

Press release

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Deloitte/MIT Study finds only 20% of Biopharma companies are digitally mature

Biopharma companies in Belgium remain behind the US and other countries in Europe

Brussels – January 18, 2019 - While many biopharma companies are exploring a variety of digital opportunities – such as engaging consumers with apps, improving operations with artificial intelligence and delivering personalized care – just 20 percent of leaders said their companies are digitally maturing, according to the 2018 Digital Business Global Executive Study from Deloitte and MIT. Even though 58 percent said that digital is a top management priority, with 75 percent expecting to achieve the value of their digital initiatives within the next five years.

“Biopharma leaders know that if they don’t embrace digital transformation they will be surpassed by more agile competitors,” said **Tom Van Wesemael, Belgian life sciences and health care leader for Deloitte**. “But transformation can pose some cultural challenges that slow the pace of change. The good news is that their mindsets are shifting toward greater digital experimentation, collaboration, and innovation.”

Compared to other industries pursuing digital transformation, biopharma ranks in the middle in terms of its digital maturity and exhibiting the flexible leadership required, the study found. Biopharma is outpacing manufacturing, financial insurance and government organizations in its digital journey, but lagging behind IT, entertainment and telecom companies.

Biopharma in Belgium

“Today, we see early signs in Belgium that digital transformation has begun and is starting to take off at a larger scale. However, biopharma companies in Belgium remain behind the US and other countries in Europe,” said **Benoit Brouwers-Dierickx, Digital Leader for Life Sciences and Healthcare at Deloitte Belgium**.

The federal government plan “Digital Belgium” and Digital Act of 2016 have laid the foundation for digital transformation by recognizing the equivalence between paper and digital formats. Specifically for life sciences companies, the government’s Open Data project sends a strong message about the possibility to access public and anonymous data. These initiatives should help accelerate digital transformation by creating specific health data hubs and provide insights for R&D. “We have seen in the UK that NHS open data enables life sciences companies to quicker and more focused therapy research,” said **Brouwers-Dierickx**.

Where Biopharma Stands in its Digital Journey

Most biopharma leaders say their companies are either early in their journey (25 percent) or developing their capabilities (55 percent). Even though most companies are still in their development phase, 58 percent said that digital is a top management priority, with 75 percent expecting to achieve the value of their digital initiatives within the next five years.

“When asked about leadership, more than three-quarters of biopharma respondents (78 percent) said their organization needs to find new leaders to succeed in the digital age. Only 20 percent said their companies are developing the types of leaders who have the capabilities necessary to facilitate the transformation. This means that companies may need to look externally for digital leaders. Some companies are hiring Chief Digital Officers, often from other industries, to lead transformation efforts,” said **Brouwers-Dierickx**.

The study also found that many biopharma companies are not willing to fund digital projects or staff them with the necessary resources. Fifty-four percent of respondents agreed that adequate funding is a major drag on digital initiatives.

Shift from patient to consumer

“75% of the patients go first on the internet to make a diagnosis before they go to the doctor. The patient has become more independent on their medical advice as they feel more empowered and responsible. This is an opportunity for the industry to be in control of the content, thus meeting the patient’s need for information and building up the consumer’s trust. Therefore the biopharma company of the future will be a patient concentric company” said **Brouwers-Dierickx**.

There is a shift in the market place where the previous straightforward business models of B2B and B2C are now far more complex. The industry is moving towards a B2B2C business model where the knowledge about the patient and the consumerization of the products are highly prioritized in order to deliver better and quicker outcomes.

What is holding some biopharma companies back?

The survey revealed a number of factors including lack of a clear vision, inadequate leadership, and limited funding for digital transformation.

Even though digital is a priority for more than half of biopharma companies surveyed, some say their organizations can be distracted by “shiny object” syndrome – shifting focus based on what they hear competitors are doing.

The survey also found that many biopharma employees also seek a clearer vision from leadership on their organization’s digital efforts.

“Opportunities abound for biopharma companies to digitally transform how they engage with patients, physicians, health systems and payers, or innovate new products, or a host of other improvements. Digital transformation will bring a positive impact to employee through new opportunities in terms of growth both in revenue and talent,” said **Brouwers-Dierickx**. “But it requires having a sound strategy, collaborative culture, and supportive leadership. It also requires taking risks, which are inherent in all digital disruptions. Biopharma companies need to bravely address the risks rather than let concerns delay their transformation efforts.”

To review the full findings of the 2018 Business Global Executive Survey, please visit the Deloitte website.

About MIT Sloan Management Review

A media company based at the MIT Sloan School of Management, MIT Sloan Management Review's mission is to lead the conversation among research scholars, business executives, and other thought leaders about advances in management practice, particularly those shaped by technology, that are transforming how people lead and innovate. MIT Sloan Management Review captures for thoughtful managers the creativity, excitement, and opportunity generated by rapid organizational, technological, and societal change.

Methodology

In the fall of 2017, MIT Sloan Management Review (MIT SMR) and Deloitte surveyed global executives, business leaders, and analysts across 28 industries and 123 countries to understand how digital is impacting organizational strategy, culture, leadership, and talent. This report analyzes data collected from 68 biopharma respondents from a distribution of companies of varying sizes (ranging less than US\$1 billion to more than US\$20 billion). More than two-thirds of respondents were from outside the United States. There were no Belgium companies as part of the surveys but Belgians working for international companies which have offices in Belgium. If we look at EMEA, we have had 22 companies responding to the survey.

Deloitte in Belgium

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