



# SHL GROUP

## VOICE OF CUSTOMER RESEARCH – A CUSTOMER-CENTRIC APPROACH TO STRATEGY DEVELOPMENT

In this article, Michael McGowan, Global Director of Market Intelligence, SHL Group, discusses SHL's view on adapting to the shifts in market needs and stakeholder priorities in the pharma and biotech sectors, and details how SHL has implemented a "voice of customer" market research programme to ensure it provides the best possible service for its customers.

As many senior executives from medical device companies will probably confirm, there is a fairly high probability that at some point during the annual strategy review meeting, someone from the marketing department will show a bullet point stating "meet customer needs" or "satisfy customer requirements." Indeed, a dollar, pound or euro in the bank for each time I have heard this combination of words over the course of my career would certainly have made a significant contribution to my son's university tuition fees!

Most definitions of "marketing" generally refer to a business or management process that aims to identify and profitably satisfy the needs of target customers by means of a product or service. A part of Dr Philip Kotler's (Kotler Marketing Group, Washington DC, US) definition of marketing states that:

*"Marketing is the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services."*

Although the development of business strategy is generally an iterative process, building and refining on earlier strategic plans, having an in-depth understanding of customer needs and opinions is the

base upon which companies construct (or reconstruct) long-term success. With almost three decades' experience working with many leading biotechnology and pharmaceutical companies across the globe, SHL Group has, since its establishment, been committed to understanding customer requirements, the foundation stone for strategy development, as well as delivering market-leading products that serve patients in need.

### UNDERSTANDING MARKET TRENDS

The development and success of biological drugs to treat a range of chronic diseases have led to the rapid growth of injection devices for self-administration and advanced drug delivery systems. Having identified at a very early stage the macro market trends and the unsatisfied customer needs that accompany self-administration of injectable drugs, SHL has emerged as a world-leading solution provider in the design, development and manufacturing of advanced drug delivery systems, including compact disposable autoinjectors, reusable pen injectors and complex inhaler systems.

As the global prevalence of chronic diseases continues to increase through factors such as improved diagnostic capabilities, changes in lifestyle and ageing populations, the lifelong process of disease management will continue to move from the hospital and primary care setting into patients' homes. This trend brings with it



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some significant challenges with respect to monitoring, adherence and compliance. As such, new customer needs are constantly emerging. Moreover, the relative importance of key stakeholders is also changing over time, resulting in a constant churn in the hierarchy of needs to satisfy. It goes without saying, therefore, that a regular discussion with customers and other key stakeholders is critical to keeping your finger on the pulse of change.

## IDENTIFYING CUSTOMER NEEDS

As a market leader in the design, development and manufacture of autoinjector systems, SHL has multiple touch-points with its pharmaceutical customers in the course of doing “regular business”. Sales people call on contacts and functions within the customer organisations every day; project managers, programme managers and supply chain personnel communicate with their counterparts on a regular basis and quality and regulatory affairs frequently collaborate to co-ordinate audits and prepare product submissions.

With all these regular points of contact, it becomes easy to believe that you know the customer, that you understand what they need and what they think of you as a supplier. However, like running a marathon, the real challenge starts when you are well into the journey and the harder it becomes to make sense of even quite simple feedback or instructions.

With existing customers, it is easy to become focused on manufacturing, selling products and dealing with firefighting issues rather than keeping abreast of their present needs, opinions and level of commitment. To develop this kind of understanding and take a forward-looking view on the relationship with the customer requires a conscious and formalised process, which exists outside of the regular day-to-day contacts. It was with this approach in mind that SHL recently initiated a “voice of customer” programme with a number of its key customers.

## CONDUCTING MARKET RESEARCH

Conducting market research as part of your business process is far from being a new idea. After all, most definitions of marketing mention the identification of customer needs as the starting point in the process of building a profitable business. In a technically challenging area such as



**Figure 1: SHL’s Needle Isolation Technology (NIT<sup>®</sup>) was developed to enhance the safety and usability of cartridge-based autoinjectors.**

self-injection systems, the focus of market research has frequently been centred on the device itself.

Initially developed for use in emergency situations, autoinjectors were, by definition, operated by untrained users or by patients themselves. With the development of biological pharmaceuticals and the growth of self-administration in the home setting, the use of autoinjectors has expanded, leading to the needs of users becoming more diverse and condition-specific. Companies like SHL have traditionally focused most market research efforts on creating product solutions that improve devices for better usability (Figure 1). Human factors studies are now an essential requirement in any device development programme to gain insight into how the device satisfies the needs of the patients. Focus groups and product testing research have therefore been extensively deployed by the medical device industry for many years.

## WHAT IS VOICE OF CUSTOMER?

Voice of customer (VoC) research is not a new concept, however, more companies are discovering the potential of the methodology

to generate both qualitative and quantitative input to the strategic planning process. VoC research generates feedback by means of interviews with respondents who have been identified as key stakeholders, capable of providing relevant feedback according to the specific objectives of the research.

While VoC interviews follow a structure that has been designed to generate feedback on the specific objectives of the research, a skilled VoC interviewer will stay close to the designated interview structure but will also incorporate a level of agility that allows respondents to develop their feedback in spontaneous directions. It is often from these “excursions” that the most valuable feedback is generated. Once the interview phase has been completed, the results are analysed using a formalised approach to address customer needs, expectations, opinions, suggestions, new ideas, trends and so forth. The data generated is then organised into a hierarchy or prioritised action list depending on the specific objectives of the study.

Although the pharmaceutical industry has undergone a number of significant developments in recent years and the market for self-administration injection devices has evolved considerably since the early 2000s, it is probably no exaggeration to say that we are, at present, at a true inflection point. The opportunities presented by connected devices together with changing characteristics of new injectable drugs (volume, viscosity, injection frequency) all present significant new scope for product development. However, the economics of providing effective but expensive disease-modifying treatments to an increasing number of patients is placing national healthcare systems under mounting and unsustainable pressure. In the face of such potential for change, it should come as no surprise that SHL should be interested in performing a VoC research programme to better understand how our customers perceive the near and long-term trends and how they assess SHL’s overall performance and capabilities.

## IMPLEMENTING THE PROGRAMME

SHL’s focus on every detail when creating self-administration systems for its pharmaceutical partners and their patients was one of the most important factors supporting our VoC programme. With so many internal stakeholders interested in obtaining customer feedback, there was a

temptation to fit too much into the scope. However, VoC programmes tend to be more successful when they are focused on relatively few objectives. In the VoC survey recently conducted by SHL, we decided to focus on three key areas that would help us to understand, and ultimately serve, our customers better:

- To establish a baseline understanding of our relationship with our customers and how they view SHL's strengths and areas for improvement.
- To gather our customers' thoughts on future trends impacting the healthcare and pharmaceutical industries.
- To gain deeper insight into the views of our customers regarding their requirements for future delivery devices.

The survey was performed across three continents with stakeholders from pharmaceutical companies of different sizes, structures, therapeutic focuses and maturities. While the scope of the programme was deliberately tightly focused, we targeted a wide geographic sample in order to capture regional, cultural and structural variances in the feedback. As the demands of the global healthcare industry evolve in different directions and at different rates, we are committed to understanding these differences and adjusting our offering according to these needs.

### INTEGRATION WITH BUSINESS STRATEGIES

As a result of experience in a given market, it is to be hoped that most companies have a good idea or feeling about what they should be doing and the different opportunities they have to grow. Stand around the coffee machines in most companies and very quickly you will hear opinions on what the company should be doing, what it should not be doing, which products should be developed and which products should be dropped. However, such opinions often lack any validation and are often clouded by personal bias, incorrect assumptions, limited awareness and personal agendas.

To succeed and grow over the long term, the real challenge facing companies and their leadership teams is about addressing the right opportunities, making the right choices and selecting the best adjacent market segments to move into.



Figure 2: Strategy, organisation and operations need to be aligned to ensure successful execution of business strategy.

To help in this process, companies need to make evidence-based decisions, derived from key stakeholders. When supported by a good strategic planning process, VoC research can really help a company to make informed decisions that maximise the probability of sustained success.

VoC research can help to identify some fixes that are relatively quick and easy to put in place. However, more often than not, the outcomes from VoC research touch upon profound evolutions in the market that can significantly impact the fundamental activities of any company. The feedback is often complex to interpret and can require a long, and likely difficult, process to implement. As such, the recommendations from the customer feedback need to be totally integrated into the company strategy in order to ensure the opportunities are successfully addressed. Delivering on strategy is not simply a case of defining in words “what” the company is going to do, it requires operational and organisational changes that are aligned to support the strategic direction.<sup>1</sup> Such changes imply financial investment, carry greater risk and require commitment and conviction. For this reason, it is essential that VoC research is sponsored from the very highest management levels in the company (Figure 2).

### ROLLING OUT THE FINDINGS

The recent VoC programme performed by SHL has enabled us to have a clearer understanding of how our customers see the future industry and device trends. As the findings are communicated and rolled out, the entire organisation has benefited from an increased awareness of how our customers view our working relationship and the overall performance of the company. This is helping to build customer focus and to create opportunities for cross-functional teams to work on improved processes and evolving customer requirements. The programme has also created new forums for dialogue and avenues of collaboration with customers who took part in the survey.

Placing the outcomes from its recent VoC programme at the heart of its strategic initiatives, SHL will continue to focus on meeting customer expectations to reinforce its market leading position in the design, development and manufacture of drug delivery systems. Using the feedback from the survey, SHL's aim is to create value for our customers by helping them to meet the needs of their patients and key stakeholders in the provision of healthcare for the years ahead.

### ABOUT THE COMPANY

SHL is a world leader in the design, development and manufacturing of advanced drug delivery devices, such as autoinjectors and pen injectors. With locations in Taiwan, Sweden, Switzerland and the US, experienced engineers and designers develop product enhancements and breakthrough drug delivery solutions for pharma and biotech clients globally. Significant investment in R&D has enhanced the company's broad pipeline of next-generation drug delivery systems. These innovative devices include a range of disposable and reusable injectors with fixed or variable dosing and the ability to accommodate high viscosities.

### REFERENCES

1. Bossidy L, Charan R, “Execution: The discipline of getting things done”. Crown Publishing Group, 2002.

### ABOUT THE AUTHOR

Michael McGowan is Global Director of Market Intelligence at SHL Group, responsible for the research and analysis of market trends and business strategies. Mr McGowan has over 20 years of experience in the medical industry with a focus on the international sales and marketing management of injectables and drug delivery devices.





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