TREND REPORT

The Top Trends For The Pharmaceutical Industry, 2022

Pharma Companies Push To Earn Trust And Fortify Operational Resiliency

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By Daniel Hong, Eric Bellomo, Natalie Schibell, Arielle Trzcinski with Alla Valente, Brandon Purcell, Michele Pelino, Anjali Lai, Dipanjan Chatterjee, Kjell Carlsson, PhD, Peter Harrison

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Summary

The COVID-19 pandemic proved highly consequential for the pharmaceutical industry as public debate around vaccine and drug development reached a fever pitch. But under the surface, this black swan event expedited the implementation of underutilized digital capabilities, like real-world data (RWD) and decentralized clinical trials (DCTs). This report helps healthcare leaders understand and approach the most critical age-of-the-customer trends that will impact the industry in 2022.

Seven Major Trends Will Impact The Pharmaceutical Industry In 2022

To maintain the pace of innovation and an enhanced focus on patient-centricity, pharma must embrace the culture of transformation that was born out of necessity due to the pandemic. Traditionally risk-averse, pharma had little choice but to leverage new capabilities like RWD and DCTs to ensure the continuity of clinical operations and safeguard population health. The pandemic underscored the need to address operational efficiency, resiliency, and trust, all of which present existential challenges to the industry and require pragmatic, patient-centric solutions. As drug development becomes more data driven and individualized, the need for increased diversity in clinical trial data is paramount. To thrive amid continued disruption in 2022, pharma, health insurance, and healthcare provider companies must be aware of the following trends.

1. **Clinical trials are going digital.** The COVID-19 pandemic catalyzed the adoption of DCTs when it threatened to bring in-person clinical trials to a screeching halt. By late 2020, 40% of study sites were virtual, and 34% of sites said that COVID-19 had a "great deal" or "moderate amount" of impact on ongoing trials; challenges included difficulty recruiting patients and delayed patient enrollment, among others. Further, 48% of sites said that COVID-19 had a great deal or moderate amount of impact on net-new trials. Despite the abrupt change, 60% of study sites are optimistic about the future of DCTs, and funding for clinical trial digital health solutions surged to record highs in 2020.

   To move from adoption to optimization, pharma leaders must focus on three fronts. First, regulation: Different regulatory bodies have different trial standards, and trial design must be tailored to each geography. Second, ROI: Some therapeutic areas, like diabetes, are well suited to DCTs, and trial leaders must consider which compounds will benefit from increased engagement. Third, change management: Pharma leaders must shepherd in new talent and help institutional talent develop new skills in clinical trials. Additionally, DCTs offer a patient-centric approach to enrolling a more diverse patient population, which can improve drug development and patient outcomes as well as engender trust with patients, marginalized communities, and the general public.

2. **Real-world data is primed to deliver a real-world impact.** RWD — data related to patient health status collected from a variety of sources, including electronic health records, mobile devices, and more — was first used to approve a therapy by the FDA in 1998. This class of data is picking up steam due to the 2016 21st

Century Cures Act, increased adoption of wearable devices, and the COVID-19 research effort. As RWD proliferates, pharmaceutical companies are investing in data-cleaning capabilities so that RWD becomes real-world evidence (RWE) and meets the quality expectations of different regulatory bodies.

Companies effectively using RWD and RWE have three priorities. First, to go bottom-up when addressing real business and patient needs. Top-down directives, though common, can fail to deliver meaningful value. Second, to integrate data-driven strategies into all endeavors, projects, and goals, rather than simply bolting RWD and RWE expectations onto a standalone team or trial. Third, to establish a data center of excellence, with experienced data scientists, that can simultaneously oversee many trial initiatives, ensure proper protocols, and diffuse risk.

3. **Trust is increasingly elusive for pharma due to profiteering and transparency concerns.** Only 57% of the global population trusts pharma, and in the US, the figure is even lower at 47%. Despite taking a step forward in 2019, the industry stalled in the "distrusted" tranche in 2020 and receded in 2021. Beyond perception issues, pharma has a security issue. Data integrity remains the most critical systemic risk across industries, and breaches of both the Moderna and Pfizer COVID-19 vaccine data demonstrated the industry's inherent security challenge. Pharma is one of the most attacked industries due to troves of high-value data, geopolitical incentives, a propensity for M&A, and a complicated network of third-party relationships.

   As 2022 approaches, pharma must focus on three priorities to build trust. First, leverage Forrester's research on the trust imperative to determine which levers matter to which audiences. This yields actionable strategies, rather than aspirational messaging. Second, adopt a Zero Trust eXtended architecture, which moves security from a network-oriented model to one based on continuous verification of trust. Third, remember that trust is local: Scientists, CEOs, and community leaders remain the most trusted archetypes.

4. **Drug development efficiency and supply chain resilience face increased scrutiny.** Pharma must confront supply chain concentration and inefficient R&D outcomes to become more resilient to exogenous shocks, like geographic demand fluctuations, or evolving market trends, like individualized treatment. The number of facilities in China that supply active pharmaceutical ingredients to the US has more than doubled since 2010, and bottlenecks like transportation route impacts present considerable risk for supply chain disruption. Further, inefficient R&D spending continues to squeeze profit margins. Drug

development costs and time-to-market have both increased as mass-market compounds fall out of favor and development and manufacturing processes become more intricate.

To begin to right the ship in 2022, pharma must ruthlessly evaluate supply chain risks. Experimenting with novel approaches and technologies, like stress tests and digital twins for virtualized supply chain scenario planning and impact analysis, can help identify weak links in the supply chain and unlock future resiliency. There's no silver bullet to improve R&D outcomes, and spending more alone isn't the answer. Rather, a multifaceted approach that leverages RWD, AI-powered drug discovery, genomics-informed end points, and greater industry collaboration can move the needle.

5. **Personalized medicine is gaining momentum as patient populations shrink.** Biologics account for more than 40% of the medicine market, up from 30% in 2014, and are expected to keep growing. Further, cell and gene therapy's potential to manage the 7,000 rare genetic conditions that affect 400 million people globally has generated more than 900 investigational new drug applications, despite only four approvals. Though the promise of personalized medicine is clear, inequality looms: Only 20% of genetic resources come from individuals of non-European descent.

   In 2022, pharma must have a relentless focus on data and continue to expand the use of RWD, RWE, and genomics data while experimenting with synthetic data. But as the expanse and variation of data grow, so too does the power required to extract meaningful insights, which is where cloud computing, AI, and ML become critical investments. Under the hood, advances in personalized medicine still require improvement of electronic health record interoperability and clinical decision-support systems. For personalized medicine to be truly meaningful, the industry must also be wary of the risk it poses to exacerbating structural inequality.

6. **Money is flowing into AI investments, but progress lags.** Funding for AI-powered drug discovery nearly quintupled from 2019 to 2020, approaching $14 billion, as pharma leaders endeavored to expedite drug development. SoftBank's megafund SB Northstar bet $5 billion on data-driven drug discovery with its stake in Roche. Though AI and ML use cases vary in their maturity, pharma remains a step behind other industries, like technology and financial services, in adoption due to data quality and interoperability issues that abound across the greater healthcare ecosystem.

   To leverage the burgeoning potential of AI and ML, data science leaders must continue building credibility by demonstrating ROI with mature use cases, like

personalized physician outreach, while simultaneously initiating proofs of concept to unlock AI 2.0's potential. Now is also the time to implement sustainable AI and ML practices to improve trial outcomes and reduce health inequity. These can include establishing organizationwide metrics for model bias and fairness, establishing a role for ethicists during model development, and workforce diversification.

7. **Patient-centric messaging is giving way to patient-centric action.** Fifty-two percent of pharma leaders say that customer experience maturity is low to moderate across the industry, and 85% of pharma organizations plan to increase investments in patient-centric initiatives. But patients need enterprisewide commitments, not one-off, crisis-driven improvements. Tactically, this means reviewing every customer experience, from contact centers to patient community development and remote patient monitoring.

   Pharma can use this period of disruption as an opportunity to improve patient experiences by reexamining the customer journey and integrating patient-centric decision-making into every link and decision in the value chain — like drug R&D and postapproval surveillance — with the goal of removing friction at each stage in the journey. Pharma companies can also consider partnering with leading retail brands in Forrester's Customer Experience Index (CX Index™) to redesign patient communities. When it comes to community development, companies like Novartis are elevating compelling patient stories and connecting patients who live with the same conditions.

Supplemental Material

Companies We Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

Capgemini

Cognizant

Datavant

Edwards Lifesciences

H1 Insights

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