



The Proliferation of The Medical Communications Industry

QUADRIGA
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Preface

The pharmaceutical industry is characterized by its dynamic nature, constantly being forced to evolve to meet the needs of vast consumer demand. With the rise of the new patient-centric approach along with the promise of targeted medicine in the past 10-20 years, the need for pharmaceutical and biotech companies to innovate and adapt has intensified. In fact, we see a gradual shift in the healthcare industry to embrace new ways of thinking and implement breakthrough technologies. It is clear today that the pharmaceutical industry's increased investment in cutting-edge medicines is a testament to its pursuit of innovation and technological advancements.

With the rapid proliferation of medical advancements, the demand for targeted medicine, and the vital need to enhance communication and information dissemination among stakeholders, medical communication companies have gained more prominence in the pharmaceutical industry. These entities play a crucial role in expanding the reach of pharma service providers, facilitating effective collaboration and knowledge sharing across many spectrums of the field. Medical communications assume a pivotal role in facilitating the exchange of information and bridging the gap between healthcare professionals, researchers, pharmaceutical companies, and patients. This comprehensive set of responsibilities encompasses strategic planning, effective communication, and accurate interpretation of scientific and medical information pertaining to pharmaceutical products or treatments. It is, furthermore, crucial in the commercialization phase to help pharma put together a better strategy to increase the chances of successfully bringing their products to market.

About Quadriga Partners

Quadriga Partners is a premier healthcare investment bank, providing merger and acquisition advisory and growth and debt capital raising services exclusively for healthcare companies. Quadriga has a particular emphasis on several key sectors, including outsourced pharmaceutical services, and is among the most active advisors for clinical research focused transactions. Quadriga begins by obtaining an intimate understanding of their client’s short and long-term objectives.



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Medical communications companies assume a vital role in the commercialization strategy within the pharmaceutical industry, playing a pivotal part in enabling the seamless dissemination of crucial knowledge and fast-tracking the process by which new therapeutics reach the market. As an indispensable component of pharma outsourcing services, these companies serve as intermediaries, effectively bridging gaps between key stakeholders. By facilitating effective communication and information exchange and accelerating the commercialization process, medical communications companies contribute significantly to the advancement and understanding of healthcare practices. With 7 out of 10 big pharma companies spending more on sales and marketing than R&D, it is hard to ignore the significance of medical communication companies in the pharma supply chain. Therefore, the expertise and services of medical communication companies play a crucial role in enhancing collaboration, promoting innovation, and ultimately improving patient outcomes.

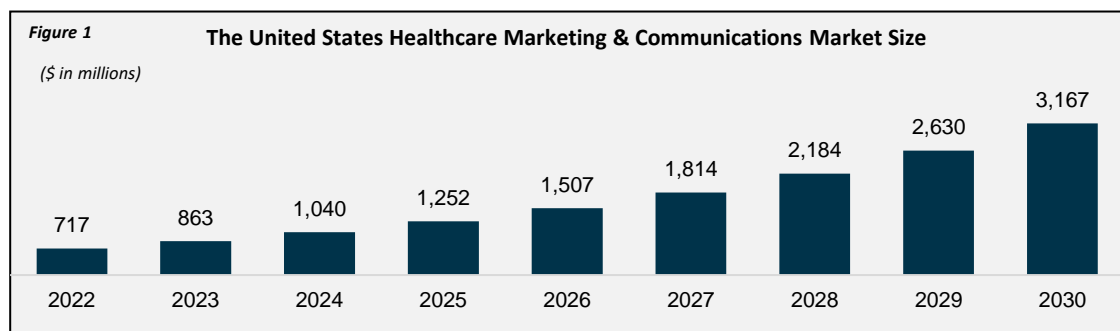
In recent years, the field of medical communication has witnessed the emergence of diverse companies, each employing unique strategies to adapt to the changing landscape of the new patient-centric approach and technological-driven environment. This adaptation includes harnessing AI technology, leveraging new online platforms, and deriving valuable insights from the vast amount of data generated in routine medical care.

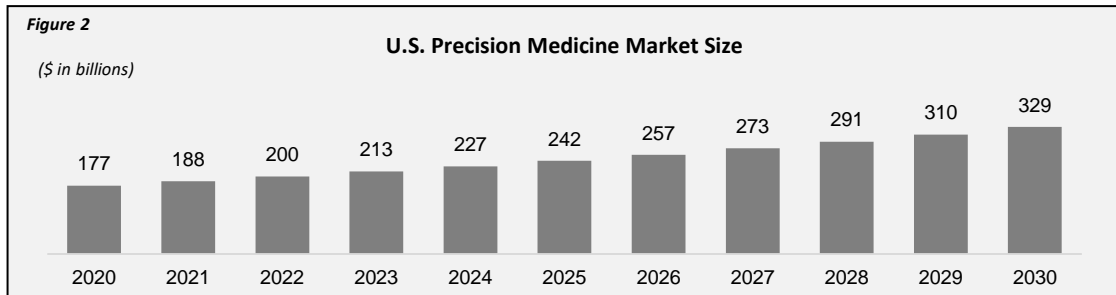
These advancements have revolutionized the way medical information is interpreted and communicated and thus have paved the way for more effective and efficient healthcare practices. To tackle these challenges, companies started offering a diverse range of product offerings, new skills, and fresh perspectives. Those companies include communication and marketing agencies, medical education and publishing companies, digital health and technology firms, and data-driven enterprises. Each brings its unique expertise to the table, collectively contributing to the advancement and transformation of the medical communication landscape.

Rapid Evolution in The Face of an Ever-Changing Industry

The field of medical communication has evolved significantly over the years, driven by scientific advancements, changes in healthcare delivery, regulatory requirements, and technological innovations. While previously, medical communication primarily revolved around scientific publications in peer-reviewed journals, as physicians were the target of pharma’s communication efforts, this, however, has evolved into a more patient-first approach.

Since then, the medical communication field has become increasingly interdisciplinary, as professionals from diverse backgrounds collaborate to offer comprehensive solutions. Medical writers, graphic designers, data scientists, medical illustrators, digital specialists, and communication experts now work together synergistically to develop cohesive and effective communication strategies. This collaborative approach extends to engaging all key stakeholders, including healthcare providers, researchers, pharmaceutical companies, and technology experts, to combine their knowledge and expertise and generate innovative solutions.





The shift to targeted medicine is the latest development marking a growing aspect of the healthcare industry's progress in the increasing focus on patient-centered care and shared decision-making. This shift underscores an increasing emphasis on tailoring treatments to meet the unique needs of individual patients. Furthermore, the generation of vast amounts of data is equipping the industry with more tools to understand patients' needs. For example, while in 1980, medical knowledge was doubling every 7 years, nowadays, it is estimated that medical knowledge is doubling every 73 days, producing more insights than ever before and helping pharma companies better understand and adapt their treatments to the individual.

Greater Focus on Specialty Medicine – Specialty medicines, which are often costly and complex to manage and administer, refer to the diagnosis, treatment, and care of specific diseases or conditions within a particular field. The goal is to provide accurate and timely diagnoses for patients with these conditions, and specialists have extensive knowledge of evidence-based treatment options within their area of expertise. This enables them to develop and implement tailored treatment plans for patients. The aim is to optimize the long-term care of patients with complex or chronic diseases.

Shifting Treatment to Precision Medicine – As medical treatments continue to advance and the focus shifts to personalized care, precision medicine is becoming increasingly popular. This approach aims to provide tailored medical treatments to each individual patient, recognizing that every person is unique and affected by different genetics, environmental factors, and lifestyle choices that impact their health and response to treatment. Precision medicine also addresses important questions related to individualized treatment, determining the most effective options for each person, predictive factors, understanding genetic and environmental influences, and disease prevention

by exploring preventive measures based on an individual's genetic predisposition and risk factors. As mentioned in our previous white paper: “over the last decade, the healthcare industry has experienced a significant shift from the “one drug for all” to individualized, precision medicine, with more than 25% of FDA approvals going there in the last seven years. Those are treatments tailored to the specific characteristics of individuals to target the right treatments to the right patients at the right time.”

Evidence-Based Medicine (EBM) – Informed medical decisions are made by prioritizing the integration of the best scientific evidence with clinical expertise and patient values, an approach known as evidence-based medicine. Practicing EBM requires a process of lifelong self-directed learning driven by the need for important information about clinical and other healthcare issues arising from caring for patients. The practice of EBM recognizes that the research literature is constantly evolving, and what is considered the best method of practice today may change next month or year. Therefore, the best evidence is not static but rather changes when better evidence becomes available. To practice evidence-based medicine, providers must apply the evidence to the right patient, at the right time, in the right place, at the right dose, and using the right resources.

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Emphasizing Patient-Centric Approach – 25 years ago, one of the primary challenges in the pharmaceutical industry was the fact that most of the drug launches centered on clinically differentiated products within established categories, such as cardiovascular medications, diabetes treatments, etc. The primary focus during that period, when aiming to achieve higher sales volume and cost reduction, revolved around differentiating these products in the minds of physicians. Thus, the approach was predominantly physician-centric. In recent years, the approach to healthcare services has evolved, with a growing emphasis on personalized patient care rather than generalized treatment based solely on medical conditions. The fundamental concept behind this approach is to empower patients and actively involve them in their healthcare decisions. It acknowledges that patients possess valuable expertise regarding their own lives and endeavors to equip them with the information, resources, and support necessary for taking an active role in managing their health. Additionally, it recognizes that healthcare decisions should be collaborative, with patients and healthcare providers engaging in a shared decision-making process where patients' values, preferences, and goals receive equal consideration. The importance of patient centricity has reached unprecedented levels, not only for maximizing commercial success but also for its profound impact across the entire healthcare continuum. By embracing patient-centric approaches, various benefits can be achieved. These include enhancing the overall patient experience, promoting health equity among underrepresented populations, enabling the capture of real-world data and patient-reported outcomes, and potentially unlocking the value of untapped commercial products, such as label expansion or driving overall medical cost reduction. Today, pharmaceutical companies strive to understand the daily lives of individuals, viewing them not merely as patients with diseases but as holistic individuals. This approach becomes even more critical, particularly in the context of advanced treatments like cell and gene therapy.

The rise of the internet with the advent of digital technologies and the increasing use of AI and ML have helped revolutionize the industry, and the way medical information is analyzed, interpreted, accessed, and disseminated.

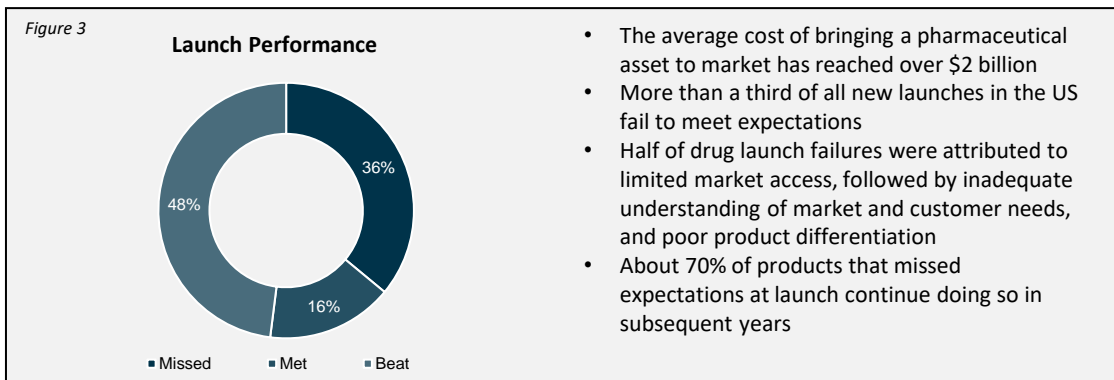
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By gaining a deeper understanding of individuals' experiences, pharmaceutical companies can enhance their chances of success in developing and delivering transformative therapies.

Technological Innovation: Coping With Industry Changes

The medical communication industry has witnessed major advancements in technology in recent years, significantly influencing its ability to offer higher-quality solutions, improve communication strategies, and promote higher engagement with healthcare professionals and patients. The industry has quickly realized that it has to leverage the power of technology to address difficult challenges and adapt to significant trends. The rise of the internet with the advent of digital technologies and the increasing use of artificial intelligence (AI) and machine learning (ML) have helped revolutionize the industry, and the way medical information is analyzed, interpreted, accessed, and disseminated.

AI in The Name of Efficiency – The most important part of the technological aspect in enhancing this industry is primarily shown through the increasing integration of artificial intelligence within healthcare. AI has now emerged as a valuable asset in the field of drug discovery and development. By leveraging real-world data, AI significantly amplifies the efficiency of the drug discovery process, potentially reversing the prevailing trend of escalating research and development costs associated with novel pharmaceuticals. Moreover, AI has fostered heightened patient engagement by causing a proliferation of patient-oriented AI solutions, notably demonstrated by the advent of 'Chatbot' health assistants. This sophisticated technology, designed to mimic human conversation, is already being harnessed by medical communications agencies to set up and improve patient engagement practices. A key advantage of employing this technology lies in its ability to generate tangible metrics, effectively showcasing the efficacy of campaigns in promoting



behavioral change. Notably, one area where AI has had a profound impact is in Natural Language Processing (NLP), an algorithmic approach capable of analyzing large volumes of medical literature, research papers, and clinical guidelines, thereby extracting relevant information and insights with remarkable speed and precision. Consequently, this empowers medical professionals with access to the most current and relevant information when developing content or responding to inquiries.

Data is Everywhere – The abundance of vast amounts of data in the healthcare sector has required the adoption of robust data analytics tools within the medical communication industry. By utilizing advanced analytics technologies, medical communication professionals can efficiently track engagement, measure the impact of their efforts, and gain valuable insights into audience behavior, preferences, and emerging trends. This technology allows the analysis of vast amounts of real-world data, including electronic health records, claims data, and patient registries. Advanced analytics tools, such as AI and ML algorithms, help extract insights and generate evidence on treatment outcomes, healthcare utilization, and patient populations. Through data analytics, a deeper understanding of the effectiveness of communication strategies can be achieved, enabling refinement and customization of content to maximize impact. It provides actionable insights into which channels, formats, and topics resonate most with the target audience, contributing to evidence-based decision-making in medical communication. As a result, resources can be allocated strategically, and efforts can be focused on areas that yield the greatest value.

Consolidation Opportunity Due to Fragmentation in the Field

With the stream of innovative companies continually entering the field, the landscape of the medical communications industry is experiencing increasing levels of fragmentation. This sector represents a confluence of numerous pharma service providers, employing both conventional and modern tools while leveraging technology to confront an array of challenges within the pharma value chain. This combination, along with high levels of innovation and countless problem-solving approaches, has led to the development of a highly fragmented industry. While medical communication can be focused on patient-provider interactions and information dissemination, it also encompasses a broad spectrum of sub-specializations, spanning areas such as medical writing, publication, scientific communication, regulatory compliance, data analysis, commercialization strategy, and health literacy. Each of these specializations involves distinct expertise and skills, which have traditionally operated in isolation from one another, contributing to a fragmented landscape populated by professionals specializing in different areas of medical communication. Consequently, this complex landscape is creating a new breed of professionals specializing in different facets of the medical communication industry. It is also important to acknowledge that addressing the issue of fragmentation requires the collaborative efforts of multiple stakeholders, as it involves comprehensive changes and the removal of structural barriers. A single party alone cannot resolve this intricate problem at present.

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Spotlight on Impactful Segment: Market Access

As the pharmaceutical industry continues its evolution and adapts to emerging market trends, such as the shift from a standardized "one drug for all" approach to personalized therapies in specialty and precision medicine, there is a heightened need to reevaluate market access strategies in light of the changing market conditions.

Market access procedures play a crucial role in ensuring that patients receive appropriate treatment and enjoy prompt and consistent access to medications at fair prices. Traditionally, market access included three primary objectives:

- ① **Ensuring Timely Access:** guaranteeing that patients who meet the eligibility criteria have timely, reliable, and uninterrupted access to their prescribed medications.
- ② **Data Generation and Presentation:** generating and presenting comprehensive data to stakeholders involved in drug adoption and funding decisions. This data serves to inform and facilitate the decision-making process.
- ③ **Pricing and Reimbursement:** ensuring that the product and service prices meet the needs of both patients and the companies developing and manufacturing them. This ensures patients have access to therapy that is effective, affordable, and accessible.

Simply put, market access strives to ensure patients have "the right access to the right therapy at the right price and at the right time." However, if you were to inquire about the definition of market access from market participants in the last decade or so, the answer would probably be fluid and constantly evolving. Market access has since evolved to include a broader array of factors that influence the successful introduction and adoption of therapies in response to new and developing market forces.

These factors include regulatory considerations, supply chain management, training and education initiatives, and an increased focus on engaging all stakeholders. They are pivotal in effectively bringing new therapies to market and addressing the complex challenges posed by the evolving healthcare landscape.

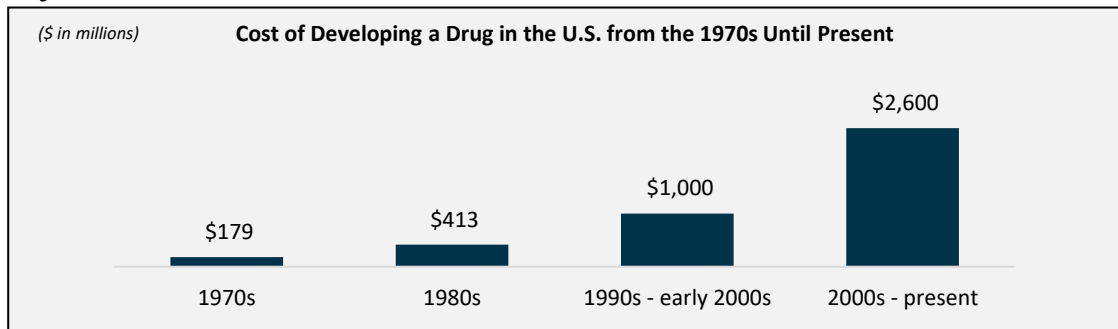
Leveraging Technology to Ensure Successful Market Launch

Market access plays a vital role in achieving desirable outcomes of successful drug approval, and leveraging new and innovative technology is crucial in enabling an efficient and effective process. Nonetheless, introducing a new drug to the market can present significant challenges for companies due to intense competition and strict regulations. The development of new drugs entails substantial costs, and advertising and promoting those drugs adds more to the cost but is necessary to avoid a disappointing launch and to ensure drugs that become approved have sufficient economics.

- The average cost of bringing a pharmaceutical asset to market has reached over \$2 billion. However, over one-third (36%) of all new launches in the U.S. do not meet expectations.
- The leading reasons cited for drug launch failures in the U.S. include limited market access (50%), an inadequate understanding of the market and customer needs (46%), and poor product differentiation at (44%).

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Figure 4



The Proliferation of The Medical Communications Industry

Technology plays a pivotal role in addressing challenges faced by the pharmaceutical industry, including access to big data and advancements in digital platforms, data analytics, and communication tools. Technology enables the industry to navigate complex regulatory frameworks, mitigate intense competition, expand into new markets, enhance national pricing and reimbursement strategies, and streamline distribution channels. Ultimately, technology aims to reduce the cost and risks associated with bringing new drugs to market.

Artificial intelligence (AI) stands out as a particularly valuable tool for the future of data-driven market access decisions. AI can lower costs by identifying promising molecules and optimizing clinical trial design. It can predict the safety and effectiveness of new pharmaceutical products, accelerating the approval process and standardizing regulatory procedures across countries and regions. AI also improves disease identification and treatment, therefore reducing reliance on expensive medications and enhancing healthcare access in remote and resource-limited areas. Moreover, and most relevantly to the market access industry, AI aids in predicting changes in public health policies, optimizing medication production and supply, developing differentiated products and services, and optimizing drug pricing.

Operational Recommendation

To ensure a successful product launch, it is advisable for companies to initiate market access planning

before the protocol is closed for phase 2 design. Failing to do so can result in launching a product without firmly establishing key strategies, such as distribution, reimbursement, target audience, and the utilization of new and advanced technologies. This oversight can lead to low adoption rates and suboptimal sales figures upon launch.

In recent years, the FDA has adopted a stricter approach, rejecting drug applications if pharmaceutical companies fail to demonstrate a valid manufacturing and distribution strategy. Should this situation arise, resubmitting the application within the FDA's timeline can result in significant financial losses, potentially missing out on millions of dollars in projected revenue.

Consequently, investing in a robust market access strategy, along with the data used in market access analysis, becomes essential for successful commercialization. There are many ways that market access can go wrong, but by implementing a data-driven game plan, pharmaceutical companies can proactively anticipate and address these challenges, maximizing their chances of success.

Concluding Remarks

As the healthcare industry and medical knowledge continue to evolve, the role of medical communications is expected to expand further and diversify as it becomes increasingly important to effectively communicate complex scientific concepts to a diverse range of audiences. As new technologies and communication channels emerge, medical communications will adapt to utilize these tools to enhance the impact and reach of their messages. Collaboration between medical communications experts and other healthcare stakeholders will be essential to ensure the effective communication of evidence-based information. Ultimately, this will improve patient outcomes and drive advancements in the healthcare field.

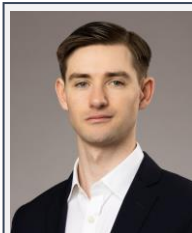


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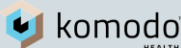






















Selected Medical Communications Transaction Activity

Target	Buyer/Investor	TEV (in millions)	Date	Target Description
 acsel health	 OPEN HEALTH astorg.	-	Feb-23	Operator of a consulting firm intended to partner with life science companies and guide innovation
 CITRUS	 NAVIMED CAPITAL	-	Jan-23	Operator of life sciences consultancy firm intended to provide strategic platforms for market access
 CITELINE	 norstella	-	Oct-22	Provider of specialist intelligence for clinical trials catering to global pharma markets
 ONESOURCE REGULATORY	 propharma Audax Group	-	Aug-22	Provider of medical regulatory services intended to serve the healthcare industry
 TRINITY	 BAIN & COMPANY *	-	Aug-22	Operator of a life sciences consultancy focused on providing strategic insights and analysis
 sound HEALTHCARE COMMUNICATIONS	 medicalknowledgegroup NOVO holdings	-	Aug-22	Operator of a pharmaceutical advertising agency intended to help brands realize their full potential
 the M group	 OPEN HEALTH astorg.	-	Jul-22	Provider of informational programs intended for the pharmaceutical industry
 VERGE SCIENTIFIC COMMUNICATIONS	 deerfield the edgewater funds	-	Jul-22	Operator of a communications consultancy agency dedicated to healthcare companies
 REVHEALTH	 WINDROSE HEALTH INVESTORS	-	Jul-22	Operator of a pharmaceutical advertising agency focused on healthcare marketing services
 EMCAY	 Fingerpaint GROUP KNOX-LANE	-	Jul-22	Provider of multicultural marketing services intended for the pharmaceutical industry
 OPEN HEALTH	 astorg.	-	Jul-22	Provider of healthcare marketing services designed for data analytics and scientific expertise
 curtislearning	 RENOVUS CAPITAL	-	Jul-22	Provider of education services intended for the pharmaceutical and biotech industry
 RANDOM42	 Lockwood ARES	-	May-22	Provider of digital media services to the healthcare and pharmaceutical industries
 Citeline Pharma Intelligence	 WARBURG PINCUS	2,360	May-22	Provider of specialist intelligence for clinical trials and compliance, catering to life sciences analytics
 MAT MARKET ACCESS TRANSFORMATION	 GENESIS RESEARCH GHO CAPITAL	-	May-22	Developer of a client survey platform for life science companies to test commercial viability
 PAI	 FISHAWACK HEALTH Bridgepoint	-	Mar-22	Operator of a health-economics consultancy intended to solve healthcare challenges
 TRINITY	 KOHLEBERG & COMPANY	-	Feb-22	Operator of a life sciences consultancy focused on providing strategic insights and analysis
 medicalknowledgegroup	 NOVO holdings	1,160	Jan-22	Provider of marketing services intended for biopharmaceutical and biotech industries
 ZIPHER MEDICAL AFFAIRS, LLC	 Lumarity Arsenal Capital Partners	-	Jan-22	Provider of medical affairs consulting services for mid-to-large size pharmaceutical companies
 INTOUCH GROUP	 EVERSANA WATER STREET JLL Partners	950	Dec-21	Provider of marketing and advertising services intended to serve the pharmaceutical industry
 MIDDLETON NOW A PART OF AMPULITY HEALTH	 Amplity Altamont CAPITAL PARTNERS	-	Dec-21	Provider of market access consulting services focused on healthcare
 MedThink COMMUNICATIONS	 Fingerpaint GROUP KNOX-LANE	-	Dec-21	Provider of healthcare marketing services intended for pharma companies
 PROTEAN	 EVERSANA WATER STREET JLL Partners	-	Oct-21	Operator of a healthcare consulting firm intended to provide insights based on strategic planning

* Minority Investment

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Selected Medical Communications Transaction Activity (cont.)

Target	Buyer/Investor	TEV (in millions)	Date	Target Description
		-	Oct-21	Operator of a creative digital agency intended to serve the pharmaceutical and consumer industry
		360	Oct-21	Operator of a medical communications agency intended to help clients execute strategies
		-	Sep-21	Operator of a healthcare data analytics platform intended to understand the value of care strategies
		-	Sep-21	Provider of medical communications services for the pharma, biotech, and med device industries
		-	Sep-21	Provider of commercial intelligence catering to the life sciences industry
		730	Aug-21	Global strategy advisory firm for the life sciences industry
		-	Jul-21	Provider of market analysis and scenario assessment services for healthcare companies
		-	Jul-21	Developer of market access and decision software intended for the life science industry
		-	Jul-21	Provider of strategic medical communication services for the biopharmaceutical industry
		365	Apr-21	Provider of healthcare consulting and research services intended to serve the life science industry
		-	Mar-21	Provider of consultancy services intended for the pharmaceutical and biotechnology industries
		44	Jan-21	Provider of health economics data and market access consultancy services
		-	Jan-21	The company offers product strategy design and implementation services to pharmaceutical enterprises
		-	Dec-20	Provider of education for nurse practitioners and physician assistants
		280	Nov-20	Provider of consultancy services for the pharmaceutical and biotechnology sectors
		230	Aug-20	Provider of healthcare consulting and marketing services
		293	Apr-20	Provider of medical strategy and consulting services
		145	Dec-19	Provider of learning services intended to help personnel serving in the life sciences industry
		-	Jan-19	Provider of informational and educational programs intended for the biopharmaceutical industry