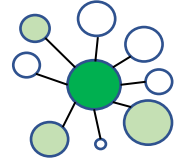# The Network Multiplier Effect

How to leverage natural Communities of Practice to (i) accelerate product adoption, (ii) increase penetration, and (iii) grow utilization

Knowledge and behaviors are contagious. Medical practice has always been taught peer-to-peer: medical students shadow doctors, residents in hospitals attend grand rounds, and experienced doctors listen to their peers at conferences and CME programs. Peer networks result from many types of interactions: academic collaborations, research and co-publications, patient referrals, and of course social media.
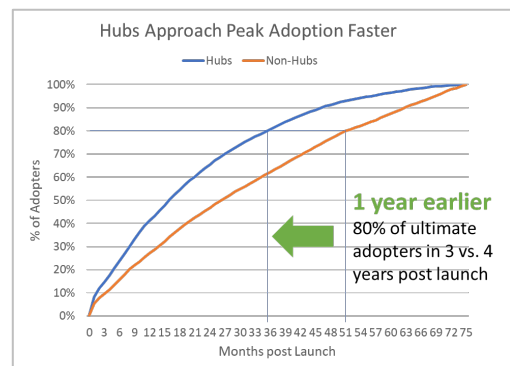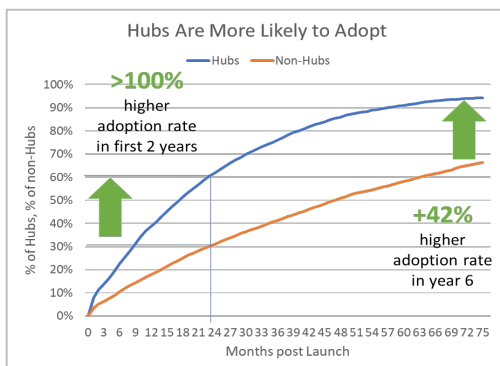
We have studied how **adoption of a new pharmaceutical product is shaped by HCP networks**. Building on the well-established fact that "patients-shared-between-doctors" is a good indicator of peer relationships, we leveraged claims data to identify Communities of Practice (CoP) and looked at adoption patterns within and outside of these CoPs.

Key Insights:

1. "Natural" physician networks don't necessarily follow formal organizational structures (such as HMOs, hospital groups, etc.) and take many shapes and sizes. They differ in structure and connectivity – i.e., the degree to which members of a CoP are connected and how actively they engage with each other.

Multiple "Hubs":   Single "Hub":   All Peers:

2. "Hubs", those healthcare professionals (HCPs) who are the most connected within the CoP, tend to be the **early adopters** – i.e., they adopt new medical practices earlier and to a higher degree than their peers. They also have a disproportional influence on their peers.

Hubs Are More Likely to Adopt

>100% higher adoption rate in first 2 years

+42% higher adoption rate in year 6

Hubs Approach Peak Adoption Faster

1 year earlier
80% of ultimate adopters in 3 vs. 4 years post launch

The Network Multiplier Effect

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3. Driven by the Hubs, entire CoPs will reach higher or lower levels of adoption at different speeds. Of particular interest is that the **adoption patterns within a CoP are predictable and long lasting**. CoPs that reach a particular adoption level by month 6 keep their advantage for years to come. Those CoPs that reach the same adoption level only by month 12 and those who are even slower than that will never catch up.

Adoption Level Over Time: By CoP Cohort
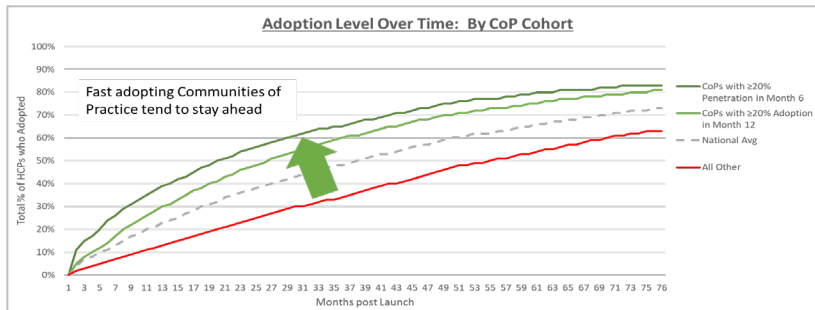
4. Last but not least: **The Multiplier Effect**. Not only do certain Hubs and certain CoPs adopt a new practice or product sooner, not only does it drive more peers to adopt the product, but it also tends to drive higher usage of that product (i.e., in more patients for each adopter). In other words, being around peers who follow a certain practice tends to be contagious and drive you to use it more as well.

> **The Network Multiplier Effect**
>
> **Faster Adoption**
> **X**
> **Deeper Penetration**
> **X**
> **Higher Utilization**

The bottom line:

Several studies have shown that **about half of pharmaceutical product launches did not meet their first-year sales expectations.** Given the power of peer-to-peer influence, we can identify and leverage natural CoPs to accelerate early product uptake and set the launch on a **long-term trajectory to success in the critical first 6 months**. The path to success follows a few guiding principles:

❑ Identify CoP and Hubs before launch and plan your marketing strategy to maximize peer-to-peer influence

❑ Focus on the CoP, not just the individual. Once a critical mass of adoption is achieved, the CoP has reached a tipping point when continued growth (adoption & utilization) momentum becomes self-sustaining

❑ Employ a **Dynamic Targeting** strategy – continually adjust your marketing and sales priorities to reinforce the natural peer influence of recent, new adopting Hubs, and shift from an intense expansion effort to a reduced maintenance effort once CoPs have reached their "tipping point".

If you would like to learn more about Cogent's Product Launch Strategy, please contact us at info@cogent-hc.com.

The Network Multiplier Effect
How Cogent can help

Long-term success of a new pharmaceutical product is almost entirely determined by the launch trajectory in the first 6 to 12 months. Focusing on the right CoPs and leveraging Hubs' peer networks can accelerate early use and create a "Network Multiplier Effect" (NME) though more 'word-of-mouth'. Higher adoption x gains in utilization act synergistically to drive overall share … faster.

Product Share Comparison
1 Year Post-Launch
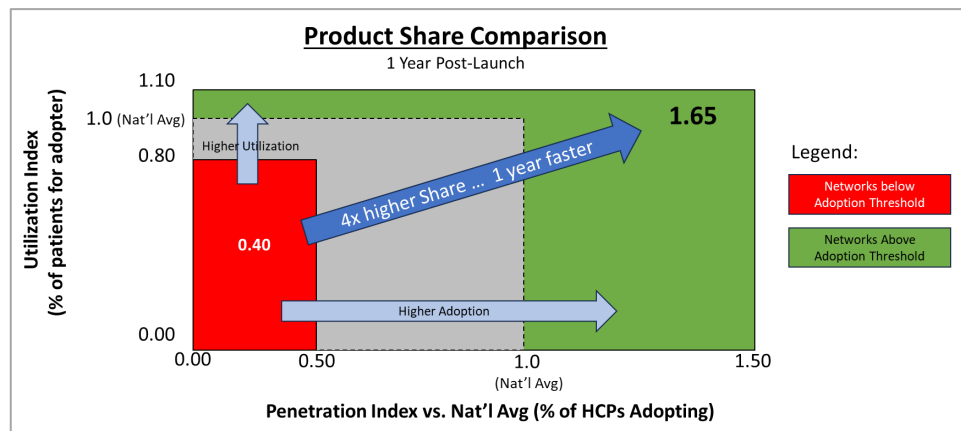
Cogent can help you find out if this approach can work for you – can you **accelerate your product launch?** Or can your **sales and marketing become more efficient post-launch?**

Phases for building the Next Gen Sales & Marketing capablity:

Phase 0: **Data Requirements & Acquisition**
What data is needed? Do you have the data? What is the most cost-effective way to acquire / access the necessary data?

Phase I: **Network Mapping & Analytics (12-18 months pre-launch)**
Identify CoPs, CoP properties, Hubs, and peer networks

Phase II: **Launch planning and preparation (6 – 12 months pre-launch)**
Develop targeting priorities, sequencing, build capability to dynamically adjust focus

Phase III: **Post-Launch Optimization (6+ months post-launch)**
Learn from early months; adjust marketing focus and mix as first CoPs reach tipping point Combine *Network Analysis* with *Patient Journey Analysis*, *Promotional Response Models* and *Marketing Mix Optimization* for a holistic approach to improved marketing & sales effectiveness and efficiency.

If you would like to learn more about Cogent's approach to Sales & Marketing Effectiveness, please contact us at info@cogent-hc.com.