

Rapid Knowledge Transfer in Changing Times:

How the Pharmaceutical Sector Solves Communication Challenges with Virtual Classroom Solutions

Introduction: Drug Makers Confront Change

In business, as in life, the only constant is change. Pharmaceutical company managers experience incessant change inside and outside of their corporate perimeters, and this change affects the way they go to market, manage their operations, or comply with new regulatory mandates.

In fact, corporate success is often a result of responding to changes quickly, effectively, and comprehensively. Fundamental to any business is the dynamic nature in which it operates. The frenzied rate of market change requires employees and customers to be able to access and act on growing amounts of information in a shorter timeframe.

Time-critical business knowledge is valuable and must be shared quickly throughout the workforce. Therefore, the need to immediately distribute important information is imperative. Knowledge rapidly gathered, developed, internalized, and applied within a company translates directly as competitive advantage.

One industry particularly wracked by change these days is the pharmaceutical industry. Once the darlings of Wall Street, the stocks of drug makers are taking a beating and are expected to suffer into the foreseeable future. You don't have to be Warren Buffet to figure out why. Despite billions of dollars spent on research, few new "blockbuster" drugs are coming to market and patents are expiring on profitable brand name drugs.

Saving Lives, but Under Fire

Drug manufacturers' products save lives and relieve millions of their suffering and pain. And yet, scandals are erupting on an almost daily basis, concerning the efficacy and dangers of several best-selling drugs, tarnishing the reputation of the entire industry. Doubts are surfacing on Capitol Hill, concerning the regulatory diligence of the U.S. Food and Drug administration, with increasing calls for tougher oversight of the drug industry. Consumer groups also allege a growing conflict of interest among prescribing doctors and drug companies.

The rising price of drugs is sparking renewed calls for legislation that eases restrictions of cheaper imports, especially from Canada. It doesn't help that there's confusion in the wake of the new Medicare drug benefit, which no one seems to understand. Meanwhile, a wave of consolidation is generating new turmoil and uncertainty, as sinking profits prompt more and more drug companies to merge. Even in the best of times, the clinical trial phase — the process for testing and approval of new drugs — remains expensive, protracted, and downright Byzantine.

In response to these challenges, many pharmaceutical companies are reevaluating the way they communicate with and train their employees and customers. Conventional paths of communication are no longer fast and flexible enough in today's dynamic environment and 24/7 news cycle. As they confront these daunting and interrelated trends, drug company decision-makers need new ammunition. A leading-edge training technique — the Virtual Classroom — provides this ammunition.

"The Virtual Classroom allows organizations to stretch their training resources, eliminate logistical barriers, and transform their training into strategic lines of business. Both trainers and business users can rapidly train and update their dispersed audiences on the latest product updates and initiatives inside the organization. They can also edit, archive, and store recorded sessions in an online library, giving their geographically dispersed audience instant access to this valuable information."

— Eric Vidal, Senior Product Marketing Manager,
WebEx Communications, Inc.

Indeed, the virtual classroom is a new and exciting category of communications and training, marshalling the Internet and proven technology to deliver, in real time, the training and market intelligence that a company's team needs, without taking them out of the trenches. By adopting the Virtual Classroom approach, pharmaceutical companies are accelerating drug testing and sales cycles and leveraging productivity like never before.

Without costly investments in additional computer equipment and software, Virtual Classrooms allow companies to quickly train and educate new employees, by communicating their best, time-honored practices via an online environment. These classrooms combine the expertise and experience of trainers with the benefits of an online classroom.

These classrooms also speed-up new product launches — an important goal for any drug company — by providing time-critical information and hands-on training to anyone, regardless of their location. There are no hardware set-ups or plane tickets to buy.

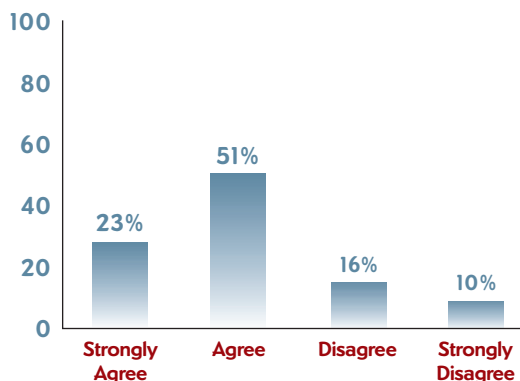
When controversy or a new regulation hits, a Virtual Classroom allows companies to quickly update their entire organization. Top management, business partners, employees, and the broader public can quickly learn about process changes, regulatory compliance, and new initiatives.

Survey: Rapid Knowledge Transfer and Training are Keys to Success

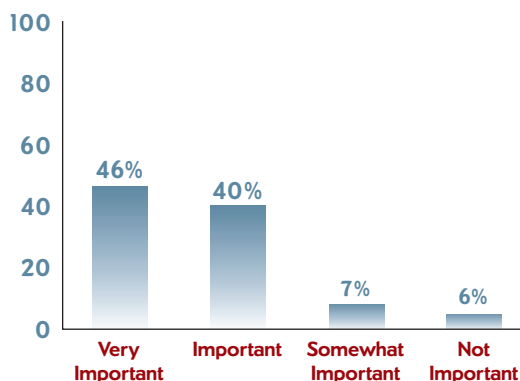
In January 2005, Larstan Business Reports sent out a survey to training directors, top managers and other decision-makers at major drug companies. The data gleaned from this survey was provocative and provided empirical confirmation of the efficacy of Virtual Classrooms.

Notably, among the 155 respondents, 74% said that a Virtual Classroom would facilitate better communication within their respective organizations, better leverage their resources, and save them time and money (see chart below). The survey also found that an overwhelming majority — 91% — of respondents agreed that rapid changes in the pharmaceutical industry today make it more important than ever to leverage the latest technology for rapid knowledge transfer.

A “Virtual Classroom” would facilitate better communication within my organization and better leverage our resources.



Please rank the importance of ensuring rapid knowledge transfer when trying to bring new drugs to market or in regulatory compliance.



Source: Larstan Business Reports

The Real Benefits of Going Virtual and Online

The real-world experience of leading pharmaceutical companies has shown that Virtual Classrooms:

- Arm sales teams with the skills and knowledge they need to sell effectively and to introduce new products to their customers;
- Decrease time-to-market with rapid product roll outs;
- Achieve and maintain regulatory compliance by providing training, tracking and reporting on the latest standard operating procedures and regulations;
- Assess and measure performance and enable professionals to obtain the competencies necessary to advance in their careers;
- Align people with the right positions in the organization, thereby enabling companies to effectively recruit and retain the best minds;
- Respond more quickly to training requests that would not have been met through traditional classroom training;
- Provide easy access to subject matter experts;
- Provide interactive and engaging online training sessions.

Vidal of WebEx says the drug industry still grapples with an overlong clinical trial phase that tends to get bottled-up with red tape. He says the Virtual Classroom can expedite this all-important process.

“The Virtual Classroom can speed up the clinical trial process, because there is a big paper trail,” Vidal said. “Bringing people into the room can be difficult. There are lots of updates and changes. How do you keep people abreast of these updates? That is just too cumbersome. Will you keep e-mailing them? The clinical testing process is a highly interactive process and that’s what the Virtual Classroom is designed for.”

He said a Virtual Classroom also helps manage a news crisis, an increasingly prevalent event in the drug sector. “The challenge isn’t just bringing a drug to market,” he said. “What if something goes wrong? How do you communicate to your worldwide audience in an emergency?” He also said Virtual Classrooms educate sales channel partners more frequently and cost-effectively, without regurgitating the same old “canned” PowerPoint presentations.

Knowledge rapidly gathered, developed, internalized, and applied within a company translates directly as competitive advantage.

Drug companies that currently use Virtual Classrooms attest to their ability to facilitate rapid transfer of knowledge. “We gear it toward our sales force, so we can more quickly educate and train them,” said Jessica Le Fur, Director of Document Management and Planning, OSI Pharmaceuticals, a Melville, New York-based manufacturer of cancer drugs. OSI maintains a nationwide sales force in all regions of the country; it uses the WebEx Virtual Classroom to bind them together as a cohesive unit.

“By using a Virtual Classroom, we don’t have to fly people all over the place. It not only saves time and money, but it allows our sales people to focus on what they should be doing — which is selling in the field. Virtual Classrooms constitute a highly participatory learning experience that includes trainer interaction, side conversations among students, and ‘workshop’ breakout sessions. We can have side conversations online and key in questions. We can also conduct online polling and testing, which allows us to gather metrics to see whether the training was effective.”

— **Jessica Le Fur, Director of Document Management and Planning, OSI Pharmaceuticals**

The Leading Edge

The training community agrees that Virtual Classrooms represent the leading edge in training techniques.

“One of the benefits of using e-learning is that you can train and educate people that you previously couldn’t reach, because you couldn’t necessarily get their time,” said Ryann Ellis, Editor, Learning Circuits magazine, the online e-learning magazine for the American Society for Training and Development.

“Virtual Classrooms also serve as an online tool that most accurately simulates a learning environment to which people are accustomed. Students can ask questions in real-time, there’s an instructor leading the event, and students can talk to each other, as opposed to people trying to just learn on their own.”

“Virtual Classrooms have really risen to the top as a learning solution and they give users the biggest bang for the buck. A key quality is the interactivity.”

— **Ryann Ellis, Editor, Learning Circuits magazine, the online e-learning magazine for the American Society for Training and Development**

Ellis also noted that the ability to record training sessions is a big advantage because employees can download and review sessions. “Companies or individuals can reuse existing online training sessions, for refresher courses,” she said. “Training sessions are fully recorded, allowing companies to playback previous sessions as an adjunct to a new, live training session, or for review.”

To view the entire Pharmaceutical Industry Survey Results, go to: <http://www.xxxxxx>. To view a complete set of Larstan Business Reports, go to: www.larstan.net.

Resources:

WebEx Communications, Inc., based in San Jose, California, is the world’s leading provider of on-demand web meeting applications. WebEx applications improve collaboration and increase productivity in sales, support, training, marketing, engineering and product design. WebEx delivers its suite of web meeting applications over the global WebEx MediaTone Network, a network specifically designed for secure web collaboration (www.webex.com).

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The American Society for Training and Development, a leading association of workplace training professionals (www.astd.org).

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