

Daiichi Sankyo: from Kaizen to KAM

Daiichi Sankyo is primed for NHS partnership using the Kaizen philosophy of continuous improvement to create long-term value

Photos Daiichi Sankyo/Magnus Rew

Contributor Peter Mansell

Edited by Claire Bowie/Jenny Hone

Kaizen is a Japanese concept of continuous improvement. The UK subsidiary of Japan's Daiichi Sankyo has put the Kaizen philosophy to work in the current environment – where more intelligent, sensitive and mutually beneficial relationships with the NHS will be critical to long-term value as the reforms move tentatively forward.

Things have come a long way from the “very transactional” exchanges between prescribers and industry representatives that characterised the NHS business model 10-15 years ago, points out Dr Simon Clough, Managing Director of Daiichi Sankyo UK. What companies now face in the NHS, Dr Clough notes, is that decision-making authority is returning to the doctor-patient interface as the emphasis shifts to GP consortia or, in their latest incarnation, ‘Clinical Commissioning Groups’.

Within this framework, clinical leads will take input from local opinion leaders and other stakeholders on how best to serve the local population. Only 11 pence in every NHS pound is spent on medicines so this has to be more about processes, systems and patient outcomes, Dr Clough stresses. Reducing the cost of a medicine is only part of the equation.

As such, adds Terry Petersen, Daiichi Sankyo's Commercial Director, there needs to be a change in perspective from regarding medicines as a cost to seeing them as an investment in better outcomes that align with the NHS' QIPP (quality, innovation, productivity and prevention) objectives. Some early adopters in the health service are already moving towards

partnership with those pharmaceutical companies that have a convincing value proposition to sell, Petersen believes. Daiichi Sankyo is taking that step now, at the start of that transition, and “we very much want to position ourselves as a partner of choice for those early adopters”.

Helping Daiichi Sankyo to broker its own relationship with the new forces in the NHS is 15 Healthcare. Managing Director Adam Knights comments: “The NHS view of pharma is changing. They see there are opportunities to be had. Some Consortia are not moving at the same pace at the same time, but the forward-thinking ones are at the table.”

Embracing NHS partnership also means absorbing the full implications of key account management, not just scratching at the surface, shuffling job titles or tinkering with organisational structures. “If we really are going to work in a way where the customer, the NHS and

“
Kaizen encompasses all aspects of KAM, offering bespoke value propositions to customers while ensuring a proper return on investment
”



Dr Simon Clough, Managing Director, Daiichi Sankyo



Terry Petersen, Commercial Director, Daiichi Sankyo

the accounts are at the centre of everything we do, we have to totally change – not only the structure – but the way our organisation thinks, acts and interacts across different parts of the business,” Petersen says.

This is where Kaizen comes into play. “The NHS is trying to become more effective and more efficient at delivering patient outcomes by doing more for less and getting more for the same,” Petersen observes.

“We would like to position ourselves as an organisation that understands that. Additionally we would like to work with NHS organisations, such as the Clinical Commissioning Groups, to improve patient outcomes while getting better results from the resources used.”

To show it is serious about driving through these changes and adding value, Daiichi Sankyo is recruiting to build a Kaizen Healthcare capability dedicated solely to understanding customer challenges and needs in the NHS. Kaizen will also develop programmes that can achieve these objectives by implementing a much more customer-centric key account management approach. That could involve sharing best practice, working with NHS bodies on an equal basis for outcomes delivery or bringing to bear commercial capabilities such as good project management and implementation.

In its purest form, Knights points out, KAM is “change management”, a process he believes Daiichi Sankyo has absorbed wholesale. “It’s not just key account management, it’s intelligent key account management,” he comments.

While other companies have “professed” to embrace KAM in recent years, Daiichi Sankyo has “without a shadow of a doubt” created a “massively forward-thinking” model that is “unique in 10 years in pharma”, says Knights, who was in at the start as the first Regional Account Director at Takeda UK.

Kaizen encompasses all aspects of KAM, offering bespoke value propositions to customers while ensuring a proper return on investment, he adds.

For Daiichi Sankyo, Dr Clough believes this is a “fundamental shift in culture”. “It’s not a future that is absolutely certain in terms of what is required of specialists within the company. It’s not certain, as in the old transactional era, what is expected of them in each and every interaction.”

In “tomorrow’s world”, Dr Clough says, “it’s about developing and hiring people to be capable of making connections between seemingly disparate opportunities in the NHS, to the benefit of the patient, the NHS and our products, where this is appropriate. It’s about developing a relationship that goes way beyond trust, credibility, to a point where it’s really seen as adding value to the NHS.”

>

- > As Petersen observes, a “box-ticking” mentality was easier to apply in an environment where there was customer uniformity amenable to a top-down, one-size-fits-all approach. With the NHS marketplace now much more fragmented, there has to be a proactive effort to understand local environments and conditions.



Adam Knights, Managing Director, 15 Healthcare

Segmenting the market

Knights talks of “building in a whole tranche of environmental segmentation” to highlight the challenges the NHS faces at a local level, using the service’s own data such as outcomes information and demographics.

That enables individuals at Daiichi Sankyo to “engage with the NHS on their current issues and problems in diseases that will sometimes link into” the company, rather just being about drugs and information as in the past. “This is an offering the NHS is receptive to,” Knights stresses.

The NHS is also showing some enthusiasm for the Kaizen model, he adds. Dr Duncan Jenkins, a specialist in pharmaceutical health from Dudley PCT, welcomes the approach because “it’s transparent, puts the patient first and supports the concept of efficiency through quality”.

Aligning to meet patient needs

From an NHS perspective, “any company that realigns itself to meet the needs of emerging Commissioning Consortia is making a positive commitment to patient care and partnership working,” says Adrian Giles, Manager of the South Worcestershire Pathfinder Commissioning Consortium. “Daiichi Sankyo has been quick to adopt this approach with its innovative Kaizen model and others will now follow their lead.”

According to Knights, this is almost akin to a “procurement-type model” that consists of finding the best available service for the NHS. Other pharmaceutical companies “have been going in on a KAM approach but with nothing else to discuss. The conclusion the NHS makes is they are still trying to sell as much of their product as they can”.

“

Any company that realigns itself to meet the needs of emerging Commissioning Consortia is making a positive commitment to patient care and partnership working

”

Clearly Daiichi Sankyo still needs to make a profit, but their new approach is “so transparent that it eases the concerns of prescribers and commissioners alike”, he adds.

That the model is intrinsically NHS-led is reflected in Daiichi Sankyo’s strategy of asking people in the health service what kind of job titles and functions were likely to address their current requirements. “What Daiichi Sankyo did was ask the NHS to name their people,” Knights explains. “So Healthcare Outcomes Manager, for example, was chosen by the NHS.”

Cultural change and alignment with local conditions will also be underpinned by greater autonomy and responsibility. Local salesforces, for example, will operate on a profit and loss basis. Regional Healthcare Directors will be charged with developing locally flexible approaches and Healthcare Outcomes Managers with pursuing a “one-size-fits-one” strategy, Petersen notes.

This shift to a high-calibre, tailored approach capable of understanding customer needs at a local level is a big step up from “flicking through a sales aid”, Knights observes. It will also require complete transparency if the NHS is to buy into the concept of broader packages of care geared to health outcomes.

This is another area in which Daiichi Sankyo’s Japanese heritage should pay dividends. A culture based on honesty, integrity, transparency, trust and long-term relationships is a “natural progression” from the values the company has always adhered to, Petersen says.

However uncomfortable the current upheavals in the NHS may be, they are also a “massive opportunity” for industry to “really strike out in a different direction” and to “become part of the solution” for a system facing significant challenges, Dr Clough believes.

As such, the £20 billion savings expected under the NHS reforms have “served as a focus” for needed change in both the health service and industry.

Decades of increasing investment in the NHS have – in some cases – nurtured an organisation founded on systems and processes that have lost sight of quality and outcomes, Dr Clough argues. With the sustainability of the NHS now predicated on dramatic cost-efficiencies, he says, “let’s jointly focus on the things that matter – the outcomes for patients”. **PT**

For more information visit: www.daiichi-sankyo.co.uk