



ma's most obvious problems: It needs more help storing its stuff. By some estimates, biotechnology and pharmaceutical researchers crank out a terabyte of data per week. (That's something like 50 million printed pages.) As a result, some biotech companies say their IT needs double every six months. Cloud solutions are a cost-effective answer. A report from Nucleus Research says cloud apps provide 1.7 times more ROI than on-premise storage. So it's no surprise that 70% of industry execs say they need third-party cloud-based services, according to a recent IMS Healthcare study.

But adoption still lags. A major part of the delay is due to the unfortunate reality that security concerns haven't entirely been addressed to the industry's satisfaction. You can bet that no pharma brand is itching to become the first to face a Target-sized data breach.

Among the cloud's biggest gifts for healthcare marketers is the freedom to focus on marketing, not technology. "Companies used to have to spend a long time building customizable systems, and so customer-relationship-management technology tended to drive the decision-making. So much of the discussion was around the product itself," recalls Tim White, global director and head of customer interaction management at Lundbeck. "We'd ask, 'Are we using this CRM or that CRM?' With the cloud, that barrier has been taken away."

The cloud's advantages have also trickled down into the sales-and-marketing trenches. "Sales reps in the field used to spend up to two hours a day recording the results of their sales calls," says Shawah. "For many, that's now cut in half or by a third, and the process is much more intuitive."



**"The same people that shop on Amazon go to work in this industry"**

—Paul Shawah, Veeva Systems

For global companies, the cloud "enables organizations to access the simple version of the truth across many touchpoints," says Tal Rosenberg, general manager of technology and applications at IMS Health. "So our clients are moving from decentralized managements and budgets to centralized." Instead of dealing with spreadsheets, cloud solutions are moving these companies closer to a 360-degree view of their business, shifting conversations from data-mining to human behavior.

Beyond the benefits on the commercial side, the cloud is conferring breakthroughs in R&D. "A lot more compounds are approved and taken to market, and they are in specialty areas," says Rosenberg. (IMS draws its data from 100,000 suppliers, capturing insights from more than 45 billion healthcare transactions a year.) "We are no longer looking at blockbuster drugs but specialty drugs, in niche points that are high-cost. So you have to get it right, or you are in big trouble."

The cloud's biggest bugbear continues to be security. Shawah,

however, says these concerns are overstated: "Different parts of a pharma organization have tested and overcome those worries and shown that cloud computing can be as safe, and sometimes safer, than hosting their own infrastructure."

Multitenant cloud vendors can invest in much more elaborate security technology than any single company, he explains. As a result, cloud solutions can sometimes lower costs of ownership by some 30% to 40%, according to Rosenberg.



**"The Steve Jobs level of innovation is the stuff happening in the labs"**

—Tim White, Lundbeck

"But that's a harder concept to understand and it's taking time for the industry to internalize that," Shawah acknowledges. This is especially true in an era when massive corporate data breaches are routine news stories, foreign companies have infiltrated high-level US military intelligence, and—at least in Target's case—shareholders are responding to security gaffes by reaching for torches and pitchforks.

Adoption of cloud-based tech has also been slowed by a sense of complacency. Still, with the current woes in the life sciences field—expiring patents, the scarcity of blockbuster drugs and the resulting budget shrink—there's business pressure that wasn't there before.

For White, who focuses about 80% of his time on increasing sales-force effectiveness in a multichannel world, the cloud's potential is even bigger. "Sure, our vision at Lundbeck is that we want to be leaders in neurology and psychiatry. The real Steve Jobs level of innovation is the stuff that is happening in the labs—that is still where pharma's innovative strength is." But as more companies invest in health-tech startups and seek to broaden their expertise, such as through Apple's HealthKit platform, White says "the questions are evolving to address ways to bring products and services together for better outcomes."

While declining to be specific about pending Lundbeck launches, White says that these peripheral areas of health are getting closer to core treatment. "[They] add value that aren't just marketing gimmicks. We are looking more holistically at this ecosystem of health tech."

The new technology is already benefitting regulatory agencies, which are requiring greater transparency in clinical trials; that trend is likely to continue. "In the UK, for example, agencies want access through the whole process, not just at the end, with a potential audit," says Shawah. He agrees that collaboration through these external partnerships—from regulatory agencies to hospitals to advertising agencies—may ultimately be the cloud's biggest draw.

"Our core competency is not as an IT company," White says. "So we look to partnerships for the chance to say, 'We know the science, you know the technology. How can we work together?'" ■



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