Procurement and Healthcare Communications

Julia Cook, HCA Deputy Chair
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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

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

Publications planning, monographs

‘PR’

Media relations, issues management, corporate communications

‘MedEd’

HCA Scope
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
Current HCA Operational Structure

Executive Committee

- Training
- Evaluation
- Benchmarking
- Recruitment
- Standards
- Membership & Marketing

Strategic lead

Operational Sub-Committees
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
Development of the Procurement Programme

Annual Benchmarking Programme
2007: Special Procurement Focus

Consultancy or Commodity? Discussion Document

Special Members’ Debate Forum
Nov 2007

Procurement Consultation Group
March 2008

Guiding Principles of Best Practice Document
Models for engagement in the procurement process

Fig. 1 'Cost-containment'

- In-house communications/marketing
  - Engage procurement once consultancy is in place
  - Appoint consultancy

- Procurement → Consultancy

  Drive down rates

Fig. 2 'Collaboration'

- In-house communications/marketing
  - 360 degree communication from outset
    - Transparency
    - Partnership
    - Mutual understanding
    - Win:win negotiation

- Procurement ↔ Consultancy
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?
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
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
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.
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