

# Leading Through Connections

Insights from the  
Global Chief Executive  
Officer Study

## Life Sciences

Turn better data access and insights into greater customer understanding

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The IBM Global CEO Study 2012, “Leading Through Connections” comprises face-to-face conversations with more than 1,700 CEOs in 64 countries and 18 industries. The study reveals three imperatives impacting geographies and industries: Empowering employees through values; engaging customers as individuals; and amplifying innovation with partnerships.

CEO Study customer imperatives are particularly relevant to the Life Sciences industry, an industry in which the customer can be multi-faceted – the physician, the pharmacist, the payer, but ultimately the patient. Our latest IBM industry research, “Fade or flourish? Rethinking the role of life sciences companies in the healthcare ecosystem,” indicates that the commercial model used by this industry for the last 50 years is broken. The face-to-face model of selling through sales representatives (reps) does not work when there is no clinical story to tell. So companies are looking at alternative channels, including the Web.

Of the 52 Life Sciences CEOs interviewed for the CEO Study, 76 percent identify *customer insights* as their top investment area (compared to 73 percent of the global CEO sample). Over two-thirds of these executives identified *customer markets and competitors* as the area where they will be making substantial investments, compared to only 44 percent of the global CEO sample. Three-quarters of Life Sciences CEOs say they want to understand individual customers better and respond to them faster. However, the mechanism by which they plan to engage with these customers will change with a move from the traditional face-to-face sales rep model to a three-fold increase in the use of social media tools – from 21 percent today to 62 percent over the next three to five years.

The “Fade or Flourish” point of view also identified that Life Sciences companies will be faced with vast amounts of data, not just within their walls but across the entire health ecosystem. Managing and leveraging this data will require integration and transparency, particularly in the R&D and commercial areas.

Life Sciences CEOs told us they can certainly do better in their use of customer insights. When CEOs were asked how good their organizations are at deriving value from data, 54 percent of outperformers in the global CEO sample rate themselves well, compared to just one-third of Life Sciences CEOs. When it comes to translating insights into action, 57 percent of outperformers in the global sample give themselves high marks versus 43 percent of Life Sciences CEOs.





Getting the new multiple business models right will be the ultimate challenge, but for Life Sciences CEOs, the work truly has to start with greater customer understanding through better data access, insight and translation of this data into actions.

To reach an IBM industry expert, contact [iibv@us.ibm.com](mailto:iibv@us.ibm.com) and for more information about the IBM CEO Study, please visit [ibm.com/ceostudy](http://ibm.com/ceostudy).

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