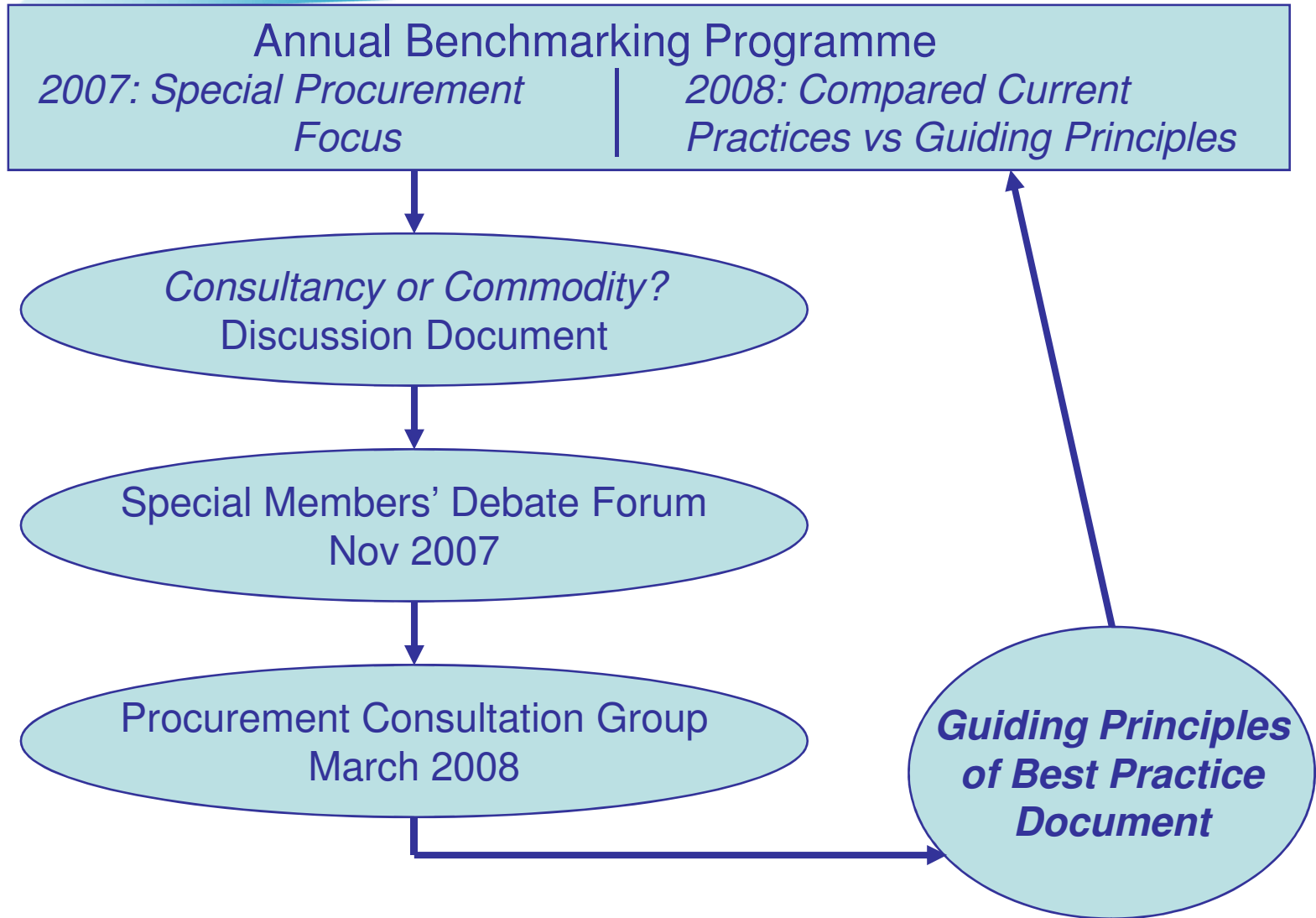
The HCA Benchmarking Survey

- **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



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

Development of the Procurement Programme



Models for engagement in the procurement process

Fig.1 'Cost-containment'

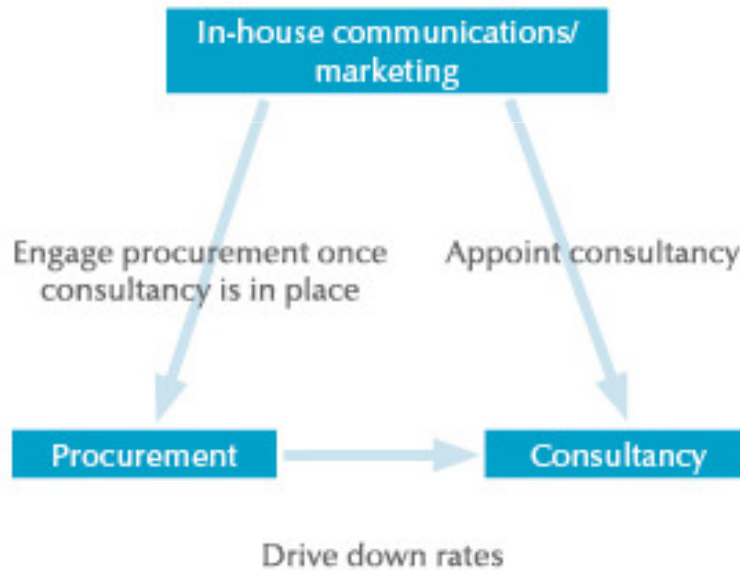


Fig.2 'Collaboration'





HEALTHCARE
COMMUNICATIONS
ASSOCIATION

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?



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

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*



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

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



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

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



HEALTHCARE
COMMUNICATIONS
ASSOCIATION

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

www.hca-uk.org

e-mail

info@hca-uk.org

The screenshot shows the HCA website homepage. At the top is a navigation menu with links: Home Page, Membership, Core Activities, Events Diary, HCA News, Training, and Contact. Below the menu is a banner with the HCA logo and the text "Promoting Excellence & Best Practice" next to a sunflower image. The main content area is divided into two columns. The left column has a "Welcome" section with a paragraph about HCA's mission and a "Key activities and resources" section with a link to a careers guide. The right column has a "Members Login" section with email and password fields, and a "Current Members" section with logos for Boehringer Ingelheim and Sanofi Pasteur MSD. At the bottom right, there is a "Career in healthcare" section with the ICT logo.