

BUSINESS ACUMEN

A Critical Competency for Medical Affairs Excellence



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Excellence for Medical Affairs

CONTENTS

EXECUTIVE SUMMARY	2
INTRODUCTION	2
THE CASE FOR BUSINESS ACUMEN	4
STRATEGIC THINKING	5
DEVELOPING BUSINESS ACUMEN: A MULTI-MODAL APPROACH	6
FUTURE IMPLICATIONS: THE PATH FORWARD	7
CONCLUSION	8
REFERENCES	8
ADVISORY BOARD	8
BOARD MEMBERS	8
SUPPORTED BY	9

EXECUTIVE SUMMARY

The role of Medical Affairs in biopharmaceuticals has evolved significantly, transitioning from a predominantly scientific support function to a strategic pillar that drives value across the enterprise. This evolution demands a new set of capabilities that combine deep scientific expertise with sophisticated business understanding. This white paper examines the critical role of business acumen in enabling Medical Affairs to maximise strategic impact and provides a framework for developing these essential capabilities.

Business acumen in Medical Affairs encompasses the ability to understand and integrate business principles and healthcare industry dynamics while maintaining scientific and medical integrity. It enables professionals to effectively translate medical knowledge into business value, navigate complex stakeholder relationships, and drive evidence-generation strategies that address both scientific and patient unmet needs as well as business objectives.

The value of developing Medical Affairs business acumen manifests at multiple levels:

- For Medical Affairs teams, it enhances their ability to contribute strategically to product lifecycle management, fosters cross-functional collaboration and translates scientific information into value propositions that resonate with different audiences.
- For organisations, it leads to cohesive communication between potentially disparate functional groups, more effective decision-making, better resource allocation, and stronger stakeholder relationships.
- For individuals, it opens new career opportunities and enables greater strategic impact.

The future success of Medical Affairs depends on its ability to combine scientific expertise with business acumen. This white paper provides a roadmap for organisations committed to developing these essential capabilities and maximising the strategic impact of their Medical Affairs function.

Organisations must act now to develop these critical capabilities in their Medical Affairs teams to ensure the evolution to strategic partner. Those that successfully implement comprehensive development programs will be better positioned to:

- Create synergies among functional groups so organisations gain efficiency and reduce waste.
- Innovate the generation of evidence and stakeholder engagement to add value, create acceptance and speed up adoption of clinical practices.
- Navigate an increasingly complex healthcare ecosystem reducing time, effort and money spent.

INTRODUCTION

CONTEXT AND BACKGROUND The evolution of Medical Affairs from support function to strategic pillar is being driven by the increasing complexity of therapeutic products, more complex healthcare funding and delivery, the growing importance of evidence-driven strategies, and the need for sophisticated scientific engagement with stakeholders, including patients, across the healthcare ecosystem.

The Medical Affairs professional operates at the intersection of multiple business domains with their work spanning scientific advancement and evidence generation, healthcare policy and access considerations, digital health transformation initiatives, evolving stakeholder engagement, and increasing need for value demonstration ultimately responding to patient unmet needs. This positioning at the crossroads of science and business has established Medical Affairs as an essential strategic pillar, requiring professionals to have a sophisticated blend of scientific knowledge, business acumen, and strategic insight.

PROBLEM STATEMENT

For a Medical Affairs professional without a strong understanding of business acumen, several challenges can arise, both for the individual and for the organisation. These challenges can impact strategic decision-making, collaboration, resource utilisation, and overall organisational effectiveness. Here are the key problems an organisation might see:

- 1. Missed Strategic Alignment** – impacting product launches, market access strategies, or clinical adoption of new treatments.
- 2. Poor Cross-Functional Collaboration** - communication barriers manifest in misunderstandings and fragmented approaches between departments, leading to delays, conflicting strategies, and inefficiencies in execution.
- 3. Inability to Demonstrate Value** – lacking the business language makes it difficult to translate complex scientific data into a business context, making it harder to gain executive buy-in for key initiatives and potentially limiting career progression for individuals.
- 4. Inefficient Resource Allocation** - wasted resources on initiatives that are not aligned with business goals, delays in Medical Affairs contributions and sub-optimal execution of key initiatives that impact both scientific and business outcomes.
- 5. Missed Opportunities for Innovation** – lack of awareness resulting in missed opportunities to shape therapy knowledge, lack of innovation or failure to capitalise on emerging trends. This could weaken the position of the company among competitors.
- 6. Overlooked Patient Unmet Needs**– cross-functional strategy needs to be attuned to the patients' needs which, without business acumen, might remain unaligned to the strategy.

Not incorporating business acumen into Medical Affairs capabilities can lead to inefficiencies, missed opportunities and a limited impact on organisational goals. Medical Affairs professionals with business acumen can add value beyond the scientific domain, ensuring that their work aligns with business priorities and helps achieve organisational goals and contribute to the focus on patient unmet needs being responded to by the cross functional team.

RATIONALE FOR THE WHITE PAPER

Several white papers have been published looking at the future state of Medical Affairs and all have recognised the need for strategic and leadership competencies for Medical Affairs to be successful in the future state of the industry. Medical Affairs representative organisations have also recognised this requirement with MAPS and the MSL Society including business acumen as a key competency.

Publicly available needs analyses are not available. Some companies have performed internal gap analyses which have been incorporated into their internal training programs, however a specific definition of business acumen is lacking, including within the published Medical Affairs core competencies documents.

There is also a tendency for some Medical Affairs groups to consider themselves 'separate' from the 'business' given their focus on science, compliance and the firewalls that exist within the organisation. This is amplified by the requirement that Medical Affairs metrics not include commercial measures of success. However, the corporate objectives and strategies must include 'creating value for the customer' by improving clinical outcomes and quality of life.

BUSINESS ACUMEN

A Critical Competency for Medical Affairs Excellence

BUSINESS ACUMEN ADVISORY BOARD To better define the meaning and scope of business acumen, an advisory board of senior Medical Affairs professionals was convened with the objectives of:

- Defining and prioritising the key competencies constituting business acumen and strategic thinking for Medical Affairs
- Outlining a publication on our discussions, conclusions and future actions
- Outlining a possible needs analysis

The thoughts contained herein come from a wide diversity of experiences of the participants in different company environments and roles from country to global; and are derived from interaction and dialogue to support validated perspectives.

The white paper reflects the consolidated views of the Advisory Board discussants and not necessarily those of the current or prior employers.

DEFINING BUSINESS ACUMEN

The Advisory Board, with assistance from generative AI, defined business acumen for Medical Affairs as:

Business acumen in Medical Affairs refers to the ability to understand and integrate business principles and healthcare industry dynamics while maintaining scientific and medical integrity.

For Medical Affairs professionals in the biopharmaceutical industry, this specifically involves understanding how medical and scientific activities align with and support broader business objectives while maintaining compliance with regulations and ethical standards. With this competency, a Medical Affairs professional can effectively navigate the intersection between science and business, making strategic decisions that benefit both the organisation and patients.

This includes:

1. Strategic thinking about how medical evidence generation and communication can create value for healthcare providers, patients and the organisation
2. Ability to translate complex medical and scientific information into business-relevant insights that inform decision-making and strategy
3. Understanding of market dynamics, healthcare delivery and economics, including the roles of different stakeholders (healthcare providers, payers, patients/patient advocacy, regulators) and how they influence medical and commercial success
4. Knowledge of the drug development and commercialisation process, including how medical affairs activities fit into the broader product lifecycle
5. Financial literacy to understand budget management, resource allocation and return on investment for medical initiatives
6. Organisational awareness to effectively collaborate across functions like Clinical Development, Regulatory Affairs, Patient/Market Access and Commercial teams while maintaining appropriate firewalls

THE VALUE OF BUSINESS ACUMEN

VALUE TO MEDICAL AFFAIRS When Medical Affairs teams develop business acumen, alignment of scientific initiatives with patient-centric goals and corporate objectives improves markedly. Understanding the language, priorities, constraints, and decision-making processes of Commercial, R&D, and Market Access teams enables more productive partnerships while maintaining appropriate compliance boundaries.

Medical Affairs teams with strong business acumen can more effectively contribute to product lifecycle management, from early development through to maturity. They can anticipate market needs, design evidence generation strategies that address multiple stakeholder requirements, and identify opportunities for scientific leadership that align with business priorities. This enhanced capability requires Medical Affairs to proactively shape strategy rather than simply responding to requests from other functions.

VALUE TO THE ORGANISATION

Medical Affairs professionals, who can combine scientific rigour with business implications, provide better recommendations to cross-functional partners and leadership. This enhances decision making at all levels of the organisation and at all stages of the product lifecycle.

The organisation gains a more effective interface with external stakeholders, as Medical Affairs teams can better translate scientific information into value propositions that resonate with different audiences while maintaining scientific integrity. This enhanced strategic communication capability helps build stronger relationships with key opinion leaders, healthcare providers, payer organisations, and patent advocates, supporting better market access, adoption of therapeutic innovations and patient outcomes.

VALUE TO THE INDIVIDUAL

For individual Medical Affairs professionals, developing business acumen provides a transferable skill that will open new career opportunities. They become more effective in leadership roles, better equipped to manage teams and resources, and more capable of driving strategic initiatives. Moreover, individuals with strong business acumen become more resilient and adaptable in an evolving healthcare landscape. This broader skill set makes them more valuable to their organisations and opens paths to senior leadership positions in Medical Affairs and other functions that might otherwise be inaccessible to those with purely scientific expertise.

The development of business acumen also enhances job satisfaction by enabling Medical Affairs professionals to see the broader impact of their work. Understanding how their scientific expertise contributes to organisational success and patient care creates a more fulfilling professional experience. This comprehensive perspective allows them to better align their career development with both personal interests and organisational needs.

STRATEGIC THINKING

DEFINING STRATEGIC THINKING

Strategic thinking in Medical Affairs refers to the lens through which professionals navigate the intersection of science, healthcare delivery, and organisational objectives. It requires the ability to proactively assess therapeutic trends, scientific advancements and competitive landscapes to anticipate challenges and opportunities. From this flows the development of long-term strategies that align with business and scientific priorities and a clear consideration of the patient unmet need.

The outcomes of strategic thinking include evidence-based strategies aligned with business and scientific priorities, building of robust stakeholder relationships and influencing product and corporate strategy through data-driven insights.

Critical analysis forms the foundation of strategic thinking. Medical Affairs professionals must be able to synthesise information from multiple sources, evaluate evidence within broader contextual frameworks, and draw meaningful conclusions that can inform decision-making. This analytical capability must be balanced with creative thinking that allows for the identification of innovative solutions to complex challenges.

STRATEGIC THINKING CAPABILITIES The development of strategic thinking capabilities requires both structured learning and practical experience. Key areas for development include:

- **Environmental Analysis:** Understanding how to assess and monitor the external environment, including competitive dynamics, regulatory changes, and technological developments.
- **Systems Thinking:** Developing the ability to understand complex systems and the interconnections between different elements of the healthcare ecosystem.
- **Scenario Planning:** Learning to anticipate and prepare for different possible futures through structured scenario analysis and contingency planning.
- **Decision Analysis:** Building capabilities in structured decision-making approaches that consider multiple factors and stakeholder perspectives.

DEVELOPING BUSINESS ACUMEN: A MULTI-MODAL APPROACH

The development of business acumen in Medical Affairs requires a structured yet flexible approach that combines formal education, practical experience, and targeted skill development. Organisations can leverage these pathways to build these essential capabilities, each offering distinct advantages and complementing the others to create a comprehensive development program.

FORMAL QUALIFICATIONS Formal business qualifications provide Medical Affairs professionals with a structured foundation in business principles and organisational management. Programs such as Master of Business Administration (MBA) or specialised pharmaceutical development degrees offer systematic exposure to key business concepts and frameworks.

These programs typically cover essential areas including financial management, strategic planning, organisational behaviour and market analysis. These programs also provide valuable networking opportunities and exposure to business practices across different industries. However, there is a considerable investment required in terms of time and resources.

CROSS-FUNCTIONAL ROTATIONS

On-the-job training through rotational assignments offers invaluable practical experience and contextual understanding of business operations. By working within Commercial, Market Access, or other business functions, Medical Affairs professionals gain first-hand exposure to business processes, decision-making frameworks, and operational challenges.

Effective rotational programs might include:

- Short-term assignments (3-6 months) with commercial planning teams
- Project roles in Market Access or Health Economics groups
- Participation in cross-functional strategic planning initiatives
- Involvement in launch planning and integrated brand planning teams

These experiences provide practical insights into how different functions operate, their key priorities, and how medical knowledge can inform business decisions. Rotations also help build valuable relationships and communication channels across the organisation while maintaining appropriate compliance boundaries.

TARGETED TRAINING PROGRAMS

Focused training initiatives offer flexible, modular approaches to developing specific business capabilities. These programs can be particularly effective in addressing immediate skill gaps and providing practical tools for enhanced business performance.

These programs should begin with an assessment of knowledge gaps and individual development needs aligned with career stage and future aspirations. They should integrate with existing development programs and balance immediate and longer-term skill building.

Short-format training might include:

<i>Strategic Business Skills</i> <ul style="list-style-type: none">• Strategic planning and execution• Healthcare ecosystems and archetypes• Project management essentials	<i>Communication and Influence</i> <ul style="list-style-type: none">• Business case development• Cross-functional collaboration• Development of strategic scientific narratives• Stakeholder management	<i>Business Knowledge</i> <ul style="list-style-type: none">• Sales and Marketing fundamentals• Finance for non-financial managers• Healthcare economics and Market Access• Product lifecycle management
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FUTURE IMPLICATIONS: THE PATH FORWARD

Business acumen is no longer optional for Medical Affairs professionals – it is a critical determinant of both individual and organisational success. Organisations that invest in developing these capabilities in their Medical Affairs teams will be better positioned to navigate future challenges and create sustainable value in an evolving healthcare environment. Organisations waiting for organic business acumen development within their Medical Affairs function and not catalysing the capability development required will be left behind.

Organisations need to build the capacity to develop these capabilities in Medical Affairs teams using a combination of all three modes of education. Regular program evaluation, integration of new learning methods and regular updating will be required to maintain alignment with evolving business requirements.

The Medical Affairs function of the future will be characterised by professionals who combine deep scientific expertise with sophisticated business understanding, able to navigate complex business decisions with scientific rigour while maintaining compliance, as well as maintaining the Medical Affairs roots of patient focus.

To stay competitive, organisations must invest in building business acumen within Medical Affairs teams now. Not only will this assist with talent attraction and retention, it will better position the organisation to navigate future challenges, drive innovation, and create sustainable value in an evolving healthcare environment. Those that delay risk falling behind in their ability to effectively translate scientific innovation into meaningful patient and business impact. They also risk losing people to the competitors who offer better career development and ability to switch between commercial and medical roles.

CONCLUSION

Medical Affairs embracing business acumen is the key to breaking down silos in a way that maintains ethical patient focus. Previously, the focus has been on commercial teams, having been trained on medical knowledge, assuming that a financial objective is all that is required. With healthcare landscapes and company strategic foci undergoing unprecedented transformation, we now understand that business acumen is the ability to respect the complete healthcare and social environments leading to patient care as “businesses”. Medical Affairs is in the position to connect the business need with the science that drives positive change in patient care. Investment in upskilling in business acumen will therefore benefit the entire ecosystem of patient care.

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