



Centricity *Principle*

A Strategy Method for Policy Planning and Execution

The world is no longer simple, nor is it complicated—it is complex.

The *Centricity Principle™* is a method for rapid planning of targeted solutions to problems that organizations face in a complex world. To many people, it “makes sense” and is intuitive. That’s because I did not create it, I “observed” it.

Over a number of years, I kept notes on nearly 1,000 projects involving large-scale change and identified the “patterns” of factors that were present when the strategies succeeded, and compared them to those that were missing when the strategies failed.

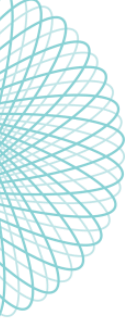
Biopharmaceutical companies has used *The Centricity Principle™* in a number of projects, each one of which was viewed as successful by the various teams in marketing, neuroscience R&D, government affairs, policy and managed markets.

Overall, it has been used to secure or accelerate:

- Product approval by regulatory authorities.
- Recommendations/guidelines for patient care by Key Opinion Leaders (KOL), advisory groups and professional societies.
- Adoption of new health care products by health care providers.
- Recommendations for product use by health care providers to their patients.
- Acceptance of product introductions and industry messages by the media.
- Product acceptance and rapid uptake by consumers.
- Mass vaccination programs by governments, funding of programs via AID funds, and to defend vaccines against anti-vaccine groups.
- Payment for products and services by consumers and by third-party insurance plans.

The analysis showed that the **target must be clear**, the **barriers must be catalogued**, and then **five drivers** must be orchestrated: a solid foundation of **information**, clear **messages**, good **relationships**, attention to **catalysts** and sufficient **resources**. We learned that if any four of the five drivers of success were orchestrated well, the ventures were successful. Occasionally, there were examples of change based on fewer than four success factors, but these were rarely sustainable over the longer term; success was all-too-frequently pyrrhic and short-lived.

This paper reviews each of these key items in greater detail.



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Targets

Definition. A target is a clear statement of a measurable action. In other words, a target indicates *who* will do *what* by *when*.

Rationale. Good targets make for good – and simple – plans. In an era of complexity and especially when teams are working together, simple plans are the most effective. Target well, and the rest of the planning process will be much easier.

Cautions. There are several cautions related to target-setting:

- Failing to set a clear target is one of the prime reasons projects fail.
- Setting targets is usually the most difficult part of this exercise, and yet, it is one of the most important. Our commercial colleagues have honed target-setting abilities over decades; Public Affairs and Policy groups rarely set targets with sufficient degree of clarity. Recognize that this is a skill set that will develop with practice.
- Target-setting discussions will surface a variety of targets and this stage is the one most likely to create conflicts within the team. This is normal but need not disrupt progress. Some targets that were not clear at the outset will emerge and can create healthy debates. There are two ways to address conflicts:
 - ◆ First, on occasion, targets can be ‘layered’.
 - ◆ That is, some targets might be ‘micro’ efforts that support a ‘macro’ target, and
 - ◆ Second, The *Centricity Principle™* plans can be created in as few as 20 minutes. With that in mind, rather than take time and create conflict debating which target is correct or whether it can be accomplished, list several targets and create a plan for each, at which point better judgments will be possible.

Barriers

Definition. Barriers are those factors that will make it difficult – and seemingly impossible – to succeed in hitting the target. Barriers are *internal* (that is, company-related) and *external* (that is, environmentally-related) factors.

Rationale. Though *Centricity Principle™* planning has been used to block government proposals unfavorable to a company or industry, it has most often been used to create market opportunities and gain favorable government policies.

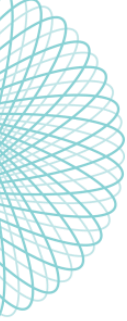
As an attempt to create change, every ‘push’ results in ‘push back.’ As much as change is often desirable, each project will at the least encounter inertia. Most often, projects encounter substantial barriers. Understanding that reality will make planning and execution easier.

Listing barriers helps to prevent being blindsided, to acknowledge inertia and fear and to limit self-sabotaging. In most cases, the majority of barriers will be *internal*, not *external*. This is a sobering but helpful reality as the team moves forward.

Cautions. There are several cautions and one real surprise about barriers:

- Barriers are the most frequent killer of good targets, though this need not be the case. This happens in one of two ways:
 - ◆ Either the team fails to develop a comprehensive list of barriers because one person (e.g., one with special knowledge or with authority) mentions a barrier that causes the team to abandon the target altogether, or
 - ◆ The team believes that the target cannot be met unless the barriers are removed first.
- Here is the surprise: barriers need only be known, not removed. Though sometimes (but rarely) a barrier must be addressed, it most often is not the case.¹

¹ This was one of the most puzzling of observations about successful projects. How was it that teams – and even individual change agents – succeeded despite great odds? I believe it is a “Rumpelstiltskin Effect,” so named for the tale told by one generation to the next, sharing wisdom through stories. In this case, the Mother must learn the secret name of the ogre in order to win back her baby. I believe that the essential wisdom transmitted is that when one knows the identity of one’s demon, one can control it.



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Information

Definition. There are two types of information: statistics and stories. Both are necessary; neither is sufficient. Each one must define a problem and offer a solution.

Rationale. The two types of information speak to different aspects of decision-making and, in fact, to different parts of the brain.

Statistics provide the basis for tactical program implementation and are the more common type used by companies, for example: the epidemiology of disease, the cost of illness and rates of mortality and morbidity. These data may be historical, arise from current data or be future projections. They speak to the “intellect” of the listener.

Anecdotes, on the other hand, speak to the “heart” of the listener and fuel the emotional, empathetic connections decision-makers have with others. Anecdotes are most powerful when spoken by a person closely connected to the story, or by one who is able to impart appropriate emotion in the telling.

It is critical to know that the “heart,” not the “head”, makes decisions. Substantial evidence demonstrates that “intellectual” reasoning and decision-making is profoundly influenced by emotion.

Cautions. There are several cautions involved in information:

- As a scientific, technical, regulated industry, biopharmaceutical companies excel in the statistical “IQ” realm. Industry has not sufficiently developed and used the “EQ” realm of anecdotes, however. Like most other scientifically-oriented industries, biopharmaceutical companies act as if behavior and decision-making are rational, data-based processes. They’re not.
- Clinicians, patients, politicians and critics, on the other hand, are masters of the anecdote. Companies should never abandon their strength in data, but need to develop better stories and become more fearless story-tellers.

Companies that fail to link stories and statistics are weak communicators with little value to stakeholders. They are often excluded from important discussions.

Messages

Definition. Messages are simple, clear, concise communications. They must be true and repeatable over time and – here is the important part – repeatable by those who are not experts. They must also contain an “ask,” something our sales colleagues know well.

In recent years, as issues have become more complex, effective messages have been sets of evidence-based statements, sequentially built to “teach” non-experts sufficiently well to be able to engage in more sophisticated decision-making.

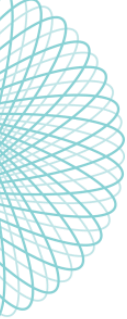
Rationale. Most decisions today are made by non-experts when the experts are *not* in the room. These decision-makers are always overwhelmed and information-overloaded.² That is why messages must be simple and must contain an “ask.”

Unlike product sales messages conveyed by well-trained, highly-skilled, professional sales representatives, messages conveyed within the Public Affairs arena are communicated by people with little connection to the company. They are not experts, lack the benefit of training and can’t be held accountable for errors they might make. Without simple, clear messages the likelihood of mistakes is high.

Cautions. There are several cautions related to messages:

- Companies always underestimate the sophistication of their messages. Even stakeholders involved in the issue – including some people within companies – may be unable to grasp the subtleties of a company’s position.
- Companies always demand too much from the users of their messages. Statements are written at high literacy levels. For example, in a recent review of company messages on Intellectual Property, the average reading level required more than 22-24 years of education. Though many consumers of industry’s IP messages are well-educated, they are also overloaded and time-starved. Demanding so much of their intellectual capacity to understand industry’s view lowers the probability the issue will get the attention industry hopes for.

² It is estimated we receive 1,600 advertising images and as much information daily as the average person in the Renaissance did in their entire life.



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- Companies do not ‘tier’ messages in order to gain support where they can. Too often, companies seek “all or nothing” agreements from stakeholders.³
- Companies neglect to deal with likely objections and do not prepare their communicators to address objections well. In contrast, product sales teams anticipate objections, develop messages and train representatives. In the absence of that within the Public Affairs arena, companies limit their effectiveness with critics. In the words of one alliance development staff member, “I only deal with our friends because I don’t know what to say when someone raises an objection to our view.”

Creating better messages and addressing objections is essential for the current generation of industry challenges.

Relationships

Definition. People create change; organizations sustain it. Relationships with both are necessary; neither alone is sufficient.

Rationale. In today’s biopharmaceutical world, even breakthrough products are often perceived as commodities. Relationships, however, can never be commoditized, which is why relationships with decision-makers, allies and critics are increasingly critical to competitive strategy.

³ A Biopharmaceutical company example is instructive. In the *Centricity Principle*[™] plan built to secure a request from the FDA that a company conduct certain studies in children (to secure six months of additional market exclusivity), three tiers of messages were created.

- *Tier One*, the most basic message was “All drugs for all children. There should be no therapeutic orphans.” The company was able to secure support from 53 organizations, including some who were industry critics.
- *Tier Two*, a more disease-related message was “All GI drugs for all children. We must meet the individual needs of all children with GI disease.” The company was able to secure support from 8 influential organizations, government agencies and opinion leaders.
- *Tier Three*, the most specific message, was “(Drug name) for children. This drug saved my baby’s life.” This message came in the form of one letter found in the company’s Public Affairs files from a Physician Mother whose newborn had been treated with the drug off-label. She credited the drug with saving her baby’s life.

Too often, companies want all stakeholders to sign on to more specific messages than they are willing and neglect to see that their sign-on to more general messages helps to support the most specific messages.

Relationships come with “built-in” platforms for messages, including membership meetings, publications, special project interest groups and joint projects. In this way, relationships leverage the human and financial resources of others, gain access to insider discussions, create venues for important decision-making, provide a view of early warnings about unfavorable policy proposals and sustain forward movement when inevitable conflicts occur.

Cautions. There are several cautions related to relationships:

Companies mismanage relationships in several ways; they:

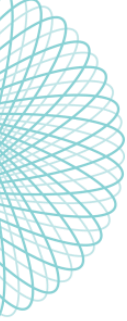
- Fail to empower the relationship manager to make decisions; external relationship managers rarely progress beyond “message carrying,” weakening their status with the target group,
- Rotate people through relationship-centric positions or withdraw them altogether when the company’s immediate product or issue agenda is met or changed, leaving the other party to feel abandoned,
- Come to “take” and not to “give” and so focus far too little on the agendas of the partner in the relationship,
- Assign relationship-related activities to agencies and consultants. These groups can be helpful in planning, making introductions and coaching, but should never “own” the relationship for the company.

As one of the few company assets that cannot be commoditized, the company must develop its own capacity to manage relationships.

Catalysts

Definitions. Catalysts are events and people that create or “catalyze” change—occasionally, sudden change. The most effective strategies anticipate – and even create – catalysts. Catalysts can be cyclic (e.g., election years), predicted (e.g., disease outbreaks, natural disasters)⁴ and created (e.g., polling data, invitational meetings).

⁴ Some catalytic events can be predicted in ‘general’ terms, even if the exact timeframes cannot. For example, in the course of one company’s work on a treatment for strokes, given the demographics, it was predicted an important person would suffer a stroke. Six weeks



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Rationale. Creating change requires effort to overcome inertia and catalysts provide the energy to help.

For example, a U.S. First Lady’s breast cancer diagnosis brought attention to issues of diagnosis and treatment, easing the way for those engaged in promoting access to breast cancer care.

Cautions. There are several cautions with regard to catalysts:

- Catalysts can be used to harm a company and so the catalytic opportunities others might use must be monitored. Trade talks are an example of catalytic opportunities; industry critics meet there, disrupt proceedings, form relationships and promote anti-IP policies.
- Catalysts that appear to be inconsequential can build over time and create unstoppable momentum.⁵
- Individuals in government, executives in corporations or members of the press who have experienced personal or family harm can use their positions to act as catalysts and create catalytic events (e.g., publications, celebrity appearances, hearings).
- Companies have not focused sufficiently on catalysts. Rather, too many have waged internal battles over which catalytic events will occur, when they will occur and if they will be meaningful. By the time a company sorts it out, the best windows of opportunity have closed.

The most successful strategies anticipate all the catalysts and engage in at least a basic level of anticipatory planning. Then, if the event occurs, prior planning pays off.

later a former U.S. President suffered a stroke during a political convention. The opportunity to provide appropriate messages about stroke care and rapid response was missed because none had been prepared.

⁵ For example, breastfeeding advocates, over time, have created conditions to limit access to infant formula. This has been done by working in small countries, eventually gaining their support for World Health Organization anti-infant formula policy positions. In one extreme policy case, it is currently illegal in the Philippines for a physician to tell a mother about infant formula. Also extreme, a recent Deputy Commissioner of the US FDA suggested that infant formula be available by prescription only, all with the endorsement of the US Surgeon General, the CDC and the NIH. These efforts were made possible by creating anti-formula policies in very small countries until a critical mass allowed for more highly-visible policy actions at WHO and within the US.

Resources

Definition. Resources are the time, attention, skill, capacity and willingness to act. Funds, the resource most often cited as scarce, is the least important of all.

The scarcest resource is time and there are two types:

- First, *calendar* time; that is, the time available in any given day to focus on priorities. Far too often, the best of intentions to remain focused are overtaken by events and priorities are left to receive only late-day or late-night attention.
- Second, *lead* time, that is the time required to execute a plan. Particularly where relationships are involved, the lead time required to locate the key individuals, establish the trust and build the joint project is a frequent challenge.

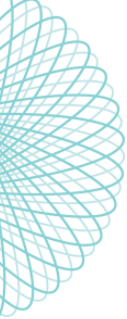
Rationale. Competition for resources is fierce, and not solely within a company. Others are competing for the time and attention of decision-makers, and so planning how to capture their attention is important.

When senior executives are engaged externally, it is important to conserve their resources and strategically select where and how often they appear so that their stature is not eroded by over-exposure.

Cautions. There are several cautions about resources:

- Never assume resources – especially funds – are scarce. In every situation in which a compelling case was made, the resources – including funds – appeared.
- Always remember that time is the scarcest resource; failing to be prepared is the greatest of time wasting efforts. The “ask” of decision-makers or allies must be clear, simple and easy to understand.
- Recognize that the willingness to act depends not only on the views of the individual, but also on the policies of the organizations they may represent and fears of retaliation if they are visible on contentious issues.⁶
- In the worst-case scenario, if sufficient resources are not available, reconsider whether the project is worth doing at all.

⁶ Animal rights activists have attacked not only companies, but disabled patients.



The Complexity Perspective

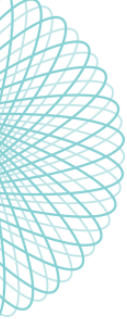
In the past, the marketing and selling tasks within the industry were essentially linear. We crafted messages for prescribers and delivered them one-on-one in private offices. Today, the marketing and selling process is non-linear and substantially more involved. As a result, companies must maintain all their traditional skill-sets, but also master new skills related to complexity. Problems industry faces today are no longer simple; in fact, they are not even complicated--they are now complex. Perhaps the following will help⁷:

Simple, Complicated and Complex Problems		
Simple: Bake a Cake	Complicated: Go to the Moon	Complex: Raise a Child
Recipe: essential	Formulae: critical and necessary	Formulae: limited application
Recipes: tests assure replication	Success increases assurance that the next will be OK	Raising one child provides experience, but no assurance of success with the next
No particular expertise is required. But cooking expertise increases success rate	High level of expertise in a variety of fields are necessary for success	Expertise can contribute, but is neither necessary nor sufficient to assure success
Recipes produce standardized products	Rockets are similar in critical ways	Every child is unique and must be understood as an individual
The best recipes give good results every time	There is a high degree of certainty of outcome	Uncertainty of outcome remains
Optimistic approach to problem possible	Optimistic approach to problem possible	Optimistic approach to problem possible

Acute and chronic disease differences can be used to illustrate the differences between complicated and complex issues:

Complicated Acute Diseases and Complex Chronic Diseases	
Complicated: Acute Diseases	Complex: Chronic Diseases
Abrupt onset	Gradual onset over time
Often all causes can be identified and measured	Multivariate cause, changing over time
Diagnosis and prognosis are often accurate	Diagnosis is uncertain and prognosis obscure
Specific therapy or treatment is often available	Indecisive technologies and therapies with adversities
Technological intervention is usually effective: cure is likely with return to normal health	No cure, pervasive uncertainty: management, coaching and self-care over time is needed to improve health
Physician is knowledgeable while patient is inexperienced	Physician and patient must be reciprocally knowledgeable to improve health

⁷ The tables noted here are adapted from Zimmerman, et al, "Complicated and Complex Systems: What Would Successful Reform of Medicare Look Like?" Discussion Paper No. 8, Commission on the Future of Health Care in Canada.



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As health care systems become increasingly complex, the simple, more linear ways of thinking, planning and reacting are inadequate.

Theory of Complicated and Complex Systems	
Complicated Systems	Complex Systems
Linear	Non-linear (inputs and outputs not directly correlated)
Noise, tension and fluctuations are suppressed	Noise, tensions and fluctuations are opportunities to be used to win
Solution is external to system	Solution is within and part of the system
Adapts to a static environment	Interacts with a dynamic environment

Complexity science postulates that people and organizations are not “machines” that can be manipulated endlessly to create some end; meaning that traditional methods of working may be necessary, but will not be sufficient. It’s not just about mastering traditional skills, but about learning how to manage within complexity—and within “chronic crises” climates.

Since complexity and crisis is now the full-blown reality of life-within-pharmaceuticals, dealing with the dynamics of both is critical. Fortunately, though both are still new to industry, there are some experts to draw on and those interested in developing capacity for practical business situations have roadmaps to follow. For example, the following describes the difference between planning and problem-solving in complicated and complex systems, and these are relevant to the *Centricity Principle*.™

Planning and Problem-Solving	
Complicated Systems	Complex Systems
Convergent thinking – groupthink	Divergent thinking – out-of-the-box think
Reductive characteristics	Emergent characteristics
Decision procedure as an event	Decision as emergent
Environmental scan	Develop insights into own practice – self-teaching and learning
Big issue needs big change and lots of investment	Butterfly effect – small changes can yield big effects

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Target	Clear and measurable
Barriers	Internal and external
Information	Statistics and stories that describe the problem and solution
Messages	Simple, clear, evidence-based communications
Relationships	People and organizations who create and sustain change
Catalysts	Events and people that catalyze change
Resources	Time, funding, skill and human willingness to act