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## Can KOL Management Generate a Return on Investment?

There is a tremendous amount of time, effort and expense invested into opinion leader management by the pharmaceutical, biotech and medical device industries. Some may question if it is all worth it. Conversely, others may think more should be invested by organizations. The question looms, can KOL Management generate enough value for a return on investment.

The interpretation of KOL Management varies greatly across and sometimes even within companies. As interpretations vary so greatly, it makes sense to revisit InsiteResearch's definition. KOL Management can be defined as a cyclical process whereby companies identify the best qualified thought leaders in particular areas of specialty, validate how best their expertise and influence can be leveraged, and then engage them in mutually beneficial relationships towards achieving specified business goals and objectives.

More often than not, companies define their KOL Management Program by the institution of a technological solution, i.e., a KOL Management System. If the goal is simply to capture and track which opinion leaders have interacted with the company from a historical perspective, a report can be run to show the goal is being met and the program is demonstrating value. Perhaps this is enough return on investment for some organizations. However, if we are honest with ourselves, this is really not managing. This is **historical tracking**. To understand the difference, simply research the definition of management. WWW.dictionary.com defines management as "the act or manner of managing, **handling, direction or control**." The words I would like to key upon in this definition are handling, direction and control.

So many companies today are focused on creating data warehouses for **handling** historical data. Historical data does have a tremendous amount of value, but this is only part of the definition of management. In order to assess progress you need historical benchmarks to which you can compare current performance. In addition, these data warehouses also show interactions with thought leaders, or lack thereof, for organizational review. A simple measure of return on investment is to ask, how many times per year does an individual have to review this information and how long would it take for that individual to uncover all of this information without the system.

Historical tracking as mentioned above is in fact a very important part of managing but it does not **direct or control**. It merely creates a log for review.

A successful KOL Management Program needs to contain elements that **direct and control**. Programs that facilitate collaboration and proactive interactions among cross-functional teams allow organizations to direct their efforts as they relate to thought leaders. When a company can quantify the decrease in time and effort, as well as organizational impact by creating and implementing an effective plan, a return on investment can be shown.

If we supplement the definition of managing with an additional line from [www.merriam-webster.com](http://www.merriam-webster.com), the definition would include “to make and keep compliant.” Anyone who works within the pharmaceutical, biotech or medical device space hears about compliance on a daily basis. The actions of every individual within medical marketing is directed and controlled by compliance. Therefore, a worthwhile measurable ROI should relate to compliance. If your KOL Management Program includes the goal of planning, implementing and tracking compliant interactions, measuring success will be critical. Furthermore, when your KOL Management System demonstrates the ability to prevent a non-compliant activity before it occurs, you can show a return on investment. The aforementioned ROI can be quantified by calculating the lost productivity of time associated with investigations, and also the legal fees that were averted through use of the system. Finding a partner who can embed your business rules is critical to demonstrating return on the ROI for compliance. An additional scenario worth considering is that the stakes are even higher during the most critical phase of a product, its launch. If personnel are distracted and pulled away from their primary purpose of launching the product, delays can cost very real dollars in extended time to market. Finally, this basic ROI does not even factor in large scale monetary penalties associated with non-compliant activities.

One of the easiest measures of return on investment is to assess the level of effort to research an opinion leader. All companies not only want quantified KOL research, but qualitative profiling of data. Most influence mapping vendors can readily supply this information within their deliverables. However, data changes rapidly and within a short time the vendor provided research is an outdated snapshot in time. How long does it take the average person to research an opinion leader and how many times per year does this need to be done? If marketing, regulatory, medical affairs, scientific affairs and sales complete this activity across hundreds of thought leaders, the cost is overwhelming. Having the most up to date information, readily available for review has a direct financial impact. Finally, what is the raw cost of the tasked personnel completing this research and how does this compare to the opportunity cost of them completing another activity? Would a company rather have their medical science liaisons in the field generating meaningful scientific discussions, or reviewing multiple data sources to locate and load data on thought leaders?

The real value of KOL Management lies within quality. Top opinion leaders wield a significant amount of influence as it relates to product adoption. InsiteResearch recently completed a study that showed over 70% of the highest writing physicians were directly or indirectly related to the top 5 opinion leaders in this particular therapeutic area. In the case study mentioned prior, lack of attention to the thought leaders’ opinions would cost far more than the time and expense related to managing the relationship.

If companies have put forth the time and resources to accurately identify thought leaders, it makes the most sense to utilize this information to the benefit of the company. When the KOL Management Program Champion at a company can demonstrate they have identified hundreds of experts across the country or the globe, and have a historical baseline of interaction level and the planned interaction level over the next 12 or 24 months, the return on investment is within plain view. Demonstrating you have quality relationships across the opinion leader base will certainly show tremendous value.

Imagine you are receiving a report from a Director in charge of KOL Management at your company. The individual reports that historically speaking, the company has only worked with 6% of the top 300 experts in the United States. Furthermore, of this group, the interaction level was one interaction per calendar year. I believe you would agree this report would sound bleak and disheartening.

What if in the scenario just mentioned, the report was different. The same information was shared.

However, the Director included the following information – “We have instituted a KOL Management Program for the top 300 quantified and qualified medical experts. Over the course of the next 12 months, the company plans to engage 80% of this critical audience with a mean interaction level of 6 interactions per year.” Interacting with qualified investigators, physicians experienced in regulatory reviews, well-known and respected speakers, and highly published authors will help to efficiently manage tasks within the critical path of the product and disseminate the message of the product to the end prescribing audience.

We know that relationships are a two way street. Identifying what the thought leader indicates as important is the crux. There should not be a scenario whereby a thought leader is slated for potential involvement in an activity prior to having a discussion with this individual. Furthermore, it is a mistake to assume the dollars gained from attending an advisory board or completing a speaking engagement will suffice to meet their needs. True relationships begin with doing your homework. Reviewing the thought leader’s areas of strength, i.e., trials, publishing, speaking, and advisory boards etc., helps to identify what they have done historically and their relative experience in those areas. However, this is not an indication of where they wish to spend their time today. It is worth the time spent on a phone call to ask what they would like to do.

Most marketing personnel start out in the field. They ask for the business. Developing a relationship with a thought leader also begins with asking. A few simple questions will help to generate a positive relationship:

- I see that you have (or have not) worked with us historically, am I correct?
- We have several activities next year whereby we are going to need assistance from experts. We have identified you as a knowledgeable and trusted expert. Would you be willing to work with us?
- Within what types of activities would you prefer to be involved?
- Finally, I recognize many institutions have instituted caps on payments staff may receive from industry. Do we need to be cognizant of any such guidelines when working with you?
- Occasionally, we distribute important information to medical experts through e-newsletters approved by our legal department. Would you be comfortable receiving our e-newsletter?

Through the above simple interview excerpt, you have identified what is meaningful to the expert and how best to interact with them. You have demonstrated the relationship is as much about them as it is about you. Furthermore, you have asked if it would be acceptable to share information through newsletters with this expert. E-newsletters are a concept that InsiteResearch developed several years ago. Most thought leaders are looked to for advice and counsel. These individuals are well versed and thrive on the science. Informing them as early as possible with content approved by legal benefits them as well as you. Demonstrating you care enough to inform them first, goes a long way toward building a positive relationship.

The prior section outlined how to start to develop relationships with your thought leaders and identifying additional interaction mediums. Not all interactions need contain money or require a face-to-face engagement to drive value for both parties. It is important to note that demonstrating that your KOL Management System increases high value touch points at a relatively low cost will show a return on investment.

Efficiency through organizational transparency is yet another candidate for return on investment. Most organizations can recite horror stories related to working in silos with no cross departmental

coordination of thought leader engagements. These issues compound themselves when factoring in global counterparts and disparate operating agendas and strategic initiatives. It is becoming more and more important that active clinical trial investigators not be a part of a speaker's bureau. Yet how many organizations can demonstrate they have a system, process and cross departmental visibility to alleviate this issue? Building transparency does not require building new systems. It requires linking the existing systems. The level at which systems can be integrated today is quite remarkable. Leveraging technologies such as Web Services makes integrating systems much easier. Finding partners who have these capabilities or already existing infrastructure to support integration is a very important part of your KOL Management System. Alleviating situations where company personnel have a plan in place to utilize a thought leader only to find out there is a conflict, saves time and money.

All of the components of a successful KOL Management Program are outlined in a related article which can be found at: <http://www.ngpharma.com/pastissue/article.asp?art=273216&issue=246> . This article highlights the prescription for KOL Management. It is important to note that the prescription outlined is one that requires cross departmental collaboration and planning based upon robust data with measurable outcomes. It is true that all of these items could be completed without a KOL Management System, but at what cost. This is yet another area whereby KOL Management spending can be calculated for a return on investment. This return needs to be calculated on the hours eliminated by a system and corresponding processes, and also include the opportunity cost. What will not get done if a system is not put in place? The scariest answer to this question is – KOL Management.

Finally, one of the most recent items to attract widespread attention within pharmaceutical, biotech and medical device companies is that of aggregate spend and state reporting. Advanced Health Media was one of the first to market with a solution to track state spend. This organization tracks payments to physicians for hundreds of thousands of speaker bureau events annually. AHM has the ability to control, monitor, and report physician spend for work completed on their clients' behalves. Many companies have created their own systems to manage aggregate spend for state reporting. It is important to note that these systems need to exchange data with your KOL Management System. Planning your company's spending within your KOL Management System, and propagating it across other systems allows companies to implement what InsiteResearch defines as "Smart Spend". Assuring you are planning your physician spend for your thought leader base in the most meaningful manner allows you to gain the maximum benefit from the least amount required. Finally, exchanging data back into the system enables users to monitor and adjust as everyone knows all plans are not perfect.

In closing, value most certainly can be derived from KOL Management. Metrics can be employed to assure companies are maximizing their return on investment. It is clear the most accurate measure of KOL Management is to simply compare the cost incurred vs. the value received from implementing a KOL Management Solution as compared to not implementing such a system. A blend of soft and hard metrics allows those responsible for KOL Management to substantiate their investments for successful KOL relationships.