



**2021**

## **Life sciences outlook webinar**

Conversation Summary



**“As a global organisation, Deloitte engages in boardroom, workplace, economic and societal discussions across the world, this world view enables us to derive practical insights on some pertinent issues that impact numerous businesses and sectors across the value chain of life sciences. Recently, the evolution of technology as an influencer and accelerator within most industries has been a prominent feature of discussions with clients and the marketplace”.**

**- Mgcinisihlalo Jordan, Deputy Chief Executive Officer, Deloitte Africa**



The Deloitte 2021 Life Sciences Outlook webinar unpacked how life sciences organisations can continue to respond to the change in business climate caused by the COVID-19 pandemic and what areas they should continue to build resilience going forward.

The COVID-19 pandemic caused a major global public health crisis that came unexpectedly. National lockdowns were implemented across different countries throughout the western world in March 2020 and very quickly approached the African continent. This caused a lot of panic as Africa's healthcare system was not sufficiently prepared to deal with a pandemic, according to Racey Muchilwa, Head of Sub-Saharan Africa at Novartis. Muchilwa further adds that although guidelines adopted by various countries assisted with combatting the spread of the virus in many countries, Africa is not out of danger due to the slow pace of vaccine rollouts.

The African Union and Novartis announced a new collaboration in a strategy to offer a helping hand to country states through the Africa Medical Supplies Platform (AMSP) with the aim to provide medical supplies to different countries across the continent which has helped to alleviate some of the pressure from governments.<sup>1</sup>

The crisis presented an opportunity for the pharmaceutical (pharma) industry to make a

difference in the lives of the patient. "The industry needs to be less internally focused and look externally by focusing on the patient at the heart of it all", stated Muchilwa.

**Evolving workforce trends** – Almost overnight the pandemic introduced a new way of working and has caused a significant shift in the way in which people work and collaborate within organisations. A large majority of the office-based South African population continues to work from home or work remotely due to COVID-19 infection rates. The rise in infections has led to general sentiment among employees of being fearful and reluctant about physical work interactions.<sup>2</sup>

According to Ashleigh Theophanides, Life Sciences and Health Care Leader at Deloitte Africa one of the key aspects for life sciences organisations is to continue to manage these workplace adjustments throughout 2021, and be in a constant state of reimagination to meet workplace and individual needs. Theophanides noted that "employers have become more flexible in terms of how, when and where people work".

**"Africa's health care system was not sufficient to deal with a pandemic"**

– Racey Muchilwa, Country President and Head; Novartis Sub-Saharan Africa

1. "Novartis, AMSP collaborate to supply Covid-19 medicines to AU. <https://www.logupdateafrica.com/novartis-amsp-collaborate-to-supply-covid19-medicines-to-au-logistics>. Assessed 08.07.2021

2. Businessstech: "Here are the work from home rules under South Africa's level 4 lockdown. July 2021.

Business leaders faced initial uncertainty as to how the shift to remote working will affect productivity within their organisations. Concerns arose because employees had to adapt to new ways of working in a short period of time which had a taxing impact on some employees' mental and physical wellbeing. However, 90 per cent of employers have made positive observations that productivity has in fact not suffered with regard to introducing more flexible schedules.<sup>3</sup> Some companies such as Novartis had already started rolling out flexible work programmes from 2019 where employees were given the choice to opt for flexible work schedules, with the responsibility to remain accountable and honest to maintaining productivity says Muchilwa.

#### **Rethinking the concept of wellness –**

“Organisations are expanding their mental health resources and promoting wellbeing, and this is being observed across industries including the life sciences sector”, noted Theophanides. According to Rhulani Nhlaniki, Cluster Lead Sub-Saharan Africa and Country Manager, South Africa at Pfizer, it was a huge learning curve for employees and the organisation to transition to remote working. Pfizer's approach focused on three key priorities including safety and wellbeing of colleagues; continuing to supply products during the pandemic and determining how to collaborate in efforts to develop a COVID-19 vaccine. Nhlaniki highlights some lessons learned within the first week of the lockdown,

explaining that the business expected productivity to remain the same but had to quickly step back and reconsider employee wellness and wellbeing as a priority. Pfizer had to rethink its approach to business and staff needs, finding a balance to ensure financial viability and employee wellness. New methods were introduced to measure performance and review the relevance of incentive systems in place.

According to Theophanides, “One of the biggest challenges facing companies will be how to foster a sense of belonging amongst employees, particularly new joiners. In addition, ensuring innovation isn't lost in this virtual environment of working, and ensuring appropriate levels of collaboration tools and methodologies are in place”.

It is predicted that post the pandemic, a likely trend would be the emergence of employers and employees agreeing on a more hybrid solution moving forward, as close to two-thirds of workers have indicated that they would want to spend some hours in the workplace as opposed to working remotely full time.<sup>3</sup>

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**Accelerated digitalisation: New points of care , new roles for Pharma and Medtech** – Globally, organisations have increasingly adopted virtual and video visits to doctors, this method of consultation is expected to rise to five per cent in 2021, from one per cent in 2019.<sup>3</sup> “From an African perspective, funders specifically in South Africa have explained how digital adoption has accelerated at a far greater scale than anticipated. In addition, a focus on quality needs to be top of mind and explored further when incorporating web-side manner, similar to how clinicians have managed to build strong relationships with their patients over virtual platforms”, Theophanides explained.

Theophanides highlighted that the life sciences industry needs to strengthen its ability to drive elements of further digitalisation to encourage continuous monitoring, for example the Internet of Medical Things will help drive quality in healthcare and potentially bring down costs associated with healthcare. Digitisation will also enhance the aspect of transportation to allow patients in vulnerable parts of the world to have access to healthcare products who previously had limited access.

Theophanides added that when looking at the future of health, it is critical for organisations to have ‘interoperability’, which relates to the ability of companies to adopt to new trends that are technology enabled. In addition, it is anticipated that connectivity will improve over time, and the workforce needs to be skilled in administering new digitalised resources she explains.

### **New customer centric commercial model –**

Before the pandemic many life sciences organisations had representatives that interacted with healthcare professionals on an ongoing basis, however due to the COVID-19 crisis it created limitations for sales meetings to take place in person, and connections with health care personnel. There has been a significant increase in the move to virtual meetings with 316 900 remote pharma sales meetings taken place in April 2020 as compared to 4 900 in January 2020.<sup>3</sup> “Globally a third of pharma executives have indicated that COVID-19 accelerated their digital transformation significantly by more than 5 years”, says Theophanides.

In addition, Theophanides notes the ability to understand how organisations can integrate meaningfully within the value chain as virtual requirements come to the fore, “it’s important for healthcare organisations to allow for different means of consumer connection by targeting different ‘personas’ at different touchpoints, especially when considering generational elements”.

There is a large focus on patient education from physicians and clinicians as they seek to understand how digital technology can enhance how patients are educated on the use of pharma products. This can be achieved, for example, by using various digital channels in a useful way that still exudes compassion and empathy.

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### **New types of collaborations and clinical trials reshaping research and development**

Pre-COVID-19, the industry average to bring new drugs to market was 8 years. Due to the health crisis caused by COVID-19, the industry witnessed a significantly accelerated process to a vaccine in under a year. This process has created opportunities to review some of the long-standing inefficiencies in the system, particularly - collaboration can be encouraged to ensure a more sustainable eco-system says Theophanides.

Pfizer signed a letter of intent with Biotech which was the collaborating partner for Pfizer vaccines on 17 March 2020, and in 8 months had moved from concept to the approval process explained Nhlaniki. This swiftness of process is attributed to collaboration with regulators and technology enablers. Nhlaniki emphasises that safety remained at the centre of everything, even with processes speeding up.

When putting a focus on patient care, the ability to bring different stakeholders together to solve a problem is crucial. An increase in collaborations is coming to the fore, including unusual players such as implementing partners. “It is critical to encourage collaboration to ensure forward momentum for problem solving and breaking out of silos that have been seen in the past” noted Theophanides.

“Novartis joined pharma efforts in the global demand for COVID-19 vaccines in a collaboration with Pfizer and Biotech which are manufactured in Novartis facilities” adds Muchilwa.<sup>4</sup> Novartis has also partnered with governments and collaborated to supply medicines through the Novartis Pandemic Response Portfolio to AU member states and Caricom countries.<sup>5</sup> The company has also partnered with various implementing partners such as faith-based organisations in Ghana to reach a population of 60 000 people, and academia to provide training to doctors in Kenya through its ‘Ekho Life’ programme.

According to Theophanides, “The availability of data through real world data and real-world evidence empowered through artificial intelligence and cloud will assist the healthcare sector in dealing with other non-communicable diseases which are expected to increase on the African continent”. An example is the continuous drive in the oncology space which is expected to be a major driver in the sector. It currently accounts for 6/10 biggest new sales generators within this space.<sup>3</sup>

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3. Deloitte Insights. “Deloitte 2021 global life sciences outlook. Possibility is now reality, sustaining forward momentum”. 2021

4. Elizabeth Dougherty. “Novartis join pharma-wide effort to meet global demand for Covid-19 vaccines”. 22 Mar 2021. <https://www.novartis.com/stories/access-healthcare/novartis-joins-pharma-wide-effort-meet-global-demand-covid-19-vaccines>

5. “Novartis, AMPS collaborate to supply Covid-19 medicines to AU. <https://www.logupdateafrica.com/novartis-amsp-collaborate-to-supply-covid19-medicines-to-au-logistics>. Assessed 08.07.2021.

### **Need for supply chain visibility and reshoring options**

– A critical challenge to contain the pandemic has been the challenge of finding efficient ways to get the vaccines from manufacturers into the arms of people throughout the world. In Africa, this presents an opportunity for life sciences organisations to re-evaluate the resilience of their supply chains. The crisis has shown unlikely collaborations between competitors and non-traditional players coming together and looking at how they can partner in the manufacturing and distribution of vaccines.

Organisations need to have a clear strategy in place to target their market and build partnerships to have sustainable distribution networks and appropriate business models. A large focus has been on understanding the dynamics regarding equipment and cold chain requirements.

There is a pressing need to review challenges faced when delivering to rural areas where medical stocks need to be put on motor bikes for 100 km on gravel road. “The industry needs to be thinking on how to prevent cold chain from being disrupted” explains Theophanides. The COVID-19 vaccine cold storage facilities are playing a key role in ensuring that cold chain is protected throughout. “Pfizer is still able to deliver anywhere in Africa with a thermal shipper in place that has the functionality to monitor the temperature. This is managed remotely and through digital enablers. This is something the company did not have in place before COVID-19 but the necessity has now

arisen to have such solutions in place”, stated Nhlaniki.

### **Environment, Social, and Governance (ESG) imperatives**

According to Theophanides, thinking about shared values and what it means to be a good corporate citizen during this period has been crucial. One of the key contributions of COVID-19 to the life sciences industry is the rise of some pharma companies in becoming the fastest growing household names, although there remains a large concern around vaccine hesitancy in some population groups.<sup>3</sup> COVID-19 has also put a spotlight on inequality, specifically in developed countries such as the United States in relation to ethnic diversity in clinical trials for development of vaccines.

Life sciences organisations have committed to making a positive impact on climate and environmental issues. From a social perspective matters such as health, gender and racial equity are becoming increasingly important. Governance is also key when looking to build trust and the manner organisations interact with each other. The Deloitte Trust in Biopharma survey highlights some of the barriers identified in building trust in life sciences, the results show that from a South African perspective, lack of transparency and pricing contributed to these barriers.<sup>3</sup>

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**Sustaining forward momentum** – According to Muchilwa, “the power of partnerships will continue to strengthen the healthcare system. Governments cannot succeed alone but need the assistance of the private sector and donor agencies”. Efforts to scale up universal healthcare will also remain imperative. According to the World Health Organisation (WHO) the ratio of doctor to patient should be 1:1000 patients, in Africa it is estimated at 1:10 000 patients.

Innovation that is customer centric will also continue to play a significant role. Many will continue with working remotely, and health care professionals will adopt telemedicine and digital learning to enhance patient reach says Muchilwa.

Nhlaniki adds that, “the future of life sciences is characterised by personalised experiences focusing on consumer demand as COVID-19 has already given rise to such expectations from consumers. Employees need to be upskilled to meet consumer demand and preferences.” Nhlaniki further elaborates that the industry needs to learn new skills such as influencer marketing campaigns which have been associated with the consumer space in the past. In addition, technology will continue to play an important role in improving efficiencies and access to healthcare. Sales personnel need to be upskilled in understanding the science behind products on offer as this has become part of the customer’s expectation.

Continued success within the life sciences industry will depend on creating a collective value model for all stakeholders in a manner that is sustainable and transparent.

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This insights summary is based on a webinar with the same title that was hosted by **Ashleigh Theophanides**, Life Sciences & Health Care Leader, Deloitte Africa on 7 July 2021. Speakers included:

- **Mgcinisihlalo Jordan**, Deputy CEO & Clients & Industries Leader, Deloitte Africa
- **Racey Muchilwa**, Country President and Head; Novartis Sub-Saharan Africa
- **Rhulani Nhlani**, Country Manager, South Africa and Cluster Lead for Sub-Saharan Africa; Pfizer



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