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The Breakfast Club "Bottom Line"

Summary of Key Points from the 5th Blue Matter Breakfast Club™ Meeting

Virtual Meeting, 8th July 2020

Guest Speakers:
Nicola Heffron, Head of Europe, bluebird bio
Emanuele Ostuni, Head of Europe, Cell and Gene Therapy, Novartis Oncology
Carsten Thiel, President, Europe, EUSA Pharma

The virtual breakfast club meeting of 8th July 2020 was a panel discussion with Nicola Heffron, Emanuele Ostuni, and Carsten Thiel. The session included two main components:

1. A panel discussion with the three guest speakers moderated by Dirk Moritz, who is a senior adviser to the Blue Matter Team in Zurich.
2. Three individual breakout sessions led by each guest speaker to answer questions from the audience.

The summary below is intended to capture the "bottom line" of the meeting in a concise, well-organized manner. Key themes from the session are captured here as notes for attendees and other interested readers. These notes are intended to provide a general overview

Practical Implications of the COVID-19 Crisis: Ensuring Continuous Patient Drug Supply and Customer Engagement

Key Themes:

Theme 1 – Different times require different approaches. Customer engagement is changing rapidly from traditional ways to individually tailored approaches leveraging technology. This will require biopharma personnel to work differently and will drive durable changes in roles, recruiting, and training.

Theme 2 – A renewed focus on patients is key. In times of crisis, a clear focus on patient needs including uninterrupted drug supply proves even more important. Innovation is key to meeting patient needs and those of the supporting patient organizations.

What is the Blue Matter Breakfast Club?

As a strategic consulting firm serving the life science industry, Blue Matter works to remain on the leading edge of commercial strategy in biopharmaceuticals.

Blue Matter Breakfast Club meetings are 1.5 to 2 hours long and provide ideal opportunities to network and interact with senior leaders and colleagues from other organizations. They are by invitation, and they offer a private, engaging environment for networking and discussion.

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George Schmidt, *Managing Partner*
Blue Matter
gschmidt@bluematterconsulting.com

Theme 3 – Trusting relationships are foundational. Establishing and maintaining deep, trusting relationships with customers and among internal colleagues is absolutely critical. The crisis is driving this trust by tying people together in shared purpose and by increasing creativity and personal initiative.

Panel Interview and Discussion:

What was your personal experience during the COVID-19 lockdown: what were your thorns (challenges) & your roses (successes/positive experiences)?

1. Nicola:

a. I have been Head of Europe for bluebird bio since the beginning of the year. I was only two months into my role before COVID-19 hit.

b. When you start a new job, you try to meet everybody. Fortunately, I managed to get to know the 120 people we have on the team.

c. From the European perspective, we handled the COVID-19 crisis pretty well, but we faced some internal challenges. We're an international company, with people located in different parts of the world, often working alone from their flats in Zug or elsewhere.

d. One of our thorns was to deal with social isolation. Personally, I get most of my energy from people. Being locked in a room was quite an interesting journey for me and I know that has also been the case for other team members.

e. As for the "roses", there has been so much creativity and innovation that came from this lockdown. Whenever there is a crisis, it tends to get people to think differently and I have noticed this period encouraged it.

2. Carsten:

a. I work for EUSA Pharma as President, Europe. Like other companies, we are in a European reimbursement-driven environment. Before the` pandemic, some countries were fully into the process of launching while others were just starting.

b. This gave us fascinating insights into the difference between the markets and how—during the pandemic—you "launch a product from home."

c. Another thing I have never expected to see was the impact of a pandemic on clinical trials. We have an IL-6 inactivator, a product that potentially works well in COVID-19 patients. Through this experience, we both saw the positive and negative impacts of COVID-19 on trials we were conducting in Bergamo, Italy.

d. I have spent a lot of time on Zoom calls and long hours glued to my screen. I even have to put into my calendar time to walk somewhere.

e. However, before COVID-19, I never tracked how much time I was spending traveling or in transit. Now, I notice that I get a lot more done without traveling.

3. Emanuele:

a. I'm Head of Cell and Gene therapy for Novartis Oncology. For me, this has been quite a journey both on the professional and personal side.

b. I went from requiring surgery in mid-February, to giving up my slot to an oncology patient who urgently needed it, to rescheduling the appointment to mid-March, to being infected by COVID-19 myself. I had to stay at home without having a confirmation by test. Fortunately, my family and I were on the milder side of COVID-19 and I rescheduled my surgery for June. Before going to the surgery, I had to be tested for COVID-19 and showed positive for what we think are virus fragments, as I now have COVID-19 antibodies.

c. It has been quite interesting to see how the healthcare system responded to the crisis. We have seen amazing things happening at the forefront of clinical trials, where physicians have made a lot of sacrifices to protect oncology patients in the middle of a pandemic. We have also seen many efforts to give post-approval access in unprecedented ways. In addition, we've seen new ways for biopharma companies, regulators, and others to collaborate virtually and digitally.

d. As Nicola said, I have seen a lot of creativity. The virus forced us to go digital and has set us up for meaningful conversations about how to adjust our business models.

For Carsten: How did you go about "launching a product from home?"

1. We had colleagues who were hired in January, trained in February, and then in March could no longer visit hospitals or customers.
2. We were used to Zoom, so it should have been a no-brainer to just apply Zoom to everything and everyone. We discovered pretty rapidly and painfully that this was not possible. Some healthcare providers (HCPs) were not familiar with Zoom or they did not have the speed to use it. Some didn't have an office or private room to take Zoom calls.

3. We started to track customer engagement on a weekly basis. We collected and analyzed the data to gain an understanding of the impact physician by physician. We had to redefine success and outline what success looks like in the new environment.
4. Within a few weeks, our customers did begin to adapt. However, it did not look like we had expected. We thought that direct, individual customer interaction would be the dominant and driving factor. However, we found that group customer calls—which engaged multiple physicians—were more powerful.
5. In some ways, these past few months have been a blessing because it allowed us to embrace digital engagement. We have done a lot more things than we have done in the past, such as webinars, podcasts, etc.
6. If I compare the countries where we have launched before and during the pandemic, I noticed that we have hired and trained people differently. People hired post-pandemic are being trained for a different job. It takes a while to adapt, and we are probably changing our modus operandi every week.

For Emanuele: Manufacturing a complex patient-specific gene therapy is challenging. How did you manage to keep up manufacturing during this time?

1. On the manufacturing side, we decided to maintain what we were already doing and adjust by implementing as many safety measures as we could.
2. The manufacturing of KYMRIAH is very laborious and a lot of steps are still done by hand. We did as much as we could to protect the operators, we separated the team spaces, and we changed the hourly shifts.
3. We also prepared for the worst by making sure that if someone exhibited COVID-19 symptoms, we could isolate them and track any people with whom they may have come into contact.
4. We continued our work with regulators to ensure certification of our production sites in Europe. We did a mix of virtual engagement and face-to-face meetings. This was one of the ways we could protect the manufacturing sites.
5. We worked with local authorities to find solutions for our workers who commute from France and Germany to our site in Switzerland. We had to quickly arrange for cross-border permits and even to provide team members with hotel rooms to avoid long hours spent at the borders (up to 2 hours).
6. On the delivery front, we faced some logistical issues with most of our products as they were shipped using commercial flights. So, when commercial flights disappeared, we had to use other delivery methods such as cargo flights or trucks. The supply chain team succeeded in minimizing the disruption. More than 80% of our products arrived on time to the hospitals.
7. At the hospital level, we found physicians very collaborative in creating solutions that could help them. We offered extra services to support the first infusions which could enable us to get access to hospitals while other pharma companies could not.

For Nicola: How did bluebird bio continue engagement with its customers?

1. In contrast, we had to adapt the way we continued our launch activities.
2. To put things into context, we were in the middle of launch during January and February, beta-thalassemia is not a life-threatening condition per se, and so many patients and physicians would prefer not to receive immune suppression treatment during such a pandemic. Additionally, many transplant centers moved to emergency-only protocols.
3. However, we faced some other key challenges: we needed to continue setting up qualified treatment centers, we needed to keep accessing the referring physicians (and physicians wanted us to continue), and we needed to run market access discussions and processes in the background.
4. Setting up Qualified Treatment Centers (QTCs) requires many different functions, many face-to-face meetings, and lot of training. We took on the challenge of transforming this entire process from a high-touch face-to-face format into a virtual format.
5. To connect with customers, we had to personalize on a case by case basis and use technology. For Germany, we ran a pilot and even went back to written mail. Interestingly, getting a piece of paper from the post that you can read was very valuable. We had quite an increase in interest regarding topics that we communicated via traditional mail.
6. Back to the use of technologies, not all stakeholders were initially receptive to them. When dealing with payers in Italy in February, we asked to run a meeting virtually, but they initially declined the offer. However, they came back to us in May and asked to change to a virtual setting. This is just one illustration of the behavior changes we've seen during this unprecedented time.

For Carsten: Nicola mentioned going back to using traditional mail. Carsten, I think you did some customer needs assessment and decided to do something similar. Can you tell us about it?

1. In early April, we initiated some customer profiling to find out their communication preferences. We found that some of our customers wanted calls at 8:00 am, while others only wanted to communicate via email, and still others even preferred hand-written letters!
2. All this reveals that we need to re-think our customer engagement models. We need to go with a customer-centric approach that requires us to be more flexible.

Obviously, engagement with customers and patients was a major focus and challenge. What other interesting changes or insights did you experience?

1. Emanuele:

a. Paradoxically, in many countries, we found that physicians were more available because they were not traveling or attending conferences. We also found that physicians often prefer more frequent and shorter interactions and more people to participate in a call.

b. We found that patient advocacy groups (PAGs) were overwhelmed, and that a lot of patients felt like they were left behind. As a company, we re-routed some of our savings from our travel restrictions to some PAGs as we received funding requests from them. We realized that they were not yet prepared to go virtual, as they were working in the traditional way. They were not prepared to conduct advisory boards virtually and lacked the proper IT equipment (such as laptops, headsets, etc.). We helped them get ready for virtual sessions.

c. The stakeholders appreciated the virtual formats and the support we provided. They enjoyed the interactions, as they got more answers to their questions and the format was less intimidating for participants.

d. As a result, we are re-thinking our approaches toward more frequent engagements.

e. We also observed that some patients were indeed left behind. In a few countries, patients were not accepted into hospitals as they were busy treating COVID-19. Today, we are seeing a rush of new patients, many referred by oncologists.

2. Nicola:

a. During COVID-19, we have seen interesting developments. In Italy, we have noticed a positive attitude change towards gene therapy. When you are a beta-thalassemia patient, you rely heavily on hospital visits to receive blood transfusions (for example, every 2 weeks). Now, who wants to go to the hospital during the COVID crisis? Secondly, we have also seen blood donations decrease during this time. It encouraged patients to think about the benefits of life-changing treatments such as a gene therapy.

3. Carsten:

a. We noticed that patients sometimes made irrational decisions. They were more afraid of acquiring the coronavirus than they were interested in receiving a life-saving treatment.

For Nicola: Earlier, you mentioned your set-up process for qualified gene therapy treatment centers. Can you tell us more about how you continued that process during the crisis?

1. The qualified treatment centers (QTCs) are part of the delivery engine of the business. We need to make sure we have the right capacity to ensure we can treat all the patients. What was sure about COVID-19 was that it would create delays in delivering those QTCs.
2. We decided to look at our process and virtualize it. I set the challenge to the team to develop a process to get this done in a fraction of the original time.
3. Amazingly, the team managed to meet the challenge. They re-engineered the process and had several key learnings along the way, which eliminated redundancies and overlaps.
4. Thanks to COVID-19, we are now in a better position to deliver the set-up of a QTC faster. For us, this disruptive moment was a great opportunity to look at what we were doing and challenge every assumption.
5. Great people with positive attitudes were key to successfully delivering on this improvement.

Audience Questions for the Panelists:

What do you think the "new normal" will look like? What's next for customer engagement? Is it a mix of face-to-face and virtual and what does it mean for our field forces?

1. Emanuele:

a. We have had too much calling this virtual engagement the "new normal." I would say that we need to get to "back to better." We have been able to have virtual

engagement due to the trust we built beforehand. In the future, virtual interactions will be good for sustainability, but establishing a deep relationship and trust will be even more fundamental. Trust will be only possible through deep personal experiences that are more impactful if in person.

b. We will have to rethink the way we interact with our colleagues and ensure we connect deeply with our teams when we meet them. Some meetings and topics will be possible by virtual meetings, but not all.

c. One problem that we need to solve is the way we interact with HCPs. How can we engage HCPs beyond data?

2. Carsten:

a. Some team members of our field force do not like the way they operate right now; they would like to go back to their old lives. Some are even worried about losing their jobs. They need trust and to establish that, you need to have at least one face-to-face (F2F) meeting.

b. Regarding certain types of meetings, such as advisory boards, I have doubts about the continuation of those meetings in a F2F setting. Advisory boards are overwhelming with a lot of time lost in travel and add no further value than virtual ones.

3. Nicola:

a. I think the question we need to answer is: What does the customer want? For defining the "new normal" we will need to be more customer-centric as Carsten said earlier.

b. The rare disease model has always put the patient at the center and forced us to evolve our approach regarding our customers. The future will depend on the situation, but trust will remain the backbone of the model.

c. One area to rapidly build trust is to bring physicians together. It can establish broader trust quicker.

If you could look into your crystal ball, what change that we saw during the crisis do you think is here to stay?

1. Carsten:

a. Four months ago, there was a reluctance to recognize that a large part of the company could work from home. For many people, this has been a positive change, it has led to a tectonic shift in trusting people that they will get the job done.

2. Emanuele:

a. The situation has forced us to be more tolerant, empathetic, adjusting, and understanding of each other's needs, both internally and externally.

3. Nicola:

a. The COVID crisis has improved teamwork: people have had to balance private and professional lives. So, everyone has pulled together and supported each other to get things done.

Key Insights from Breakout Sessions:

Each of the panelists led a separate breakout session focused on COVID-related topics. During these sessions, the separate groups engaged in active discussions with many questions, answers, and new thoughts. The summaries below capture the main points or themes from each session and should not be interpreted as verbatim quotes from any panelist or participant.

Breakout 1 with Emanuele Ostuni: Meeting patients' needs during the pandemic and getting things back on track

1. Meeting Patients' Needs

a. The most prepared countries had segmented approaches to healthcare, with designated COVID hospitals and non-COVID (protected) hospitals. Switzerland had designated COVID hospitals. The UK mandated all ICUs for COVID. This was necessary, but it made it challenging for biopharma companies. In some countries, Novartis saw a decline in CAR-T patients during this period, despite there being a need. A sweeping response was needed.

b. Telehealth initiatives are one key method for continuing to support patients in this environment. Novartis and other companies are working to enable more and better approaches to telehealth.

c. Another approach is to help PAGs as they transition to a greater focus on remote and virtual engagements. As discussed earlier, efforts in this arena are underway and showing results.

d. Telehealth is just the tip of the iceberg. We have no choice but to increase virtual interaction, and this necessity will lead to more innovation.

2. Working with Other Stakeholders

a. Extending beyond patients to include HCPs, PAGs and other stakeholders, virtual technologies are actually helping to create richer engagement on some levels. For example:
   i. More consistent engagement (shorter interactions on a more frequent basis)
   ii. Easier to communicate with HCPs in value-added but non-promotional ways

b. Ensuring compliance in stakeholder engagements is important. However, we need to be able to think like patients, think like HCPs, etc. to meet their needs. This may involve answering questions and providing information in ways that make internal compliance organizations uncomfortable. They may need to "stretch" a bit—within external regulatory boundaries—to help meet needs.

c. To effectively meet stakeholder needs in this environment, customer-facing roles are likely to evolve to be more function-agnostic. This will require a range of higher-level skill sets that go beyond those of traditional field reps.

d. In the rare disease space, information flows differently than it does in larger disease areas. With rare diseases, these new approaches seem to be quite effective.

e. Regulators are realizing they can be more efficient, such as with regulatory reviews, audits, manufacturing site inspections, etc. Industry and regulators are collaborating effectively to stay on track—and improve—in the face of adversity.

3. Keeping Biopharma Teams On Track

a. Novartis—and likely other companies—saw significant productivity increases in some teams because they were on an "emergency footing." In some cases, these jumps are high-intensity and are not sustainable. However, they do show that people will self-organize around common goals.

b. Nevertheless, all teams must understand their priorities and focus on them. Sometimes, a team must say "No" to something that is not on the priority list.

c. Given the evolving ways in which teams work together, we will need to focus on
   i. Team-building and relationship development (even more vital now that many are working virtually)
   ii. Building and sustaining trust
   iii. Using co-creation platforms to foster collaboration without losing efficiency

4. There may be a second wave, so we need to keep the momentum going.

Breakout 2 with Nicola Heffron: How business is changing regarding working from home (WFH) vs. offices

1. In the EU, it appears that acceptance of working from home (WFH) or working virtually was higher than it was in the US. In the US, the physical office was seen as more of a necessity. Obviously, a central space is much more important for laboratory workers.
2. The COVID-19 pandemic has definitely altered perceptions regarding WFH and the need for offices. Different companies will have different opinions and approaches, but a number of key themes have emerged. For example:
   a. Companies generally see WFH in a more positive light, as there does not appear to be a productivity drop.
   b. Companies are taking a more flexible attitude toward WFH.
   c. There is now less of a need for large office space.
   d. Office spaces will likely become more focused on engagement (key meetings, workshops, etc.) rather than a place to just "check emails" and do routine work. As a result, offices will likely become smaller, more focused on collaborative spaces, and less focused on individual desks / workstations.
3. The increase in WFH is—on some level—here to stay. Some companies may move to rotational schedules, in which people only come to the office on certain days. Others will take different approaches.
4. The increase in WFH has also highlighted some interesting things regarding interaction among team members. For example:
   a. Trust among team members seems to be higher.
   b. People often get challenged more by teams than their bosses, so they make sure to move projects forward.
5. Now that we know WFH can work, many see an opportunity to reach out to talent that might not be able to relocate (and would not have been considered viable in the pre-COVID environment).
6. As companies hire a new generation of employees, they will have different expectations. It will be interesting to see how companies redefine offices catered to employees' needs.

7. When determining how to optimize WFH vs. offices, etc., it's critical to remember the team members themselves. We must:
   a. Maintain open and active communication between managers and team members.
   b. Understand that different team members have different personal challenges and needs that can impact their ability to work in different conditions.
   c. Realize that for some, social isolation can become a serious issue. Perhaps those people can be prioritized for returning to an office environment when able.
   d. Understand that training may need to be redesigned for a range of team members—including sales reps—enabling them to engage with training at their convenience.
   e. Remember that for sales teams, it can be even more stressful. Their "office" is where the pandemic is happening, so there's a lot going through their minds (e.g., wearing masks on trains, engaging HCPs with social distancing, staying safe in the HCPs' offices, etc.).
8. In addition, it's critical for all team members to remain focused on the patients.
9. Team members need to think like patients: What are their needs and challenges as individuals? How can we stay focused on that and make their lives better?
10. Overall, three key takeaways emerge:
    a. Staying flexible is a key to success.
    b. Empathy for team members and patients is crucial.
    c. Needs and challenges can be great catalysts, pushing us to innovate.

Breakout 3 with Carsten Thiel: How digital and other forms of interaction could evolve in the COVID-19 environment

1. More time and customer feedback will tell us how well our digital customer interactions are working. Many customers are still on an adoption curve for digital. Three months ago, they would not have imagined being on a computer screen for these types of interactions. Now, it's normal to have advisory boards on Zoom.
2. COVID-19 could drive very significant and permanent changes in the way we hire, train, organize and deploy sales forces. For example, think about the following:
   a. Should a company stick to having physical territories for sales reps if a significant amount of future engagement is virtual? Instead, could we have fewer reps who are highly skilled in digital engagement?
   b. It seems reasonable to think that the current environment will drive lasting changes in sales force size, most likely making them smaller.
   c. In the past, we saw F2F visits as the best method for rep-HCP interaction, and all of our metrics were based on that. Now, biopharma companies may need to completely reconsider their engagement methods, performance metrics, hiring criteria, and rep training.
   d. Going forward, biopharma companies will likely become more reliant on communication methods that are not driven by reps. These could include webinars, digital events, podcasts, and so on.
3. As we get more data on what actually transforms a non-prescriber into a prescriber in this environment, we will see how communication methods as well as field force size, structure, deployment, training and management evolve.
4. While digital technologies will play a huge role in this evolution, F2F interaction on some level will always be required. Interaction and team-building activities involving reps, managers, and others will also be very important.

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San Francisco
sf@bluematterconsulting.com
400 Oyster Point Blvd.
Suite 309
South San Francisco, CA 94080
650-754-6817

New York
ny@bluematterconsulting.com
575 Lexington Avenue
Suite 24A
New York, NY 10022

London
london@bluematterconsulting.com
6th Floor
75 Farringdon Road
London EC1M 3JY
UK

Zurich
zurich@bluematterconsulting.com
Walchestrasse 9
8006 Zurich
Switzerland

Berlin
berlin@bluematterconsulting.com
Potsdamer Platz -
Kemperplatz 1
Berlin Mitte, 10785
Germany

www.bluematterconsulting.com