

FTI CONSULTING SURVEY: U.S. HEALTHCARE & LIFE SCIENCES

Navigating the Virtual Landscape at JPM and Beyond



As we reflect and prepare for the 39th Annual J.P. Morgan Healthcare Conference (#JPM21) and its role as the ceremonial annual “kickoff” for the Healthcare & Life Sciences sector, it’s clear 2020 has been an unprecedented year.

Amidst the disruption, we have also witnessed impressive collaboration, flexibility and innovation, most notably across Healthcare & Life Sciences. As COVID-19 has shifted the landscape of our industry, we conducted a “pulse check” to understand how key decision makers are thinking about these critical changes and to learn what’s top of mind as we head into the new year.

#JPM21 will be much different this January, as we experience the conference in a way we never have before. Gone are the usual concessions made to attend this event – waiting in long taxi lines at SFO, navigating the badge queue at the Westin St. Francis on Sunday evening, and enduring long days of over-booked meeting agendas that weave seamlessly into a never-ending roster of evening cocktail parties, which seemingly repeat each new day. While the controlled chaos will be missed in a way, we believe #JPM21 will still be fruitful as executives, investors, media and other attendees interact remotely.

To help charter this course, in November, FTI conducted a survey of 250 U.S.-based Healthcare & Life Sciences leaders in Business Development, Research & Development, Marketing, Communications and Public Affairs roles to gain insights surrounding key industry topics and trends for 2021. This includes opinions around the future of virtual conferences, remote meeting effectiveness, as well as the status of sector M&A and IPO activity, and future preparedness for global disruptions.

Our survey findings offer some surprising results. For example, over half (53%) of survey respondents prefer virtual healthcare conferences and a majority (63%) expect them to remain viable alternatives after the pandemic subsides. However, the sentiment is mixed around the effectiveness of virtual healthcare conferences compared to in-person events, with 48% of respondents believing they are “better,” while 43% claimed they are “worse.”

In terms of deal flow, an impressive 60% believe M&A activity will be higher in 2021, with a rebound in deal activity likely driven by stronger balance sheets, fairly valued asset prices, corporate appetite for innovation as well as

significant private equity dry powder. This may foreshadow an increase in deal announcements at #JPM21, which has historically served as an ideal platform to announce material transactions to kick off the calendar year.

Additionally, our survey results demonstrate that companies are not fully prepared to respond to the reality of further coronavirus disruptions, economic and political shifts, regulatory uncertainty or a dearth of specialized talent. However, we are seeing organizations rapidly adapt and make critical business decisions to manage these uncertainties. For example, when it comes to talent, Cheryl Buxton, Korn Ferry’s Vice Chairman for Pharmaceuticals told FTI that the sector’s new executive search “pipeline is better than it was this time last year” and that CEO and other senior executive placements are being made swiftly, in some cases without leaders ever meeting their teams or onboarding in-person.

In addition to talent management, Healthcare & Life Sciences companies need to stay ahead of reputational risks and proactively manage anticipated challenges by constantly reinforcing their values and balancing the needs of stakeholders. Our sector has certainly played a critical role during this historical year, and as we look to the scenarios ahead, we hope this report provides valuable perspectives for management teams as they carefully map the future and continue to lead their organizations in the next stage of success.

Please turn to the FTI [Insights](#) section for a few recommendations from our team of strategic communications experts to help you maximize your time during #JPM21 and to make the most out of other virtual engagements in 2021 and beyond.



We look forward to connecting virtually at the conference and collaborating well beyond.

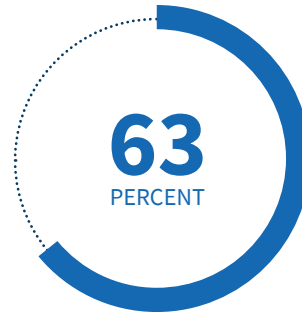


01

The majority prefer virtual healthcare conferences and expect them to continue even after the pandemic.



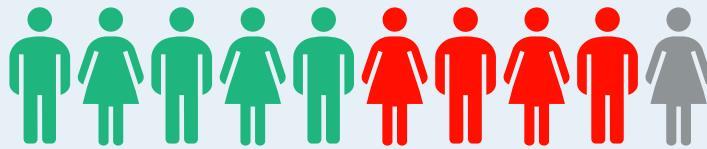
view virtual healthcare industry conferences **MORE FAVORABLY THAN IN-PERSON EVENTS.**



expect conferences to continue to be held as virtual events **EVEN AFTER THE PANDEMIC IS OVER.**

02

Industry split on the effectiveness of virtual healthcare conferences, compared to in-person events.



48%
believe virtual healthcare conferences are **"BETTER"**


43%
believe virtual healthcare conferences are **"WORSE"**


8%
See no difference or have no opinion


Respondents were almost evenly split when rating virtual healthcare conferences to in-person events


03

Virtual industry conferences can't replace in-person networking events, but they are expected to remain viable alternatives going forward.

78%
 believe that "virtual meetings can never replace in-person networking events."

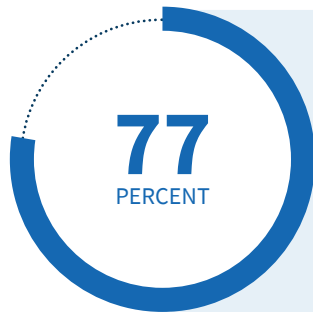
52%
 claim the pandemic has reduced their ability to meet and develop relationships with new stakeholders.

71%
 say they "would consider purchasing passes to virtual healthcare industry conferences after the pandemic."

85%
 believe "virtual conferences can help make the industry more accessible to a wider range of demographics."

04

Virtual healthcare conferences are expected to play a crucial role in company marketing in 2021.



expect virtual healthcare conferences to be a **CRUCIAL PART OF THEIR MARKETING STRATEGY OVER THE NEXT 12 MONTHS.**



05

Less meetings, but more effective outcomes.

When compared to in-person events:



OF THOSE WHO MEET WITH INVESTORS



44%

have had **LESS MEETINGS**



45%

believe virtual meetings have been **MORE** effective than in-person

37%

believe virtual meetings have been **LESS** effective than in-person

18% say there has been no difference.

OF THOSE WHO MEET WITH THE INDUSTRY MEDIA



48%

have had **LESS MEETINGS**



47%

believe virtual meetings have been **MORE** effective than in-person

33%

believe virtual meetings have been **LESS** effective than in-person

20% say there has been no difference.

06

Deal announcements still expected, despite virtual nature of conferences.

83%

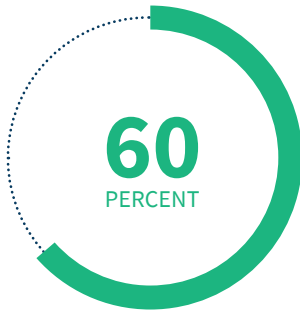


The majority still expect deals and other big news to be announced at virtual conferences and events.

07

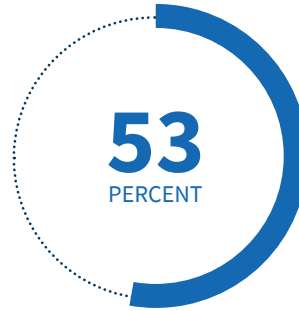
Healthcare M&A and IPO activity is expected to be higher in 2021.

M&A ACTIVITY



believe M&A activity will be higher in 2021, with 1 in 5 (20%) expecting it to be **“far higher.”**

IPO ACTIVITY



also expect healthcare IPO activity to be higher next year.

08

Companies are not fully prepared to respond to COVID-19 disruptions, or economic, political and regulatory uncertainty over the next 12 months.

CORONAVIRUS DISRUPTIONS



cite “coronavirus disruptions” as the biggest risk for their company over the next 12 months.



55% are “not fully prepared” to RESPOND TO THIS RISK.

ECONOMIC UNCERTAINTY

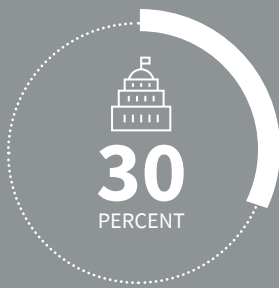


believe “economic uncertainty” is the biggest risk for their company over the next 12 months.



77% are “not fully prepared” to RESPOND TO THIS RISK.

CURRENT POLITICAL ENVIRONMENT



view “current political environment” as the biggest risk for their company over the next 12 months.



72% are “not fully prepared” to RESPOND TO THIS RISK.

REGULATORY ENVIRONMENT UNCERTAINTY



consider “regulatory environment uncertainty” a key risk to their business in 2021



67% are “not fully prepared” to RESPOND TO THIS RISK.

09

Talent scarcity worries companies in 2021



1 in 5

ARE CONCERNED about “talent scarcity/potential hires’ reticence to move jobs” in 2021.

80%

80% are “not fully prepared” to manage this reality.

10

Biden Administration is viewed as a good thing for the Healthcare & Life Sciences industry.



believe the Biden Administration will have a **POSITIVE IMPACT** on the Healthcare & Life Sciences industry in 2021.



4 in 10

expect the impact to be **“VERY POSITIVE.”**

The FTI Insight Around #JPM21



Developing a compelling, yet simple story is critical. Investors and the media will likely be able to listen to more presentations in the virtual format than ever before. What are the three or four messages you want them to remember about your company?



Similar to other investment banking, industry and medical conferences over the past nine months, the virtual format will require you to be even more engaging when delivering your presentation. It’s worth investing in a presentation/message refresher session in advance of the conference.



The virtual nature of the conference requires you to change your approach and do some subtle things that can make a BIG difference. Here are five tips for virtual success:

1. **Choose a location with as little outside/ambient noise as possible.** The microphone will pick up your voice nicely if it’s just you talking in a closed-door room.
2. **Avoid recording in front of bright windows.** Lighting should come from both sides of the subject, as strong backlighting will obscure detail and make the image dark.

3. **Avoid positioning the camera at an upward angle.** People typically find that a straight-on shot is more flattering.
4. **Avoid wearing attire with thin pinstripes, houndstooth, or busy patterns,** as these can cause “graphic” problems and create anomalies on screen.
5. **Remember to be authentic and speak to the camera** as if you are talking to a good friend.



If you’re finding it’s tough to respond to all of the meeting requests you’re receiving, consider conducting some of them during early evening hours when you would have been starting the “cocktail party tour.” With that said, do not go overboard with evening meetings, as we all know video calls can be even more draining than in-person ones, and you don’t want to burn out.



Not surprisingly, COVID-19 vaccines and therapies have been receiving increased attention. If your company has a COVID-19 program, it’s critical that you do not overpromise when describing its potential and instead focus on transparency. Let the science and data lead your comments or risk losing your credibility.



Given the expectation and appetite for transactions in 2021, #JPM21 could serve as an ideal platform to announce and build momentum behind a material transaction if the timing aligns. Use the conference to engage with a variety of stakeholders in a way that amplifies the benefits of the deal.

Lastly, as you prepare for #JPM21 and other key industry opportunities in the year ahead, please reach out to FTI Consulting to see how we can provide support to your team along the way.



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