



Adaptive Adoption

The virtual business model is growing in prevalence compared to the traditional organisational counterpart. While the former model has many advantages, some challenges may limit its adoption in the industry

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Virtual companies have emerged in recent years, driven in part by the need to have a lean operating model to stay competitive (1). These companies are characterised by outsourced expertise, contract services, and remote teams with little or no fixed location and in-house facilities.

model. It can offer reduced overhead costs, leverage a diverse mix of external expertise on an as-needed basis, provide a better work-life balance for employees, and requires less time and resources to establish and maintain facilities.

Not to be outdone, large pharmaceutical companies built with a traditional organisational model have also adapted, taking on a hybrid or semi-virtual approach through outsourcing and partnerships with top CROs and CMOs (2). For example, Shire Pharmaceuticals outsources

various aspects of its business, including drug discovery, clinical trials, data management, medical monitoring, and medical writing (3). In adopting a hybrid model, pharma companies can simultaneously optimise internal expertise and leverage external capabilities. Despite these benefits, the virtual model also poses a number of challenges.

Challenge One: Limited Personal Interaction

In a virtual business model, many workers are remote and do not

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A virtual business model has many advantages over a traditional, fully integrated organisational

see their colleagues, teams, and managers face-to-face on a regular basis. Having limited personal interaction can be difficult for some workers. They cannot develop work relationships as quickly or as randomly as their location-based counterparts can. Having limited opportunities to socialise can make it difficult to establish a company culture where each member feels accepted (4). According to Merrill, "Remote workers can feel as if they aren't part of the team and aren't included in making decisions or designing activities." These workers can go hours or days without communicating with the rest of their team, making them feel isolated, demotivated, and less willing to contribute easily.

The Solution

"The key to overcoming this issue is to improve communication and provide opportunities for teams to come together frequently in a remote manner, and on occasion to also meet in-person. Set up times for frequent employee touchpoints by phone or video chat," advises Merrill.

Managers should put in extra effort towards creating open lines of communication and setting aside time for socialisation at the start of every meeting. It can be as simple as the person who is managing the meeting from the physical location asking those participating remotely by phone or video to contribute

first – as opposed to last or as an afterthought.

Social media can be a useful tool to cut across time zones and encourage employee interactions. The connection between the manager and the remote worker is also critical. Research shows that frequent communication and a stable professional relationship between the manager and remote worker can counter feelings of isolation and drive innovation (5-6).

Overcoming the challenge of limited personal interactions is also dependent on the type of worker. Specific people are effective at remote work and can be focused on productivity when they are isolated and engaged with colleagues during virtual or face-to-face meetings. Merrill points out that a mentality exists in some pharma companies that employees need to be face-to-face to be productive – yet some large companies work in large campuses and some small companies have many workers who constantly travel, essentially working with a virtual arrangement.

Effective remote working is about "managing your presence," adds Rockney, sharing an example of two remote workers from her past. "These two workers were based from their home offices across the US. They did not have designated office hours or set days to come to the office – they only came for key meetings.

Some weeks, they were at the office every day. Other weeks, they were there only on Tuesday or another day. And there were weeks they didn't come in at all. What was critical to their success was that they both 'managed their presence.' They knew the importance of face-time when it mattered most. They never were late for a meeting, nor missed a meeting, in person or on the phone," she recounts.

Challenge Two: Lack of Collaboration

Limited face-to-face interactions within the virtual model give rise to another challenge: a lack of team collaboration. Virtual companies have a disaggregated organisation where teams and experts are often scattered across different corners of the world, working in different time zones and, at times, having to cut through different languages and cultures.

Working together seamlessly as an organised business unit can become a key issue. Since remote team members can choose some of their work hours, timing can be a problem. A troubled sense of teamwork challenges a manager's ability to draw out ideas, synergy, and innovation. Having limited face-to-face conversations can also make it difficult for virtual workers to pick up on non-verbal cues, which may impact how ideas are shared and how teams reach critical decisions. Also, when timing



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is off, teams may not be able to congregate and handle a work-related crisis in a timely manner (4).

The Solution

To overcome this challenge, managers must possess a keen ability to facilitate collaboration. They need to clearly define the roles and responsibilities within the team's context, discuss the expectations of each worker, outline the standards of performance, and set time-bound targets. According to Rockney, "Defining expectations for each remote team member who is going to work either part-time or full-time is important in implementing virtual working relationships. Does that person have appropriate Internet connectivity for the type of work they are doing? Is their cell coverage going to be sufficient? Does the person need day care for their children? To be successful, you need open discussions about expectations for virtual working."

To ensure working teams come together, virtual companies need to have sufficient check-and-balance mechanisms. Managers can partner workers together to meet short-term targets. Investing in technological tools and dashboards that help to monitor work progress and assess output can also drive collaboration (7). Furthermore, to facilitate communication, virtual companies need alternative methods of contact such as instant messaging, email, videoconferencing, and Skype (8).

The selection of outsourced partners and experts is also a key ingredient in ensuring virtual collaboration. Biopharmaceutical companies should seek out partners that utilise quality systems and technologies, such as CROs, CMOs, distributors, legal and compliance consultants, and various service providers (9).

For example, virtual biopharma must partner with contract organisations that meet Good Laboratory and Manufacturing Practice requirements and have a good track record in meeting deadlines, quality standards, and compliance requirements.

Challenge Three: Leader Availability

Since employees cannot simply knock on a senior leader's office door, the availability of leaders is considered a potential problem within the virtual model. According to Rockney, "Although you may have a leader who buys into virtual working, not every member of your team or peers in other departments may buy in," thus, a perceived unavailability of leaders can easily be seen as a lack of support from leadership, which can contribute to coordination issues and shape a culture of detachment. Without a strong presence from leadership, a virtual organisation could also become a breeding ground for miscommunication and distrust (8).

The Solution

Leaders need to be prepared to invest in pulling fragments of the virtual organisation towards the same direction, ensuring that each person is onboard. They must work at nurturing an environment where people can voice their concerns, take part in key organisational issues, and reach out to the appropriate manager. Leaders should also dedicate time to providing feedback and discussing personal goals and aspirations with individual workers.

The selection of leaders is also critical to overcome this challenge. For Merrill, virtual companies need "a leader who has the vision of creating a strong team that can execute on objectives by

empowering their teams with the necessary technology and showing by example how things can be done." While leaders ensure the success of a virtual model, they must also think differently to be able to achieve success within a novel work environment. "Leaders we work with say they believe in virtual working, but we find that many of them still struggle with being unable to 'watch' their staff," says Rockney. She advises, "As a leader, you must change your mentality from overseeing staff to overseeing deliverables. As a leader, I never wanted to 'manage' staff, rather I wanted to be a coach to an amazing group of players."

Challenge Four: The Need for Variety

Being disjointed from one's team can curtail a worker's professional growth and development. The distance and time differences can become barriers to a remote worker's ability to continually shape new skills and take on opportunities that would enable them to perform a variety of roles. Additionally, since a virtual business does not operate in the same structure as a traditional business model where functions, departments, hierarchy, and bureaucracy exist, the metrics for deciding who gets a promotion and tenure will also differ.

The Solution

Plenty of work variety can be available in a virtual model. Employees have opportunities to work with different customers, vendors, and partners with diverse backgrounds. "A virtual model is about flexibility, not rigidity," Rockney points out.

The recruitment process is also crucial to ensure the people hired possess the appropriate attitude towards professional growth and

development. The people who drive a virtual company forward are those who create opportunities for themselves as well as for the company. Therefore, individuals hired for remote positions need to be intrinsically motivated and self-disciplined (8). According to Merrill, "People built for a virtual model are willing to reach out and be proactive in their relationships both inside and outside the company. These are people who embrace innovative technology and are excited to take on new approaches to work."

Challenge Five: Adapting to Industry Changes

Will a virtual company in pharma be able to stay in touch with the market? Since not all capabilities and resources are available in-house, virtual companies may experience delays in completing projects, testing new developments, or cascading new policies that are created as a response to industry changes.

The Solution

Virtual companies can be very agile – provided they have a dependable team in place. "I look for team members who have a track record of independent working and the ability to deliver work on time without a lot of oversight," says Rockney. "Do they need constant validation regarding their work product; do they require constant checking in? Some people need that, and a virtual model would not be right for them." Getting millennials onboard has helped to keep a virtual company agile and responsive to the market. "We have found that millennials have the ability to work with technology systems that are invaluable to operating a virtual model," adds Rockney.

Accepting the Inevitable

Eventually, all pharma companies and their service providers will have to adopt certain virtual features into their existing business model to remain competitive and in touch with market trends. Therefore, all companies will have to address some or all of the challenges of the virtual business model. For those leaders who are apprehensive about taking on these challenges, Merrill provides some of the indications that a company is ready to go virtual: "A company is ready to take on a virtual model if it has a need to find the right talent to deliver projects that the traditional market cannot provide, has an adequate focus on employee satisfaction and development, and is willing to be innovative in their use of technology." For those leaders who are ready, critical to success is the optimisation of internal capabilities and the leveraging of external capabilities to continually meet customer needs and maximise potential returns to the business.

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