



Medical Communication Space in India

2018

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\$800+bn

Global Pharma market by 2020

\$180bn

R&D spend in Pharma by 2020

\$100+bn

Marketing spend by Global Pharma

\$30bn

India Pharma market by 2020

India – a destination for Knowledge Services in Medical Domain

India has so far done well in knowledge-based services, be it Information technology, engineering or finance. In the case of Information technology, BPO/KPO space, India has been able to create large global-scale businesses. India was able to capitalize on several factors such as its strong talent pool, price arbitrage, familiarity with English language among others. Another area where India can become a large outsourcing destination is medical domain. Indian companies have been managing non-core activities for healthcare services in US and Europe, including revenue management, insurance, workflow management and transcription services among others. Medical knowledge services including medical communications is one such area where India has huge potential to grow.

Healthcare sector spend heavily on research and development. Globally total R&D spend of pharma industries is expected to be over \$180bn. Large part of this spend is towards scientific research and writing, a part of which is outsourced. Also, a part of marketing spend is outsourced to medical communications firms. The global market for medical writing is estimated to be worth over US\$ 1.5 billion.

To understand the overall context in which medical communications comes in, let's look at the development process of a new medicine briefly. A new chemical entity or molecule to be included as a medicine requires years of research to establish it as a potential treatment for a particular disease. This process could take several years (maybe up to 15 in some cases) and cost can run into billions of \$s. Thereafter to get the doctors to prescribe the new medicine involves marketing and communications activities. To elaborate on the process a little more, the phases of clinical development are:

Pre-clinical:

Before testing a drug in people, it undergoes rigorous pre-clinical testing. The information collected during these tests include data on drug dosing, hazards and risks which help assess if the drug is suitable for humans.

Phase I

If approved for human testing, Phase I testing is done on a small number of healthy volunteers. Here chemical toxicity and side-effects are investigated.

Phase II

Here the drug is tested in patients to assess clinical benefits of the drug and evaluate side effects. A benefit to risk profile of the drug is prepared.

Phase III

In this phase, the benefit and side effect profile of the drug is compared to existing standard treatments to establish efficacy of the drug. Regulatory agencies then decide if the drug can be marketed.

Phase IV

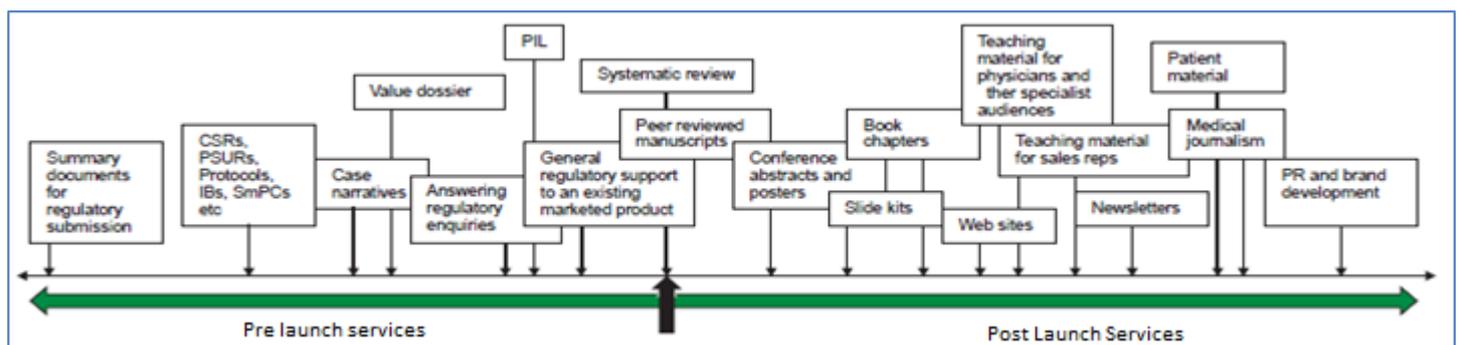
These are post-marketing surveillance studies. Here information from larger set of users is collected to assess any side effects that many not have been identified in the clinical trial setting.

In the above activities the pharma company outsources certain activities to external agencies. Post-launch of the drug, there is a need to communicate with practitioners and patients effectively which often requires the services of medical communications firms. These agencies support the pharma company by providing services that are used to communicate with the various stakeholders - regulators, doctors, patients and channel partners.

Spectrum of outsourced knowledge services in Medical domain ranges from scientific research and writing, regulatory writing and medical communications. Following table provides snapshot of the same.

Outsourced services for scientific research and writing	<ul style="list-style-type: none"> • Manuscript writing, • Publication writing and planning, • Development of GAP analysis, needs assessments, narrative review article, systematic reviews and Meta-Analyses • Development of abstracts, posters and oral presentations
Regulatory writing	<ul style="list-style-type: none"> • Development of clinic study reports, Narratives and protocols, Clinical Evaluation reports. • HEOR
Marketing front	<p>There is continuous communication with various stakeholders. Outsourced service is used in Original technical writing including</p> <ul style="list-style-type: none"> • Development of MSL Slide Deck, Therapeutic Area Product Summaries, Clinical Trial Cards, Clinical Study Summary Tables, Quick Reference Guides, Symposia/Speaker Decks, • Onsite Congress Support, • Writing and review of Medical Information Letters, Compendia Surveillance, FAQs, Product monographs • Other Literature Searches.
Others	<ul style="list-style-type: none"> • Continuous Medical Education (CME) • Production of medical animation • Event management • Brand management

The communication services used for interacting with the regulators or in preparing for launch are typically part of regulatory writing. The communication services used for promotion of products and for communication of knowledge for the healthcare practitioner or others falls under medical communication. The spectrum of medical communications could be shared as below:



Source: The Write Stuff Vol. 18, No. 4, 2009

CSR, Clinical Study Report; PSURs, Periodic Safety Update Reports; IBs, Investigator Brochures; SmPCs, Summary of Product Characteristics; PIL, Patient Information Leaflet; PR, Public Relations

\$150+mn

India outsourced market for knowledge-based services in medical domain

Market for Outsourced knowledge services in Medical Domain in India

The size of the outsourced market for knowledge-based services in medical domain in India is estimated to be approximately US\$ 150 million currently. However, these markets are estimated to be growing at 15% - 20% annually with the growth rates likely to continue for several years.

The global market for outsourced medical writing and knowledge-based services is however estimated to be US\$ 1.5 billion.

In regulatory writing much of the outsourcing happens to service providers in US and Europe though Indian firms have begun to make their presence felt. The companies that do outsourced regulatory writing in India include IT/KPO firms (such as Cognizant, Wipro, WNS), Specialized firms (Indegene, Sciformix, Cactus) and CROs (Quintiles, Clinpharm). The pharma market in India is largely a generics market with limited R&D activities. The outsourced regulatory writing space in India therefore caters to pharma companies in North America and Europe where much of the research happens.

In the post launch medical communications space, there are several players catering to the domestic pharma companies in India. Most of these players also work with pharma companies in the field of Continuous Medical Education (CME). With the introduction of UCPMP and Sunshine Act, the CME market has grown significantly with each pharma companies conducting several hundred CMEs. These CMEs encompass a wide variety of therapeutic areas, disease states and delivery formats. These firms mostly operating from 3 locations - Bangalore, Mumbai and Delhi NCR. Some of these include Bioquest, Medwiz and IJCP among others.

There are also some of the large global players in regulatory writing as well as medical communications that have a presence in India. These include Covance (through acquisition of Sciformix), Havas Health (through acquisition of Sorento Healthcare), Iquiva, Ebix, Parexel and A.D.A.M among others.



With mobile internet, consumers are becoming experts

Stakeholder engagement

Owing to growth in internet, patients / consumers are now able to interact and share their experiences through online forums, blogs and support groups which has strengthened the connect with healthcare brands. Consumers / patients are becoming experts about their conditions and have initiated to take charge of their treatment. This has prompted healthcare brands to post medical communications to create engaging relationship rather than simply informing and directing patients.

With huge money spent on R&D and marketing, objective is to increase lifetime revenue

Speed to Market

Launching new product in market is an extensive task with an average \$900mn being spent on R&D itself and only about 30% of launched medicines earn revenues that exceed their lifetime costs. With such large spends, pharmaceutical companies not only stress on cost effectiveness of the product in order to be accepted by regulatory reimbursement agencies and general people but also on selling the products features to governments, private insurance plans or pharmacy benefits managers. Achieving the optimal price and reimbursement status from agencies is a key factor in maximizing return on research and development investment for pharmaceutical companies. This is usually outsourced to agencies specialising in feeding the growth of both specialised market accessing companies and broader 'value

Traditional communication channels have been taken over by new age technology and helping pharmaceutical companies in creating brand value

Proactive Government and policy makers to increase compliance costs

communication' groups. These groups practice a diverse range of disciplines aimed at communicating product value to industry stakeholders, such as product/pricing/budget impact modelling, landscape and stakeholder mapping, Health Technology Assessment submissions, statistical analysis, systematic reviews and health economics training and communication toolkits.

Growing Digital Technology

Growth in digital technology has been perhaps the biggest driver in increasing medical communications. People have now initiated to research and diagnose their own disease before visiting doctor. Various platforms such as social media, applications, multimedia, productivity applications, cloud computing, interoperable systems and mobile devices has contributed to the benefit of each and every stakeholder involved: physicians are using smart devices for patient education and practice management; hospitals are installing Electronic Health Record systems, allowing data sharing across different healthcare settings; insurers are reaching out to patients to encourage treatment-conscious lifestyle choices; and pharmacies are allowing patients to fill prescriptions online. Traditional communication channels included medical reps, conferences and print materials have been taken over by new age technology and helping pharmaceutical companies in creating brand value.

Regulations

Awareness about importance of health has been increasing significantly among mass and regulatory bodies are also not leaving any stone unturned to promote prevention is better than Cure. Government and policy makers are enlightening people about precautions against various diseases and encouraging them to save massive wealth which would have otherwise been lost in curing and

restoring health, both to improved diagnosis and quality of care as well as to reduce healthcare inefficiencies. This approach would lead to significant savings at current levels of incidence, even without factoring in estimates that treatment costs might triple in 20 years. With increased incidence of regulations, compliance costs are expected to go increase. Outsourcing is seen as solution to reduce costs by using economies of scale of service provider.

High Worth of Analysed Data

Healthcare industry data has been creating huge chunk of complex data which when analysed provides meaningful information to the users. Medical communication collaborating the data into provides useful analytics to doctors, physicians to draw lessons from it and apply the resultant in product lifecycle. Such communications can provide treatment to be more personalised and provide more appropriate action for efficient outcome. These data also help to healthcare players on a corporate level from enabling operational improvements and streamlining internal processes, to generating data-driven tools which can inform strategic decision-making development, product research, clinical trials or sales and marketing processes. Medical communication also provides analytics to the healthcare marketing companies in providing accurate measurement of the impact of marketing activities. These days patients / consumers demand access to their own healthcare to understand their health issues, costs so that they are enabled to make their own informed choices. We expect the increasing links between traditional creative agencies and data gathering and analysis consultancies to be a key corporate activity trend over the coming decade.

3. Global M&A and PE Activity

List of transactions driven in Global Space:

Date	Target	Acquirer
2018	Sciformix	Labcorp
2018	M&C CONSULTANCY	Havas Group
2018	PAREXEL International Corporation	Pamplona Capital Management
2018	INC Research	inVentiv Health
2018	Elsevier's Pharma Communications in Japan	Omnicom Health group
2017	Healthcare communications	IMImobile
2017	The Creative Engagement Group	Huntsworth
2017	Sellxpert	UDG Healthcare
2017	Sorento Healthcare	Havas Group
2017	Vynamic	UDG Healthcare
2017	Vynamic	UDG Healthcare
2017	MicroMass Communications	UDG Healthcare
2017	McCann Health	Ward6
2016	STEM Marketing	UDG Healthcare
2016	Pegasus	UDG Healthcare
2015	Via Media Health	Ebix
2015	Synergy Medical Communications	Dentsu
2014	KnowledgePoint360 Healthcare	UDG Healthcare
2014	Galliard and Nyxeon	UDG Healthcare
2014	Total Therapeutic Management	Indegne
2013	PMGroup	DataTeam
2013	Pygargus	IMS Health
2013	Vericom Corporation	Spectrio
2013	HGS Europe	IMS Health
2013	Verilogue	Publicis
2013	Everyday Doctors	Advice Media
2013	Passport Healthcare	Experian
2013	Catalina Health	InVentiv
2013	Heartbeat Ideas	Saatchi & Saatchi
2013	Solaris	The mission
2013	Refreshed Wellbeing	WCG
2013	Medical Communications Group	UDG Healthcare
2013	Evidera	Symphony TG
2013	Meta Pharmaceutical Services	NexGen RX Marketing
2013	Envision Pharma	The Halifax Group
2013	Archimed	Fishawack
2013	Semantelli	IMS Health
2013	Heron	Parexel
2013	Fishawack	Growth Capital Partners
2013	Appature	IMS Health
2013	Mash	Cello
2012	Abacus	Decision Resources
2012	Pharmaexpert	Open Health
2012	pH Associates	Open Health

Source: Multiple Industry News

Select Players in India

Bioquest
Cactus Communication
Cliniexpert Services
Cognibrain Healthcare
IJCP
Indegene
InScience Health
Insignia Communications
Marksman Healthcare
Mediworld Publication Pvt. Ltd.
MedTrix Healthcare
Medwiz Healthcare
PharmEdge
Scientimed Solutions
SMART Analyst
Spirant Healthcare
Thoughtflows
Transintegra Healthcare
Turacoz Healthcare Solution
WNS - Value Edge
WorkSure MedPharma

Opportunity for Indian Companies

Indian entrepreneurs have established themselves in capturing this growth opportunity. As the global market opens up and coupled with domestic growth, companies in healthcare communication and research would be attractive targets for global players and Private Equity investors.

At IMAP, we believe that this growth opportunity will lead to significant deal activity on this front in 2018 & 2019

191

Deals closed in 2017

\$12+ bn

Transaction value of deals closed in 2017

36%

Cross border transactions share in 2017

About IMAP

IMAP is a global network of investment banking firms with presence in 35 countries. IMAP closed over 2100 transactions valued at \$90+bn in last 10 years. IMAP is ranked 7th in the world in the mid-market segment by Thomson Reuters and has executed 191 transactions worth US\$12 billion in 2017. IMAP has 48 offices in more than 35 countries, > 400 M&A professionals. IMAP India is exclusive India partner of IMAP.

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