The Right Way to Start Your Digital Transformation – David Salmon Interview

This transcript was lightly edited for clarity.

Chris: Hello, and welcome to the podcast. My guest today most recently has been the Director of Global Digital Marketing at Roche Molecular Systems, but he's also a digital strategy and transformation leader for life sciences industry. David Salmon, welcome to the podcast.

David: Thanks, Chris. Good morning.

Chris: Good morning, so let's jump right into this. We're going to talk digital marketing transformation and for the person listening to this podcast, let's paint a picture of the not too distant future and talk about how we get there. So when you talk about a digital transformation, we're not just talking about online marketing and doing the same things that we've been doing, except delivering things digitally. We're talking about doing new things that didn't used to be possible, right? So could you explain kind of the scope of those things?

David: Sure, so to some degree digital transformation for our industry at least means almost in a sense, a bit of digital catching up, to say to some of the other industry verticals. But as a general rule, when I talk about digital transformation, I'm referring to not just finding new ways to use the whole range of tools and channels and platforms available to deliver the same information we've provided to our customers, our users, our stakeholders in the past; but also to use the capabilities of that technology to actually transform the way we think about having these conversations with our audiences.

And to some extent, it means transformation of business model as well. So there's a sort of an outward facing component to the digital transformation. There's also an inward facing component, because you can't really alter the way the way an organization talks to its health care providers, its patients, its researchers, the people that they've been talking to for years - you can't really alter that conversation in any significant way without it having impact back into the organization and how you do things within the organization in terms of process, in terms of the way you think as well. So it's a sort of two-way transformation.

Chris: So it brings on a new set of challenges and it's not just talking differently. What are some of those opportunities you see for companies in the digital future? About capabilities they would have and things they might have to change?

David: Sure, so there are a number of different things that are, I'd say, fairly obvious. We as an industry need to in general make the shift from, and there are a few exceptions within our industry, but as whole - life sciences industry - we need to move away from these broadcast generalized conversations about features and benefits of our tools and our platforms and our equipment, and really transform it into a conversation. And this conversation should be relevant not just to the people who are far down the funnel and are about to make a purchase from us, they should also be relevant to the people who are just now engaging with us as a brand.

So, one of the transformations that I see that's absolutely critical for our industry as a whole, is to move away from our marketing as a whole that's focused on this bottom part of the funnel, this discussion with people who are already pretty much decided between us and say another company, or say us and another product, and fill back through the funnel so that we're having earlier conversations a lot more aspirational, educational awareness, and speak to the topics that are important to our customers. And you cannot do that without a significant transformation in your business. This means not just going out and making a onetime buy of a marketing automation platform and a CRM platform, and doing a revamp of your website or setting up a Twitter account and a Facebook account. Although those are pieces of it, but it also involves putting in place policy best practices, governance. It means not just putting the technology in place, but also revamping the way people think about these technologies and using them. One of the biggest challenges in putting say a marketing automation platform in place, isn't picking the platform or buying the platform or even implementation of the platform, it's teaching the organization to utilize the platform effectively.

And again, the goal in all of this, no matter what part of digital transformation you're talking about, is delivering the right content to the right people at the right time. So one aspect of digital transformation, one place we need to get as an industry, is having this conversation all up and down the funnel or the customer journey. And again, a lot of this involves not only the technology, but how we think about what we're doing.

Another piece to this is personalization. The technology for personalization is out there, but it's not heavily utilized within our industry as a whole. There are so many different ways that we can slice and dice our relationship with individuals. It's not a new thing to say this, but it would be an extraordinarily new for us as an industry to start to think in terms of a market segment of one and that is as I see, one of the most important things that we're going to be doing in the next few years with the industry - at least within the companies that I've worked with. So those are two major areas of customer facing transformation.

Chris: Okay, I want to dig into a couple of those. So first of all, I agree, everybody in the industry, one of the gaps, digital or not, is building up the funnel toward the top because customers now . . . there's a parity of information access and people are able to find information about their problems much earlier than they used to be able to do. So there's a gap there if you're only talking about how to compete against a particular other product or only selling your features and benefits at the bottom, you're missing lots of people.

So I want to ask you two questions and I'm going to ask you both right now, before I forget them. The first one is how do we get that conversation going at the top? Particularly, and you spoke about content that's more educational and aspirational and speaking to their customer needs, but I want to know just digging in a little more on that conversation aspect. And then the second part is that segment of one and what that will look like?

David: Sure. So in terms of transforming the conversation, in a sense this kind of starts with our marketers. And I'm the same way as pretty much everybody in our industry, I came out of science background, almost every single marketer that I know in my space either at some point or another was a lab tech, a clinician, a research scientist, and this is what our industry has done for decades, we recruit experts out of the customer base. And this in some sense, has been a great strength for us, because it means that you've got a lot of highly intelligent people who are on the marketing side of things, but there's also a challenge that comes out of that in that once you go inside, in a sense, and once you start to become a marketer I think there's a disconnect, because a lot of the people who do this - and this is most of us again I think - we forget to remember that marketing is still a professional discipline and it requires not a just a good understanding of a customer, but a good understanding of the discipline as well.

So I think that with as a preface, I think that one of things that is required is a re-education of our marketers and it's a re-education that I'm going through and it's been a painful one.

So I can speak to it from a perspective of shared pain, but we tend to as marketers in the life sciences, love our bullet-pointed features and benefits. We love the technical breakdown, we love the data points. But again, that only speaks to somebody who is that deep in the funnel. We have to start to think - and this is a term that's used everywhere, so again this is nothing really original here, but we have to start to think as journalists in a sense. You have to start to think in terms in what's interesting to your audience, think back to when you were in graduate school, think back to when you were in your post-doc.

And of course an important structured prerequisite to this activity is to actually define your customer personas, define the journeys of each of these customer personas. So going through the upstream exercise of defining who you're talking to, what they're concerns are, go through this formal exercise that's been utilized in other industries now for a considerable amount of time. It enables you to start to define ways, particular pain points, particular interest points that you can target when you're having those conversations. You don't just talk to a graduate student in a microbiology lab about the latest plasma purification kit and all of its features and benefits, you talk to them about challenges that are important to them day-in and day-out and in that sense that's how you develop that conversation, that's how you become a trusted brand partner in a sense, and you learn from them in that conversation. Of course you pick your channels intelligently, this means blogging, this means helping your marketers become writers and journalists to a certain extent. There are tons of different approaches to how you do this and of course, this is something that your consultancy is focused on, so I'm not really telling you anything new here, but starting the conversation means starting to think about a broader discussion with your customers than the one you're having right now. That's the important part.

Chris: Right, it's not just about what your product can do, but it's getting their attention with things they care about generally. Any way you can help them to see how to do their job better begins to make you that trusted brand advisor. And this came up on a recent podcast in just a tangential way, but I'm one of those scientists turned marketer too and we have . . .

David: We all are, I think.

Chris: Yeah, we are the rule and there are very few exceptions, but I think the companies that are willing to go outside and look for some new ideas are going to have an advantage. But we have the curse of knowledge and we forget what it's like to not know about a particular thing and that's where we have to get back to.

David: I agree with you completely. And for me, it also means having conversations outside of product focused ones in general. There's some great sites out there, some generalized sites as well as some specific sites of bloggers out there, who are now beginning to build out huge resources for graduate students, but it's a . . . if we're just talking about that one persona. That's a very tough place to be, because the statistics on tenured positions available are . . . those numbers dropped while the number of PhDs generated is constantly rising. So the kinds of things that are keeping these guys awake at night, they're not “What's the best PCR enzyme?” The things that are keeping them awake is, "What am I going to do with this degree?" or, "How am I going to get there?" These are things that matter.

So if you want to, and again, you've got thousands of scientists working for these companies, building marketing materials that are talking to the smallest sliver of what's important to this group of very important buyer influences. You want to build their trust so when the time comes for them to make a purchase that you've got a product to solve, then you need to be somebody that they trust on a broader range, because let's be honest, in the research tools market there's no escaping commoditization. That's what happens to you.

Now in the past, that partnership level, that level of engagement, that was the province of the sales rep. The problem is, again, the markets are slowing. We don't have as much cash to pay the sales reps. The sales reps have to be focused on closing the business, so the challenge is, "Okay, how do we continue to add value to that relationship, but do it in a way that doesn't increase our costs." And the answer to that is digital marketing. It's not a replace the sales rep question, it's an enhance the sales relationship by ensuring that when your customers, who are self-serving digitally online anyway, are doing this, they're doing it with you because you've got a presence, you've got the conversational tools in place and that's really what it's about, because the data is really clear.

Look at the Google study that came out in 2012 for med tech and med dev, and this is buyers, 57% of purchases are made before a sales rep is even contacted and this is in the med tech and med dev space and IVD space. So they're doing something in that intervening time and it's again self-serving digitally, so digital transformation is about building out your assets and your capabilities and your platform so that when you're doing this, it is the experience of having a conversation. Does that make sense?

Chris: Yeah, I love that data about the 57% and you've have clarified in my mind, although I've been a believer of course, I was wondering - inbound and content marketing is kind of a long term game, right? And selling that idea can be a challenge, but as you said earlier, you have a bigger opportunity. So you're looking at a bigger target and at the end of your answer there you have declared that those people are out there and they're going to make a decision on a self-served basis. So you better get a hold of them early on. So that's the whole justification for doing that high level long-term awareness content. Because if you don't grab them, somebody else is going to and they're going to make a decision before you never knew they were going to buy something.

David: Yeah, and I guess the other point is and you hear this all the time when you're evangelizing digital internally, is, "Yeah, it happens with other markets, but our people are different," or, "our products are different," or, "our micro sub-segment of the market is different." And while there are qualitative differences in specific behaviors, the trends repeat themselves over and over again. It doesn't matter if you're an oncologist, if you are a clinical laboratory director, if you are a research scientist, you don't turn off that part of your brain that buys everything on Amazon when you go into the office.

Chris: Exactly yeah, you don't have a different behavior for your little sliver of the market than you do for everything else you want to do. It's your expectation now that you can go online and find anything you want.

David: Exactly. And I'm not here to spout data, but there's tons of, there is a lot of very good data about the behaviors of health care providers in getting to critical decisions and getting to diagnostic choices and getting to script writing behavior as well and a lot of this data continues to bear up the fact that they are increasingly digitally made, that they are increasingly starting with search rather than almost anything else - that data is very clear now. So the question is how do you this and how do you start to invest in it? And I guess this kind of goes back to what I was saying at the very beginning, a lot of digital transformation in our industry is, it is really about catching up, it's not about innovating past where things are.

So one of the areas in which I do see real innovation happening is our marketplace in general is in the sales enablement tools and how they are tied back to closed loop marketing. Now, that's being done more effectively and more thoroughly in pharma than it is on the medical devices and life sciences side, but that in part is driven by the fact that they've had pressures on their sales models for longer than we have on the med dev, med tech, and life sciences side. And also, because they've got, quite frankly, significantly larger budgets, so in a sense they're ahead of us but we're continuing to learn from them. The great thing about that is that you've a proliferation of companies out there and agencies that build out these capacities now and that have built out platforms that they're able to scale costs and deployment from, and so that's helping us on our side of things now.

Chris: Cool. So I want to go back to that second question that segment . . .

David: Personalization, I knew you'd get back to that.

Chris: Because I'm fascinated by this thing and just trying to picture what it looks like and how you get to it. I don't know, maybe I've a big idea, but you might show me that I'm wrong. So what does that look like? How do we get to that segment of one?

David: Well, what it looks like, I think the best way to do this is to start with what it looks like. Let's say I'm an oncologist in a group practice in Atlanta, Georgia, and my specialties are in say cervical cancer and let's say maybe two other specialties as well.

What personalization means in my case is that if I'm looking for information on the best ways to . . . let's say I've heard somewhere that Roche - and this is again - this is fair disclosure- I came out of Roche environment so I'm using a Roche example. Let's say I've heard that Roche has received FDA approval for primary screening recommendations. Let's say that I want more information on this. Well, I can go and get this information on the primary screening recommendations anywhere, but as a part of my engagement let's say I do happen to find the Roche HCP site. Well, at first, the information that you're able to use to personalize that experience is minimal. We know where the person comes from. We can even geo-localize. So we could, theoretically, do some message personalization just based upon geo-localization. But what personalization really means is that you start with a touch and if they're interested and if they become engaged with you, they provide information, you provide more information back and as this back and forth, as this conversation continues, as they consume more information, as your information is intelligently targeted to what they want, you gain more information about them, about their concerns, about who they are, where they are, what's of interest to them.

Google analytics, the new universal, the newer version offers access to a wealth of demographic information as well, so it's increasingly possible to understand what the age range of the people that you're working with are, based upon their behavior you can extrapolate a whole range of demographics and psycho-graphic information from this deepening relationship so that personalization doesn't just mean that the next time that they come to the health care provider site it says, "Hello, Dr. So and So." That was personalization a decade ago.

Personalization now means that let's say we have the ability - and this is not something we necessarily have the ability to do yet with the HCP site that I'm referring to here, but let's say we have the ability to understand that they're part of a small practice and a small practice has these concerns. And let's that we also understand that we also understand that they're a small practice in the Southeast where they're dealing with an additional subset or cross-section of concerns. So let's say that an oncologist practice, one of their biggest concerns is compliance or is healthy eating, but that's not necessarily a major concern for an oncologist in a different geography. So we start to use that data over time to customize the message down to what an oncologist in her late 30s, who's practice is really taking off, but she's a part of a smaller group practice - in this geography with patients who have this demographic, what are the concerns of that specific individual? And that's what we want to get down to. That's what we want to target, because that is most engaging.

It's like walking into a cocktail party and when you first meet somebody, you start to talk to them, and then you find out about their interests and so then you start to dive down into those interests. You don't stay at a general level, because if you do, they'll wander off.

Chris: Exactly. So let me ask, this brings up a couple of questions. So I love that description. And I see two paths to this, and I want you to tell me if I'm right or if I missing anything. So one path that I typically think is if you have a marketing automation system and you can do progressive profiling, so every time someone interacts with your content and you're asking them for a little more information that's different than, hopefully different, than what you asked for before. For some of the clients that I've talked to. that's a barrier simply because their IT department says, "This is the form that has to go to our CRM and there can be no variations." That's one obstacle. And I'd love to know how we get around that. But also the other path that I see is, you are creating many kinds of content and extrapolating the data based on what they take from you and your Google analytics. So you know where they are and then you can associate the demographic of that area with some of those problems like you said maybe it's healthy eating or whatever. But I guess I'm asking about the burden of creating so many types of pieces of content that would eventually give you the information you need.

David: So then to answer those in order, so the first question. And you're right, the technical underpinnings of this are challenging and this is what I was talking about a little bit earlier. This transformation is not cost neutral - it's not impact neutral. You have to identify the technical policy and process infrastructure changes that you have to put in place in order to effectively pursue this vision and that's not easy. Matter of fact, one of the challenges that I've had in the past with third party service providers, agencies, vendors, is that a lot of times they do what Tom Dudnick has called over-kicking their support. In other words, they will propose these wonderful visions of what you could do, but these visions are absolutely unrealistic in light of your organizational and resource constraints. So it's important to remember that the question was where should we go? And this is where we should go, but getting there, it ain't easy.

Chris: Right.

David: There are a lot of different potential technical solutions, let's say you've got a legacy CRM system in place that has constraints, well that means that maybe the CRM system isn't necessarily where all of this information ultimately resides. In fact, CRM systems in my experience, are not necessarily the best places to aggregate everything about the customer experience. Ideally, you're talking about a different data layer, because you are aggregating data from Google analytics, or from your analytics package, or from multiple analytics packages. You're aggregating data from your marketing automation platform. You're aggregating in some cases also from your content management platform, because your content management isn't passive in all of this. In fact, the newer content management platforms have a lot of tools built out to support personalization, so they have to be included in the loop as well and let's be honest, CRMs are not designed for the most part to coordinate those activities. They are there, essentially, to focus on certain portion of the activities, but they are not coordinating, they're not the central brain at all. At least not by any layout I've seen work successfully in the past.

Chris: Right, I like that. We don't need, as you said, to go down that road very far, but I just like that you acknowledge that it is possible to keep your marketing data separate from your CRM to some degree and it doesn't all have to live in the same place and I think there's advantages to be gained by doing that in some cases.

David: No, and ideally I don't think it does live in the same place, because CRM systems are not always necessarily equipped to deal with some of the regulatory and compliance aspects that we have support in digital marketing as well. CRM systems are not equipped to handle strict mode tracking. They're good for manual feedback opt-in opt-out on email listing, but they don't have the complex tools that are available in something like Marketo or Eloqua.

Chris: Right, so let's talk about examples. Are there any examples of either inside or outside the life sciences that someone listening to this podcast can look at? Who's doing this right? Who does something well that you could go and get a taste of their experience and emulate.

David: Well, I do look to Pharma, because they have . . . Pharma and Biopharma are about, so when you talk about med-tech . . . Let's kind of break this up. When you're talking about life sciences research tools and products, the regulatory constraints there are significantly less than they are as for say IVD med tech, med dev, and so I almost break those apart and I have done it in the past. You don't have nearly as a complex a set of legal and regulatory constraints on your content generation, on validation of your processes, your systems, as you do when you start to deal with FDA regulated products. So we kind separate those out.

For the life science tools and reagents, actually I look to a lot of different industries there. I look to B2B software and cloud industries, because there are some important similarities there. First of all, they're technically further along and in many cases, although not all cases, their B2B marketing is further along, because it really is a B2B marketing play.

The other thing that I think is an important similarity is that in life sciences tools and reagents as a general rule, we're selling to and we're talking to highly intelligent, very well educated people engaged in complex work and having to make purchase decisions that have either short-term or long-term impacts on their work, which is very similar in descriptive terms to what you're dealing with in the tech sector. And so I think there are very strong similarities there and because of that, I look to them to see how they achieve a lot of things.

As a matter of fact, one of the most recent people that I've hired, I hired specifically out of the small high tech sector to bring in-house some expertise in the area of search engine marketing. Somebody who wasn't . . . I think again, one of the ways that you bring innovation in from another industry is not just watch the industry and see what they do, but hire people out of those industries. And so that's one of the industries that I look to.

Now on the IVD med tech side, I still look to the tech industry, but it's a more . . . you have to moderate that. You have to take everything that you see and try to translate it, because you've got very different constraints in terms of what you can say and what you can do in that environment. So a lot of what I do on the IVD side is I look to Pharma, because Pharma in a sense has already kind of . . . they have even more constraints then we do in medical devices. Their FDA communication guidelines, even though there's been some recent loosening around NPP and even though there's been this guidance on social media that's come out, their guidelines are still in some ways more restricted than ours on the med-tech and IVD side. So I tend to look at them to see what they're doing in some ways, but in other ways you kind of have to not allow yourself to always be riding their coattails.

Another industry that I'm a big fan of for watching is the consumer tech market. So I like to look at what startups like GoPro are doing, well it's not really a startup anymore, but I also like to see what the big companies, the obvious ones like Apple are doing because they, even though they are very large and hidebound in a lot of ways, they are still moderately innovative I think, in terms of their digital marketing. So I do tend to look there. But honestly, I think it's important to look around, but never become a slave to that. Honestly, I think the single best way to drive innovation is instead understand your customer first, know what your customer wants, and what your customer is used to seeing and what they're to needing and what their biggest problems are and then start looking around to technology.

Chris: Nice. So you may have answered my final question with that. I was going to ask you what your number one suggestion is for companies making this digital transition and how do they get started?

David: Oh, I'd say the first thing that you need to do for digital transformation is make certain that you have a commitment from leadership to do this. If your leaders aren't convinced, if the leaders are not committed to it and if the leaders don't translate that commitment into the willingness to put budget explicitly to . . . to explicitly put it into the goals of their business unit or their organization, then you are in for a long haul.

I would say that's the first and most important thing.

I'd say the second most important is getting good people. You may already have good people. And that may not necessarily mean hiring head count. That may mean instead taking the people in your organization who are excited and who are enthusiastic about this and getting them up to speed. There are a number of great companies out there that I've used for digital education and there are a lot of different tactics and tools that you can use, but one of the most important things is building up that skill and knowledge base and doing that pretty quickly, because you can spend a couple of thousand dollars per person to get them up to speed on digital over a six month period, and then you amplify dramatically the number of intelligent advocates that you've got in your organization. Because digital transformation is a long game, it really is, and you don't want to be the only voice in the wilderness calling for it.

And so one of the single most important first things to do after making sure that there's a commitment from leadership is to amplify you're internal voice depending upon where you're starting and amplifying your internal expertise. I'd say those are the two, before you go out and start buying stuff, before you go out and start doing anything else, those are important. Well, not before, but in parallel with doing the other things that's important.

I guess the third thing that I would say that's really important is experiment. The great thing about digital is that it is cheap to fail. You can try and fail and try and fail and then try and succeed, and it still won't cost you as much as making a high res, high production quality video, or building a brochure.

Chris: Exactly.

David: So I'm a huge believer in sort of 60% to 80%. If you spend all your time trying to get to a 100% strategy or a 100% plan before you start trying stuff, you're never going to get off the ground in digital. So it's important to while you're securing leadership support and amplifying your talent base and your voice within your company, it's important also to be piloting little things, because these pilots, in the end it doesn't matter how many statistics you throw at the non-believers in the house or the skeptics and that's good because they're scientists again in a lot of cases, and scientists are by nature skeptic and that's great, but it means that you have to show them that it works and the best way to do that is to try stuff.

Chris: I love that. I love the try and fail and as you say failing in digital is cheap and then the other, of course, I love your number one and two suggestions, and it's kind of funny that you're digital transformation starts with people. The people you need to convince about it and the people you need to help you do it. So that's a fantastic place to wrap this up. I want to thank you very much for what was an enlightening and educational conversation for me, because although I focus on content, I don't necessarily have all the pieces of the bigger picture and I really like how you put that together for me. So thank you very much, David Salmon.

David: Sure thing, Chris. And I'd also say to remember in all of this is you might not necessarily have the digital piece to it, but I genuinely believe in another 10 or 15 years, the title digital marketer won't exist anymore.

Chris: It'll be a given, right?

David: It'll be a given. It'll be a part of everybody's tool kit. It's like saying HTML programmer now. There's no such thing. So all right, thanks Chris, I appreciate it.

Chris: Thank you very much.

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