

Building Bridges, Building Trust
Conversations on the pharmaceutical industry



Foreword



The pharmaceutical industry is moving forward, working together to ensure our patients have access to new and innovative medicines. I'm proud of what we have achieved so far but – as ever

– there's room for us to improve. More must be done to meet society's huge unmet medical need and to communicate our efforts back to patients. In short, we need to live up to the high standards we set ourselves.

Despite the great value that pharmaceutical companies bring to public health and individual patients – as well as the contribution they make to the European economy in terms of research investment, growth and jobs – the reputation and perception of the industry as a whole has long been an issue. How are we currently viewed? What are the public's expectations? Where are we falling short?

Our decision to undertake the conversations on which this paper is based was taken with these questions in mind. Our intention is to use the insights garnered through this exercise to identify what our industry could do to better meet the expectations of patients and society. That some people refused to associate themselves with the industry by being interviewed is in itself an important indicator of the challenge that lies ahead.

There is an underlying concern regarding the relationship between health, illness and profit. We need to investigate how we address this going forward to make sure our business model is understood as working for, and not against, the patients we work to serve.

'Building Bridges, Building Trust' is really the central thread that ties the conversations together. To raise people's confidence, the pharmaceutical sector must make concerted efforts to reach out and nurture real and enduring connections with the patients they work to treat. It stands to reason that if people who have a better understanding and knowledge about the industry have more trust in it – as the conversations revealed – we must make sure that everyone has the chance to better understand the industry.

One of the most striking messages to emerge from the conversations, for me, was that CEOs and other leaders should be working to set the ethical tone of the industry. I intend to do just that.

I'd like to thank all those who agreed to be interviewed and whose invaluable contributions will – I hope – shape the future of the pharmaceutical sector's reputation in Europe.



Jane Griffiths

**Company Group Chairman, Europe, Middle East and Africa
Janssen | Pharmaceutical Companies of Johnson & Johnson**

ABOUT THE RESEARCH

Some 16 interviews were conducted with representatives from the worlds of media, business, politics and civil society. The research was conducted in April and May 2012.

Each interviewee was given the same 15-question questionnaire. The interviews were carried out over the phone and were approximately 20-30 minutes in length. All participants were told that the objective of the exercise was to produce a study that would be made public and used in the media.

The questions were designed to ascertain the participants' perception, as well as their understanding of the general public's view, of the pharmaceutical industry. They were then asked to share their opinions on the pharmaceutical industry's contribution to society in comparison to the contribution of other sectors. Finally, they were asked to propose actions the industry could take to improve their reputation and close the trust gap.

In exchange for the participants' time, the Johnson & Johnson Corporate Citizenship Trust made a charitable donation to "Hand-in-Hand International", a registered UK non-profit organisation.

LIST OF PARTICIPANTS

• Civil society representatives, including patient groups and environment organisations

- > Cary Adams - CEO of Union for International Cancer Control (UICC)
- > Mary Baker - President of the European Brain Council, immediate past President of EFNA
- > Steve Chapman - Chief Technical Officer of PSI
- > Mary Davis - Managing Director of Special Olympics Europe/Eurasia
- > Marco De Ponte - Secretary General for Italy at ActionAid
- > Tim Nuthall - Media Manager for the European Climate Foundation
- > Eleonora Salvatore (Bimba Bosé) - Singer, model and actress
- > Durhane Wong - Chair of the International Alliance of Patient Organisations (IAPO)
- > Marc Wortmann - Executive Director for Alzheimer's Disease International

• Politicians

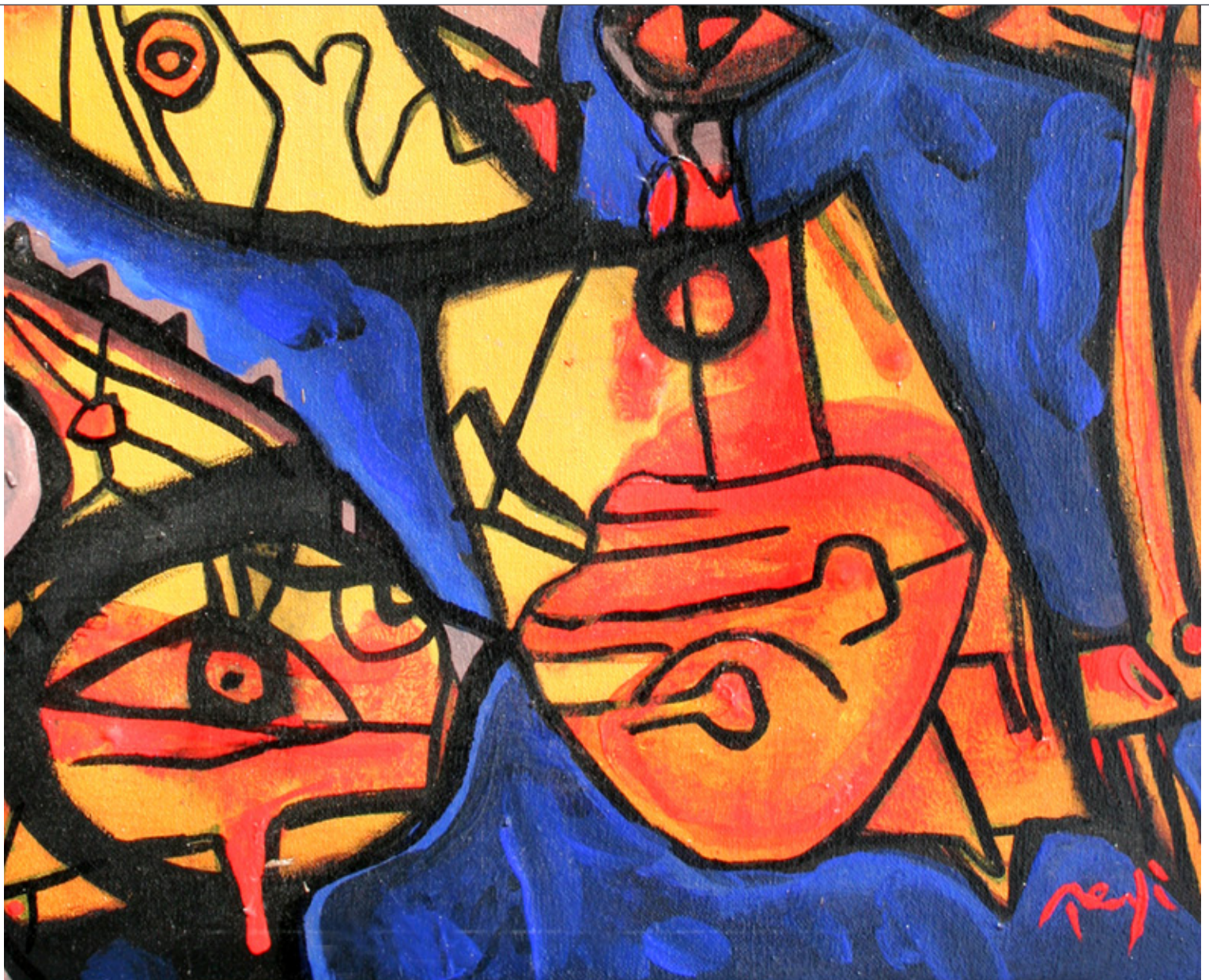
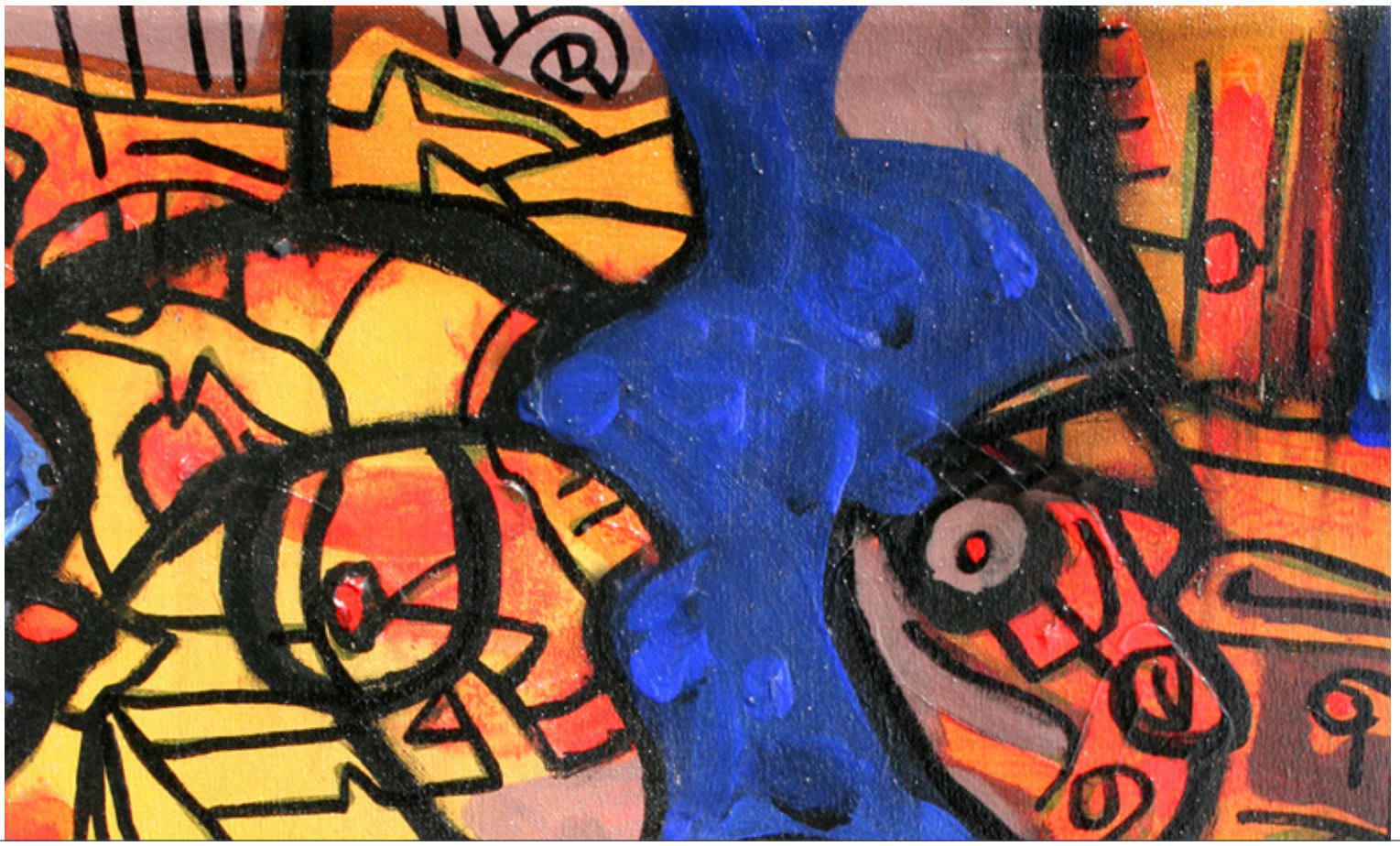
- > David Byrne - Former EU Commissioner for Health and Consumers' Protection (1999 - 2004)
- > Françoise Grossetête - Member of the European Parliament
- > Dr David Kessler - Former Commissioner for the US Food and Drug Administration
- > Günter Verheugen - Former EU Commissioner for Industry and Entrepreneurship (2004 - 2010)

• Corporate

- > Dan Bross - Microsoft, Sr. Director, Global Corporate Citizenship
- > Roberta Lipson - CEO of Chindex Inc. (United Family Hospitals in China)

• Media

- > Robert Matthews - Science advisor to the BBC, former Telegraph science writer
- > Janet Robinson - Former President and CEO of The New York Times Company



Executive summary

‘Building Bridges, Building Trust’ explores the views of some 16 panellists from the worlds of media, business, politics and civil society on the reputation of the pharmaceutical sector.

This paper analyses the findings of individual interviews with the participants and is divided into four chapters:

1. What the interviewees say
2. The pharmaceutical sector in the public eye
3. Social contribution – how does the pharmaceutical sector compare?
4. Conclusion: building bridges, building trust

The first chapter examines the interviewees’ opinions on the pharmaceutical sector. The majority of participants, especially those who have come into professional contact with the industry, are generally positive – praising the sector’s work as well as the individuals or the individual companies they have come into contact with. However, many participants appreciate that their experience affords them a privileged ‘insider’ view which contributes to their positive outlook. They believe that – in contrast to their own views – those of the general public are more negative.

The second chapter explores further the interviewees’ perception of the public view. For many, the public’s insufficient knowledge – fuelled by the (perceived) disparity between patient priorities and those of the sector – contributes to the public’s negative perception. Unbalanced media coverage and ineffective communication by pharmaceutical companies and the industry as a whole have both played a part in slanting the public’s perception. Nevertheless, it is interesting to note that participants neglected to mention specific scandals, recent or past, throughout the course of their interviews. Most interviewees nevertheless think that the public’s view is “rather unrealistic”.

Chapter three compares how the pharmaceutical sector has contributed to society in comparison with other sectors. The technology sector emerges as a leader in this field, having successfully managed to reconcile its business priorities with customer needs. The sector is continually recognised as playing an ever-more important role in peoples’ lives – and invariably makes sure the good news stories hit home.

The final chapter draws on the insights of the first chapters to propose actions the pharmaceutical sector could make to improve its reputation. Building trust rests on the pharmaceutical sector’s capacity to rise to the expectations of the general public. Proving the industry’s genuine commitment to patient welfare by investing time and money in Corporate and Social Responsibility projects and other patient-focused initiatives, endeavouring to communicate and interact openly and effectively on and offline, providing better information, taking steps to develop constructive relationships with the media and above all being more transparent about the work the pharmaceutical sector does are all calls to action that emerge in our conclusions.

Chapter 1

What the interviewees say



A privileged position.....

The overwhelming majority of those interviewed hold positive opinions about the pharmaceutical sector. For many, it has a vitally important social role – creating, discovering and developing medicines and treatments that prevent and treat disease.

“Pharma is a very important and powerful industry that has delivered globally important discoveries which have transformed the lives of millions.”

Cary Adams

Interviewees who have relationships with individuals in the sector are impressed by their professionalism, valuing their involvement and expertise. Invariably, the interview panel described their pharmaceutical contacts positively, finding them “cooperative” and “very professional”.

Nearly all interviewees who have had some professional dealings with the sector consider themselves to be more knowledgeable in comparison to the general public. Their familiarity means they are able to understand the pharmaceutical sector priorities and needs and appreciate that they are not opposing but complementary forces. They value the R&D (research and development) and innovation input the sector makes to society and understand that these activities are dependent on its economic sustainability.

.....vs received opinion

The relationship interviewees have with the pharmaceutical sector nevertheless renders their view of it complex. The positive feelings referred to in the above section, borne out of professional knowledge and objective business understanding, are undermined by concerns about patient satisfaction.

“Pharma plays a critical role in healthcare (but) there’s confusion and misconceptions about the role it plays in the lives of consumers, and in meeting the medical needs of the population.”

Janet Robinson

Although they do understand the complexity of the pharmaceutical sector and its need to be competitive and to grow, they are nevertheless acutely sensitive to – and share – the public’s concerns about the sector’s focus on profit. Where interviewees have had little or no direct

contact with the sector, they are more likely to have a uniquely negative view of it. Tellingly, one interviewee says “If I did not have the personal and professional position that I do have, my opinion would be negative owing to high drug prices and issues about access”.

Some interviewees feel more transparency is needed about how money is spent and how investment decisions are made. There is a perceived disparity between what patients need and where the money goes.

“Their focus tends to be on boosting sales rather than getting the right product to the right person.”

Mary Davis

‘Research is directed by what sells rather than actual need’.

Marco de Ponte

‘Non-essential’ expenditure on marketing and lifestyle drugs – and not enough investment on crucial but low-profit medicines like orphan treatments and vaccines were both highlighted with dismay. The sector’s ‘aggressive’ marketing tactics are perceived as both self-interested and damaging:

“Nowadays, doctors prescribe one specific drug over another because the pharmaceutical companies promote aggressively - that’s why I don’t trust medical services or the pharmaceutical industry.”

Salvatore Eleonora (Bimba Bosé)

A VARIED PICTURE

Some interviewees were keen to point out that, for them, broad opinions about the pharmaceutical sector as a whole are difficult. Within the industry, some individual companies are said to be working hard to deliver the best service possible to patients and drive healthcare forward, for example by addressing global access issues, pursuing CSR (Corporate Social Responsibility) projects and investing wisely in patient-focused treatments. But this is not across the board.

Interviewees are able to identify the players they view as enduring contributors, yet concede that their reputation in the public eye is tainted by the high-profile scandals or behaviours of a few.

Chapter 2

The pharmaceutical sector in the public eye

Many interviewees who view the pharmaceutical sector positively agree that some members of the public do not share this opinion. This discrepancy is explained, where it does exist, by a deeper knowledge of the sector due to the nature of their professional dealings.



Whereas interviewees appreciate the complexity of the business model of the pharmaceutical sector – research and development and the protection of IPR (Intellectual Property Rights) for example – their shared belief is that the general public has a narrower view, simply expecting to be looked after.

“The industry’s need to protect IPR is not shared by the public.”

Günter Verheugen

Other participants imply that a sense of mistrust has been created in the hearts and minds of the public by the gap between the public’s priorities (ethics, safety and a genuine commitment to patient care) and those of the pharmaceutical sector (research, profits and the recovery of costs through patents). They are disappointed to be trumped by commercial interests – company and stakeholder profits and high drug prices. For the interviewees, therefore, the public expects the pharmaceutical sector to assume a caring healthcare provider role – and until now find this lacking.

“... Usually, those working in the big companies don’t have the opportunity to get to know patients as people. They often move from portfolio to portfolio and from country to country to gain experience. That comes across as a lack of real commitment to the patients.” Durhane Wong

Most interviewees do however express sympathy for the efforts of the pharmaceutical sector. They concede that the public's expectations are "rather unrealistic" and "old fashioned" – even that they expect "miracles" without fully understanding how the pharmaceutical sector works.

It's worth clarifying, too, that not all participants believe the public's view is so negative. Some interviewees see the public's relationship with the sector as far more informed and pragmatic.

"The public is generally positive: you turn to medicines when you have a problem."

Tim Nuthall

For me, Durhane's words have a clear message. Pharmaceutical companies must understand health holistically by getting to know the patients they're treating as people. I do believe that our industry is already firmly committed to patient care, but we have to make sure that message hits home with the general public.

THE INFORMATION GAP

Unfair treatment in the media – exacerbated by the sector's lack of transparency and failure to communicate effectively – is frequently blamed for the public's distorted view of the pharmaceutical sector.

"In the absence of knowledge, people form opinions."

Mary Davis

Mary Davis' comment brilliantly encapsulates a problem our sector has been reluctant to address for some time. Our hesitancy to really engage in a meaningful way has left patients in the dark – and played into the media's hands.

For many, there's a gap that needs to be filled in the public consciousness about what the pharmaceutical sector is and how it works. Today, this gap is too often being filled by the media who leverage the sales potential of the pharmaceutical sector's sporadic failures instead of reporting the whole story.

"Because the industry has been kept away from its customers, the media has come in between. And as a result you get a distortion. The media wants to sell papers and bad stories sell better than good."

Mary Baker

Almost unanimously, interviewees say better information and more transparency are essential for closing the gap between public perception of the pharmaceutical sector and the reality of how it works.

"In reality, if there was more education and more transparency, there would be a greater understanding of the role pharma companies play in keeping down the cost of healthcare."

Janet Robinson.

Informing in a transparent way is cited time and time again as the key action pharmaceutical companies must embrace.

"Patients are looking for the truth about the product. All information is good information. Easy access to product information which is factual and truthful is important. Transparency, in essence."

Mary Davis

Chapter 3

Social contribution: how does the pharmaceutical sector compare?

The pharmaceutical sector in the shadows

Nearly all of the participants in the study agree that the pharmaceutical sector has transformed public health for the better. Vaccines, HIV and cancer treatments are listed by many as concrete achievements the industry has made.



A few also highlight the broader socioeconomic role the pharmaceutical sector plays as a job provider, innovator and driver of growth.

Again, there is a marked disparity between the opinions of interviewees and how they view the general public's understanding of the pharmaceutical sector's contribution. Some claim that the efforts of the industry are "taken for granted" by the general public and that the complexity of their products are underestimated; not enough people realise, as Member of the European Parliament Françoise Grossetête points out, that **"there is as much technology in a cancer drug as in an Airbus plane."**

It is suggested that the public's underestimation of the pharmaceutical sector is fuelled by the anonymity of individual companies within the industry. Patients simply don't know the company that supplies their treatment in the same way they know their doctor. As the pharmaceutical sector is perceived

as one homogenous block, it's harder for distinct achievements to make an impact.

"The average consumer doesn't know who makes the medicines they are taking – the producer of the drug is not recognised. This has not helped the industry. The perception is that all drug quality is the same."

Dr. David Kessler

Reaching out to, connecting with and involving patients and consumers are put forward as crucial for breaking this anonymity – and, in turn, building trust.

"All successful brands involve their customers from the start. This is a practice the pharma industry does not follow, and now they are uncertain as to how to engage." Mary Baker

Mary Baker's remark is particularly interesting. For pharmaceutical companies, taking a leaf out of the books of other customer-focused household brands by involving patients early in the treatment development process, building relationships and carving out a place in the family home would be an ambitious step, requiring a change in both how pharmaceutical companies view themselves and in how they approach their work. But for me it hits home. Involving the public in how we address the health needs of society will help us in turn to better understand their needs and convey that we work to make them better, not just to sell a product like any other commercial company.

WHAT MAKES A SOCIAL CONTRIBUTOR?

Interviewees listed the technology, environmental management, education, leisure and tourism sectors and the film entertainment industry as all making positive contributions to society. The food industry, interestingly, was cited as both a positive contributor to and having a negative impact on society.

How these choices are justified provides some insight into the qualities an industry must have to be – and be viewed as – a positive social contributor.

To contribute, an industry will normally provide a service or product that makes peoples' lives better. Wide-spread accessibility or access is also important, as is trust – “nobody looks at them as bad” – and the belief that the sector is working in their best interests.

MEETING PUBLIC EXPECTATIONS – A CASE STUDY

The technology sector emerges triumphant from most interviews, hailed as a leader in giving back and contributing positively to society.

Technology is recognised as playing an increasingly positive role in peoples' lives, providing entertainment, streamlining organisation and facilitating human interaction. This can be compared to the disconnect interviewees describe between pharmaceutical companies and the man-on-the street.

Many interviewees also point to the democratisation of technology – not just in the developed but also in the developing world. Access to technology has brought about great social change; as one participant exclaims “everyone has access.” Conversely, access issues in the pharmaceutical industry are cited by many as a point of tension.

Overall, the positive story of research, development and innovation by technology companies is conveyed and easily understood by end users. The public is constantly made aware – through the media, advertising and through their own daily interaction with technology products– of new innovations that make tangible improvements to our everyday lives.

Technology companies are seen to contribute because people feel confident that they know and understand what technology companies are doing and – regardless of profits – they're confident that these companies work to serve their interests.

'Everyone has access' is a key phrase. People value industries that customise products and services to their needs - and work to pre-empt future need. They want and expect to be our number one priority. The comparison between the technology and pharmaceutical sectors is far from simple and clear cut – but I do think there are important broad lessons that can be learnt here.

Chapter 4

Conclusion: Building bridges, building trust

The overriding message that emerges from the interviews is that there is a bridge that needs to be built between the pharmaceutical industry and those it works to serve: patients.



MAKING A CONNECTION

To meet public expectation, the pharmaceutical sector needs to better demonstrate our commitment and approach to addressing the unmet medical needs of society.

“They need to change their image from being an industry that’s only concerned with profit, to an industry that’s working to solve one of the most important – if not the most important – problems of society. They need to become a partner in health.”

Günter Verheugen

Initiatives that take the pharmaceutical sector beyond the laboratory and into the lives of the patients are also crucial. These might take the form of CSR (Corporate and Social Responsibility) and philanthropic causes – or work that complements their existing service offering: one interviewee suggests research into how to best support Alzheimer sufferers or campaigning against counterfeit medicine production.

“They fall short in not thinking holistically – disease is so much more than just a pill or a drug.”

Marc Wortmann

TRANSPARENCY AND ACCESSIBILITY

Explaining how the pharmaceutical sector works in a clear and accessible way will also help build trust. Put simply, we need to get better at communicating and more specifically, communicating about how we help address the needs of others.

“To restore trust is dead simple – they need to be much more upfront about what they know and don’t know.” Robert Matthews

A key issue that emerged from many interviews was a misunderstanding about where the money goes. Clarifying the economics of the pharmaceutical industry, for example the relationship between profit and cost, is fundamental. The public needs to see that their health priorities are not undermined but served by the pharmaceutical industry’s efforts to innovate and meet the unmet needs of patients.

“They do things to increase access for poor people but I don’t know the details.”

Steven Chapman

One interviewee proposed an industry-wide website supported by social media channels that allows users to ask questions and interact with pharmaceutical sector insiders.

CHANGING BEHAVIOUR

Communication and transparency can only go so far: the industry must prove they are worthy of trust. Pharmaceutical company CEOs should “set the tone from the top”. One interviewee was confident that this is already happening, insisting that a new breed of CEOs are developing an ethos of responsibility within their respective companies.

Chapter 4

Conclusion: Building bridges, building trust

“The reputation of the industry has improved considerably over the past decade. A new generation of leadership in many of the pharmaceutical companies has acknowledged the need for early and affordable access to medicines for patients. This new approach ought to be encouraged throughout the industry.”

David Byrne

I was heartened by David’s observation. Indeed, the buck should stop with me – and I am aware of my duty to lead by example, both to my colleagues in Janssen and within the broader pharmaceutical community in Europe.

Aggressive marketing was also named by some as a factor that diminishes their view of the industry.

The industry must be candid about previous mistakes and scandals – acknowledge that the long-term negative impact they have had on the industry’s reputation is justified – and endeavour to make sure such activities do not happen again.

BUILDING BRIDGES, BUILDING TRUST

Bridging the expectation and communication gap between the pharmaceutical sector (and those with some professional knowledge of it) and the general public is central to building trust. Demonstrating genuine, long-term commitment to patients and communicating effectively to those outside the industry including the media will ensure its actions meet patient expectations and that the right messages reach home every time.

I hope you have enjoyed reading about our conversations. For me, it’s been an insightful and helpful exercise, both for spelling out in a clear way some of the challenges the industry faces and for proposing concrete actions we could take to move the pharmaceutical sector forward. Health is indeed an enormous responsibility, and patients’ expectations are justifiably high – safeguarding their trust is of paramount importance. We must continue to work hard to improve patient care, close the gap that exists between pharmaceutical companies and the general public and demonstrate our commitment to the overall well-being of patients.



