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## Trends in organizations

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# Repositioning Compliance in light of key global challenges



What is currently happening around the world ...



Constant global crisis mode



Increasing regulations & regulatory enforcement



High inflation & pressure on pricing



Cloud computing & speed of technological change



Improved access to data & advanced analytics



Use of artificial intelligence (AI)

Requires compliance organizations to...



... achieve more with less!

Reposition compliance and adjust operating model

Optimize resource allocation to focus on strategic priorities

Automate and digitize compliance processes to provide better insights, faster

Drive efficiency and reduce costs



# Unveiling future trends of compliance in the pharmaceutical industry



01

**Strategic repositioning:** Drive the transformation of compliance from a control to a strategic advisory function

02

**Transformation led by six key external forces:** legal, financial, technological and medical innovation, cultural, educational and demographics.

03

**Leverage technology** to boost future (regulatory) resilience and to deal with the challenge of doing more with less

04

**Going forward:** Impact on skill sets is required towards a broader set of talents empowering a pro-active, agile mindset.

05

**Inspire the ecosystem** and **shape the future** for the environment and society - creating a culture of integrity and ethical behaviour

# Insights from our 27th Annual Global CEO Survey

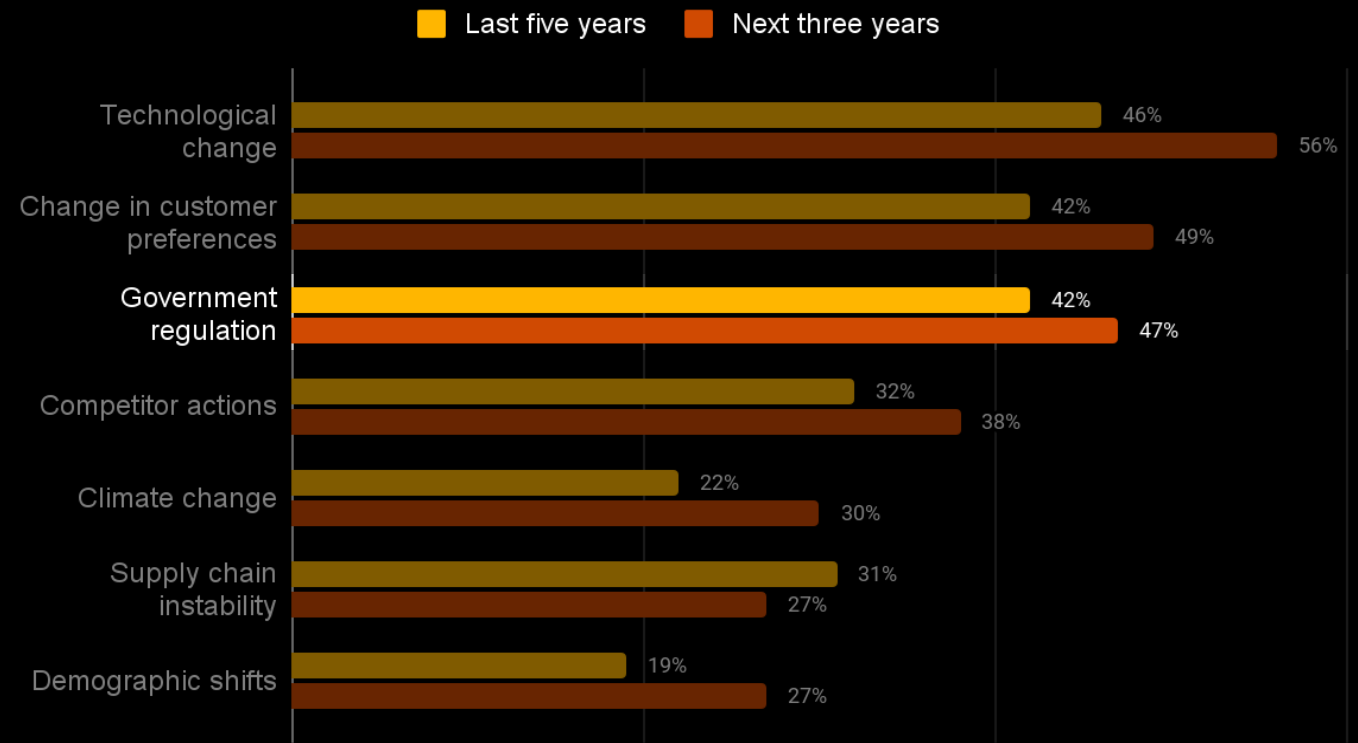


Please indicate the extent to which the following factors have driven/will drive changes to the way your company creates, delivers and captures value in the last five years/next three years

(Showing only 'to a large extent' and 'to a very large extent' responses)

**42% of CEOs** noted government regulation significantly impacted business operations in the last five years

**47% of CEOs** anticipate increased regulatory influence on their business in the next three years



# Compliance transformation journey

## Four key phases

### Compliance

# 1.0

#### Finance driven

- Basic controls – corporate and healthcare compliance + program elements.
- Piecemeal approach.



### Compliance

# 2.0

#### Legal + compliance driven

- Compliance function.
- Comprehensive program element.
- Dedicated compliance officer.
- Focus on legal, control + investigation, monitoring.
  - Connective function police e.g., ABAC.

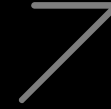


### Compliance

# 3.0

#### Ethics driven

- Focus on
  - Business ethics (professional work).
  - Bio-ethics (research).
  - Technological ethics (use of technology).
- Recognition of exponential speed of change in tech.
- Focus on changing beliefs + behaviours + innovation + tech.



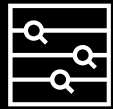
### Compliance

# 4.0

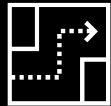
#### Responsibility driven

- Organisation is driven by responsibility for the products it delivers directly and via partners.
  - Access to medicines.
  - Pricing.
  - E.g., gene therapy.
  - Lots of open questions.

# The industry sees targets to increase the maturity of the Compliance Function



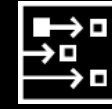
Compliance Today



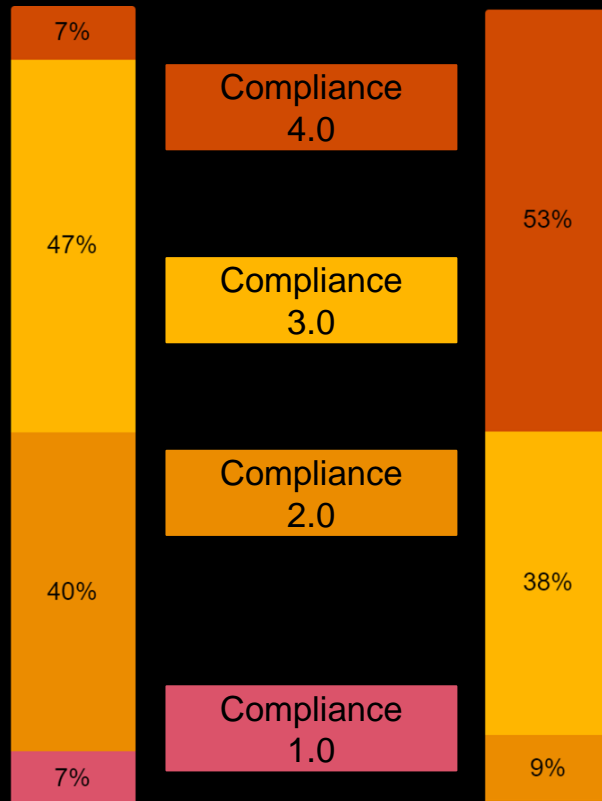
Compliance Tomorrow



Skill Sets for Future Proof Compliance



Key elements of the roadmap



INFLUENCE

**COMMUNICATION SKILLS**

CRITICAL THINKING  
CONNECTION WITH PEOPLE

RISK MANAGEMENT

**DATA ANALYSIS**

BUSINESS ACUMEN

SKILL SETS

FLEXIBILITY



Implement Agile operating model



Develop a high performing team







Leverage cutting edge tech + data



Establish a value driven culture & integrate /w ESG

# Enablers of a future proof Compliance Organization

	<b>Agile operating model</b>	 <b>High performing team</b>	 <b>Cutting edge tech + data</b>	 <b>Value driven culture</b>
<ul style="list-style-type: none"><li>• Reactive, manual processes → real-time monitoring.</li><li>• Manual controls → smart, digital controls hardwired in tech.</li><li>• Retrospective monitoring → predictive monitoring leveraging new tech.</li><li>• Isolated centralized compliance → straight CoE embedded.</li></ul>	<ul style="list-style-type: none"><li>• Legal / compliance professionals → legal / compliance merge with data scientists, process experts and psychologists.</li><li>• Functional dependencies → cross-functional ownership.</li><li>• Expert cameos → cross-functional ownership.</li><li>• Skill development based on personal ambition → sophisticated workforce management.</li></ul>	<ul style="list-style-type: none"><li>• Point solutions → polled risk / compliance data.</li><li>• Limited predictive capabilities → advanced analytics.</li><li>• Significant manual work → automation commodity services.</li><li>• Parallel processes → tech enabled core process.</li></ul>	<ul style="list-style-type: none"><li>• Purpose derived from business → corporate purpose defined through impact on society → embedded in purpose.</li><li>• Values + moral principles only part to avoid unlawful behaviours.</li><li>• Sanctioned non-compliance → ethics + compliance with KPI's.</li></ul>	

# Compliance skill set transformation



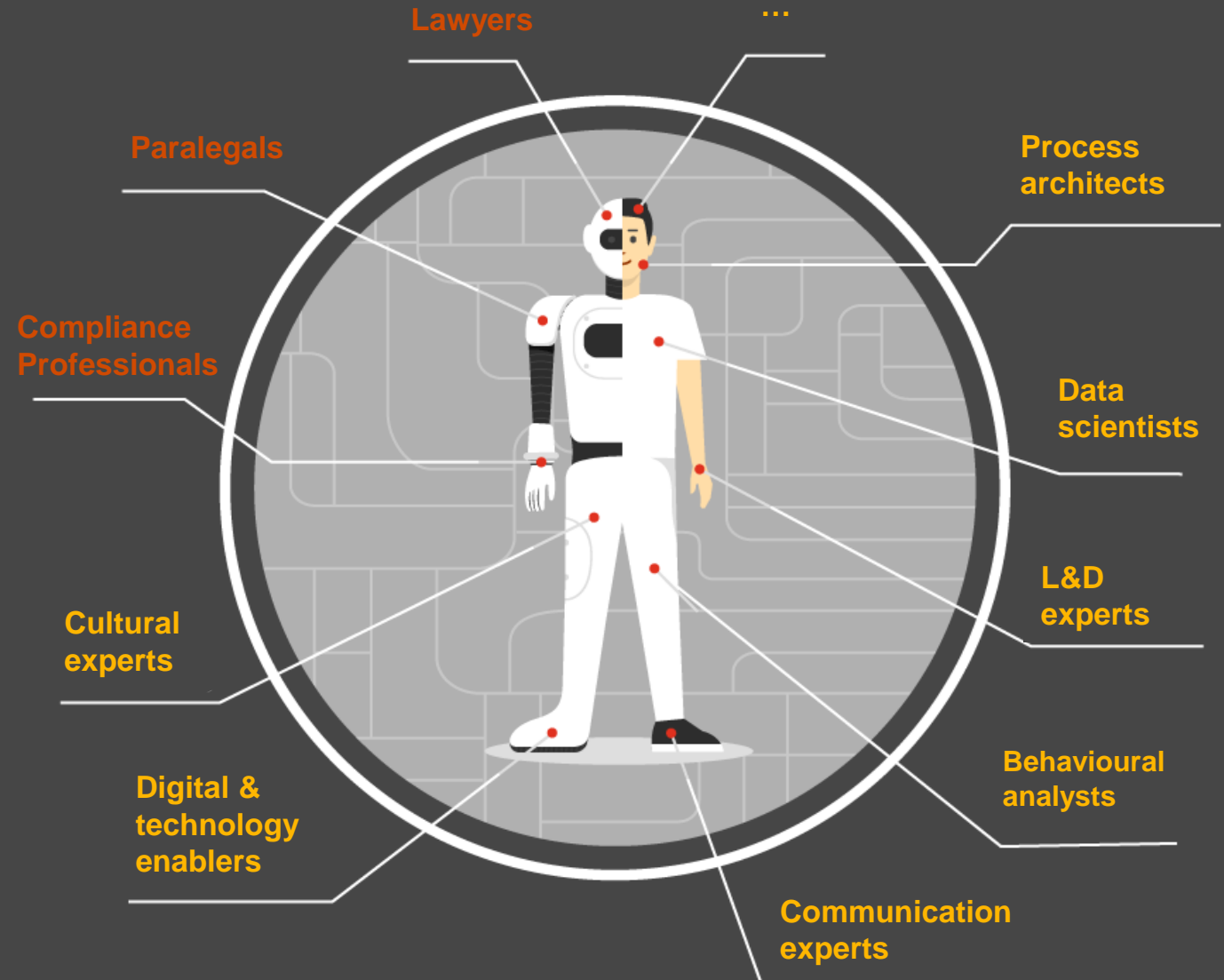
We're recruiting data scientists, behavioural analysts, culture experts, people who specialise in learning, especially engagement, excitement and outcomes, which is a very different approach to traditional training.

*Chief Compliance Officer of a leading global pharmaceutical company*

**Today**

**New Skills required (examples)**

## “STATE OF THE ART” Compliance Organization:





# Technological transformation



## Technology

Technology is a game changer.

Need for streamlining / automating compliance functions, embedding them in other processes (frees up time for value-added advisory work, essential for addressing increasing scope of compliance and speed required to operate).

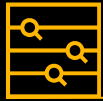
Technology advances are changing the business model and potential compliance risk implications.

Opportunities to better leverage data analytics / smart technologies, enabling compliance to automate, have near-time visualisation of risk dynamics, free up resources to focus on core issues.



# Client insights on Compliance & Technology

Areas most benefiting from automation and enhanced tech solutions



## Areas that would benefit from automation and tech solutions

1	HCP Engagement Management
2	Transparency Reporting
3	Compliance Monitoring
4	Third Party Risk Management
5	Contract Management
6	Investigations
7	Compliance Training
8	Policy Management
9	Whistleblower/ Case Management

More than 60% of the survey participants see HCP Engagement Management, Transparency Reporting, Compliance Monitoring and Third Party Risk Management as the top four areas most benefiting from tech-enabled solutions.

# Thank you for your attention!

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