AFTERNOON WORKSHOP

Procuring MedComms - an insider's view

3 December 2014 – Macclesfield

www.medcommsnetworking.co.uk/event62.html
Pre-event survey:

61 responses

48 UK-based respondents

- Med writing 25%
- Client services 25%
- Management 33%
- 90% involved directly or indirectly in pitches
Q4 In 2014 how much new business has your agency won with pharma clients WITHOUT going through any sort of a pitch process?

Answered: 43  Skipped: 0

- Zero: 6.25%
- Less than 25%: 20.83%
- 25-49%: 27.08%
- 50-74%: 20.83%
- 75-100%: 16.67%
- I don't know: 8.33%
Q5 In your experience, how often is a procurement department now involved directly in a pitch process with pharma?

Answered: 48  Skipped: 0

- Always: 20.83%
- Nearly always: 54.17%
- Often: 10.42%
- Sometimes: 4.17%
- Rarely: 2.08%
- Never: 8.33%
- I don't know: 8.33%
Question 5: In your experience, how often is a procurement department now involved directly in a pitch process with pharma?

In some instances the procurement team are the gate keepers and do not allow the agencies to engage with the end customers. I am convinced pharma would get better responses all round that more closely match the clients specifications if we were allowed to speak with them and really understand and probe their needs.

And its often a less than positive experience. Still get poor briefs, no budget information, little or no feedback, and pitches for pieces of business that is frankly too small and wastes everybody's time. Most are driven and rewarded by one thing - money!
Q6 What criteria do you think procurement specialists should be considering when contracting services (tick all that apply)?

- Whole-life costs: 12.59%
- Quality: 93.75%
- Value for money: 89.58%
- Lowest cost: 8.33%
- Timeliness: 50.00%
- Financial stability: 50.00%
- Confidentiality: 27.08%
- Consistency of performance: 77.88%
- Regulatory compliance: 50.00%
- Customer experience: 70.83%
- Geography: 6.25%
- References: 20.83%
- Specific Technology: 10.42%
- I don't know: 2.08%
Q7 In practice, what do you think is the top criteria for pharma procurement specialists when making contracting decisions?

Answered: 40  Skipped: 0

- Lowest cost: 50.33%
- Value for money: 27.08%
- Whole-life costs: 4.17%
- Quality: 4.17%
- Timeliness: 4.17%
- Financial stability: 4.17%
- Confidentiality: 4.17%
- Consistency of performance: 4.17%
- Regulatory compliance: 4.17%
- Customer experience: 4.17%
- Geography: 4.17%
- References: 4.17%
- Specific Technology: 4.17%
- I don’t know: 4.17%
Q8 In your experience, when asked to provide framework costings do pharma procurement teams provide realistic specifications?

Answered: 48   Skipped: 0

- Always: 12.50%
- Often: 43.75%
- Sometimes: 27.08%
- Rarely: 14.58%
- Never: 2.08%
- I don't know: 14.58%
Question 8: In your experience, when asked to provide framework costings do pharma procurement teams provide realistic specifications?

I know this is a common complaint, but we have nearly always been provided with very clear specs for a pitch which, in my experience, have been compiled to reflect the fixed budget available. Changes come once a piece of business is won and the budget holder then tries to squeeze more out of us for the same money.

The difficulty is that there often isn't enough detail so it's not possible to compare like with like, however some agencies chop bits out and win the work, then spring a nasty surprise on their clients for those bits that weren't included.
Q9 In your experience, when pharma procurement teams provide specifications for framework costings, are they in alignment with known client SOPs?

Answered: 48  Skipped: 0

- Always
- Often 22.92%
- Sometimes 41.67%
- Rarely 14.58%
- Never
- I don't know 20.83%
Q10 How often in 2014 has your agency been asked to provide data to pharma procurement teams that you considered to be inappropriate to disclose?

Answered: 48  Skipped: 0

- Always: 4.17%
- Often: 29.17%
- Sometimes: 16.67%
- Rarely: 14.58%
- Never: 8.33%
- I don't know: 27.08%
Question 10: How often in 2014 has your agency been asked to provide data to pharma procurement teams that you considered to be inappropriate to disclose?

Confidential information about previous clients that the prospective client would be horrified to have shared about them

When I worked at a different agency, we were once asked to provide more information on how our hourly rates were put together, including how much profit we include.

In this era of honesty and transparency, I don't believe there is any area of our business activity that should be hidden. Sometimes the confidentiality of the detail becomes paramount, but procurement generally understand that as they wouldn't wish for their confidential issues to be disclosed (it can sometimes be a test of the agency's discretion).
Q11 In your experience, how often do you get feedback following a pitch process with pharma, whatever the result?

Answered: 48  Skipped: 0

- Always: 14.58%
- Often: 29.17%
- Sometimes: 31.25%
- Rarely: 16.67%
- Never: 2.08%
- I don't know: 6.25%
Q12 In your experience, does pharma procurement generally provide regular feedback to an incumbent agency through a structured process? (eg. supplier review meetings)?

Answered: 48   Skipped: 0

Always: 0%
Often: 20.83%
Sometimes: 41.67%
Rarely: 14.58%
Never: 6.25%
I don't know: 16.67%
Q13 In your experience, is your agency ever asked by pharma procurement teams to provide feedback on the experience of working with their company?

Answered: 48  Skipped: 0

- Always: 2.08%
- Often: 12.50%
- Sometimes: 18.75%
- Rarely: 31.25%
- Never: 20.83%
- We never talk directly with...: 2.08%
- I don't know: 12.50%
Question 13: In your experience, is your agency ever asked by pharma procurement teams to provide feedback on the experience of working with their company?

*Procurement should work both ways and true sourcing professional build this into their agency relationship strategies.*

*Occasionally, however the assumption & culture are such that the agency does not want to offend and would use this as an opportunity to praise the client & say positive things*

*In update meetings I am always asked for feedback*
Q14 With the advent of US Sunshine and Open Payments reporting and the forthcoming EFPIA transparency requirements how confident are you that pharma procurement teams will fully accept the increased costs of administration for the agencies?

Answered: 48  Skipped: 0

- Very confident
  - Somewhat confident: 6.25%
  - Uncertain: 20.83%
  - Somewhat lacking in...
  - Not at all hopeful: 22.92%
  - I don't know: 10.42%
Question 14: With the advent of US Sunshine and Open Payments reporting and the forthcoming EFPIA transparency requirements how confident are you that pharma procurement teams will fully accept the increased costs of administration for the agencies?

*Current experience is proving that company Brand teams support increases, but procurement do not.*

*Most clients want us to follow further additional procedures at no cost to them.*

*There is a distinct lack of understanding of the extra work this entails, and no, it's not a business costs we should be absorbing.*
Question 15: Please add any additional relevant thoughts or insights you have, if you have them.

We are sometimes penalised for being transparent in our budgets by being told we are too expensive when being compared to another agency who have been given a different specification by a different client team. Comparing like with like is not always done and is where many Procurement teams fall down in their decisions.
Question 15: Please add any additional relevant thoughts or insights you have, if you have them.

We are sometimes penalised for being transparent in our budgets by being told we are too expensive when being compared to another agency who have been given a different specification by a different client team. Comparing like with like is not always done and is where many Procurement teams fall down in their decisions.

Procurement is often seen as the enemy - it isn't - they can be a great ally. They add a level of scrutiny to budgets which in many cases is appropriate and in my experience, if you can justify your budget they will let it go - they just do not like wooly statements "client liaison" - they like to have some details of what that might be.