

AI: An Unlimited Army of Interns

A Conversation with Alfred Whitehead, EVP of Applied Sciences at Klick Consulting

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Episode Highlights

- While clients often inquire about using generative AI for copywriting, Klick takes a broader approach, utilizing AI as “an unlimited army of interns” to streamline tasks such as research, analyzing competitive landscapes, and facilitating regulatory compliance
- Klick has implemented AI representatives to evaluate project plans based on different perspectives of team members, resulting in better-planned projects from the outset
- While AI is often seen as a replacement for human work, Klick views it as a next-generation tool with applications to synthesize market research feedback into personas for ongoing consultation and rapid ad-hoc focus group simulations, enabling quick strategy shifts and cost-effective brand positioning adjustments
- Additionally, AI's role in product personalization is notable, as it may revolutionize how consumers select and purchase products, with the potential to shift buying from traditional mass-market retail to more personalized online channels, with AI acting as decision support for consumers
- In navigating the evolving retail landscape, trust between consumers and brands is crucial, with AI potentially playing a pivotal role in building consumer loyalty through repeat purchases. Additionally, AI is expected to reshape the role of physicians by providing triage support and integrating OTC products into clinical decision-making processes

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Episode Transcript



Rusty Ray (00:06):

Hello, you are listening to Crossroads by Alantra, our podcast that focuses on healthcare. I'm Rusty Ray and I head up the healthcare investment banking team at Alantra here in New York.

(00:17):

Today we are finally touching on a very hot topic, AI. And we have as our guest, Alfred Whitehead. Alf is an EVP of Applied Sciences at Klick Consulting. I'm not so tech-savvy, so this is going to be a very educational episode for me as well. We will be discussing AI applications in drug commercialization, particularly OTC, and more interestingly how that impacts personalization of those products from both a marketing and product building perspective. In our recent consumer health report, the personalization of things was a real big trend that we're watching for, so we're excited to dig in.

(00:53):

AI's been in the news a lot and not always for good reasons, but maybe just for our listeners, Alf, can you give us a little bit of context about what is generative AI? And just help us kind of level set what we're about to embark on in this conversation.



Alfred Whitehead (01:08):

Great. Yeah. I'd say generative AI, Rusty, is sort of the most active field of research in the AI right now. And what it is really a set of models that play this game of completing the sequence, completing the pattern. So if you've reused a chatbot for example, that's been trained on human language and you give it some language and it thinks about, oh, okay, what's a likely way to complete that pattern? And that turns into a conversation, and that's what gets generated in generative AI is that completion to the sequence. Now, this is going to be incredibly powerful. We've started with language which has given us a whole new way to talk to computers, but it's going to work for pretty much any other sequence. It can fill in the background in your photos or it can figure out how a genome should be completed in order to figure something out once we get that training in place. It's very exciting.



Rusty Ray (01:55):

And along those lines, I guess it's come to the world so much more recently, what do you see as being different today, versus even 18 or 24 months ago? I mean, how has this conversation really taken off with your clients and how do you think about generative AI today versus even kind of recent past?



Alfred Whitehead (02:16):

Yeah, I've been in this space for a number of years and I think the biggest change now is we have what we call these foundation models, which are AIs that can be used in other contexts. It's kind of like hiring an intern into your business. It has this baseline level of education and common sense and knowledge of the world, and then we teach it sort of the specifics of the business on top of that. And so that's been a radical change in how we deal with these things. We're now able to set up AIs incredibly quickly. We're able to teach them in the same way we teach humans. You no longer need a whole bunch of computer science experts to do this. Subject matter experts can work with it directly. It's super exciting for us.

Episode Transcript



Rusty Ray (02:52):

Thanks, that's really cool and interesting. I appreciate the background for novices like me in the computer sciences, so that helps me sort of understand what we're trying to embark on in terms of our conversation. But maybe before we get into the weeds on commercialization and how AI is helping to redefine that landscape, maybe just give us a little bit of background about what Klick does, what you've done historically. And then let's maybe transition into how you're using AI for your current clients and what clients are demanding of you on the AI landscape. But maybe let's start with a background on Klick.



Alfred Whitehead (03:29):

Yeah, absolutely. Klick is a privately held company. We started about a little more than 25 years ago, born out of the web, and we really focus on helping life sciences companies commercialize their products. That can be pharmaceutical, OTC, med device, or anyone in that space. If you have a product you want to take to the market, we can help with everything from promotion to strategy to all of those things.



Rusty Ray (03:56):

Do your clients know what they're asking for? Are clients savvy with AI and they say, "This is what I want and this is how I want to do it?" Or are you having to do a fair amount of instruction? And saying, "Hey, this is what AI is even capable of. Forget the myths out there in the newspaper. Let's talk about how we can really help you." Are you really having to start at a more basic level in some cases?



Alfred Whitehead (04:17):

Sometimes. I mean, I would say there's been, the name generative AI is a bit of a misnomer when it comes to how folks in the world of business and commercialization think about the word generative. So I would say most people come to us and they say, "Hey, can we use generative AI to do our copywriting? Can we use it to create the text that we're going to use in promotion?" And yes, you can, but when you think about what a copywriter actually does in their day job, there's only a tiny amount of their job that is actually typing the words that go into the advertising. And so we've really been taking a much broader view. AI is effectively an unlimited army of interns. We've added to our company that can help us out, and so we think about everything that goes into creating that promotional content throughout its lifecycle.

(05:01):

We've really focused on, and so we've been using AI to go through and do things that we're just not economical before, like reading every scientific paper in the space with a specific lens and summarizing it and comparing these things, looking across the entire competitive landscape of every other product in there, reading all of their reviews and understanding all of that. That's the sort of power AI can bring to that research phase.

(05:22):

Yes, it can help with the writing, but then after you've done the writing, you usually have to go through some sort of regulatory clearance process and AI can be very helpful here and understand how the promotion fits into the various FTC or FDA or whatever the appropriate regulator's point of view is in order to make sure that we can actually get that content out to the customers. So that's been super helpful. And AI actually helps us

Episode Transcript



orchestrate that entire process. One of our most successful projects has been a set of AI representatives, as we call them, that take on different points of view of people working on a project and they can use that point of view to evaluate project plans and get us to a better-planned project at the beginning.



Rusty Ray (06:02):

That's really interesting because it sounds like you're using AI or your clients are expecting the use of AI to generate so much more data, richer data that leads to better outcomes. So often we hear about AI as sort of a replacement for the types of work that folks do, and you described some of that replacement as a team of interns. But the value-add, the real technical areas where there's regulatory and other kinds of checks on language that would be maybe disallowed by the FTC for example, that's still something that falls on an individual to check with that expertise, or do you expect AI to take on those kinds of roles in the future, too?



Alfred Whitehead (06:52):

I think the way we're looking at AI is kind of a next generation spell check in some ways. So one example might be market research we've been experimenting with. When you're trying to get the voice of your customer, you do a bunch of market research, maybe focus groups, you get a bunch of feedback from real consumers and AI can synthesize that as a persona that you can then talk to in the future so that you can sort of bounce ideas off of it as you're working, even though your focus group isn't meeting right now.



Rusty Ray (07:17):

That's really impressive. I mean, just the concept of having an ad-hoc focus group on demand would just be incredibly powerful if you're shifting strategy or tweaking language or positioning around certain brands, whether it's for new launches, new product development, and the like. That to me is extremely powerful and very cost-effective and probably something that in the past would've taken months and months to organize, whereas here it sounds like it can be done in a matter of hours.



Alfred Whitehead (07:47):

Hours sometimes, sometimes even minutes. Occasionally we find these AI use cases that are literally just a prompt. You go to one of these AIs and say, "Hey, I need you to do this. Can you do that for me?" And it does. It's kind of magical.



Rusty Ray (07:59):

That's really cool. You've given us a couple of examples, but I guess more holistically, how has Klick been using this with your clients? Is it really just on initial commercial launch and around that customer experience and getting that feedback from the customer? Or are there broader use cases around the overall commercialization effort as it relates to going back to AI?



Alfred Whitehead (08:23):

It's a good question, Rusty, and I think when you look at where most companies are today, 2023 was a big year of experimentation. Most companies have been just figuring out how it can fit into their business and what it can do for them. So we've worked with a number of OTC companies, working on things like personalizing content for example.

Episode Transcript



(08:41):

So if you have, as one of our customers does, a database of expert written articles that may be appropriate to a certain type of consumer, can we have the AI take the consumer's need, read the articles, restructure them and repackaging them in a way that's personalized for that specific person? And it turns out that works really well and we think that sort of personalization is going to be a trend in marketing.

(09:06):

A lot of our clients are looking at how can we take these AIs and use them to really improve the personalization? But you also have to know quite a bit about your customers in order to meaningfully personalize to them, so how can we create and build that relationship? You also have to be able to deliver these programs through a channel, whether that's on the web or somewhere else, and you have to be able to measure how well this is going over time so that you can figure out are you actually getting the value out of here? Or are you just creating sort of a chatbot that no one talks to?



Rusty Ray (09:36):

Yeah, a lot of noise as it were. One of the things you mentioned a moment ago, was talking about personalization and I think I agree with you in terms of the personalization of the message, but what we're seeing in the OTC space especially is personalization of products. You have vitamins that are tailor-made for an individual or an individual type. You have certain skin creams that are more and more based on skin types or other genetic factors that may relate to certain conditions like acne and things like that. Do you see sort of an even deeper personalization as it relates to these kinds of product types and these kinds of initiatives within the larger consumer health companies really targeting individuals and sort of bringing them into this personalized product space as well, not just the broader product use?



Alfred Whitehead (10:27):

Yeah, I think over the next few years we're really going to see the way that people select and buy products probably change quite a bit with these new technologies. Right now, the traditional model has been going to your mass-market drugstore. You pick a product off the shelf and you take it with you. You've talked a lot about the personalized products, which are usually delivered through e-commerce channels based on survey data or maybe even genetics if you're getting really fancy and can be shipped directly to the consumer, but the consumer is still the one driving that buying behavior.

(10:55):

So one of the interesting questions we have is how do AI agents change that? Will the consumer still be the one browsing the shelf either virtually or physically, or is that going to be an assistant for the consumer? Is that going to be one that's provided by the manufacturer or by the retailer or by some third party that's in control entirely by that consumer? We've been here before. Product discovery changed quite a bit. When the web rolled out, we suddenly had search engine marketing and search engine discovery, and I would argue that's actually, it's 20 years old now, but it's still AI in its own way.



Rusty Ray (11:27):

A blunt force version perhaps, right?

Episode Transcript



Alfred Whitehead (11:29):

Yeah, exactly, less sophisticated. We as marketers and product creators, we got used to telling search engines about our products so that they could be discovered by consumers who might use them. There's going to be another more sophisticated level of decision support, whether that's for the consumer, maybe physicians depending on the context, and then that will unlock that universal personalized products as well as personalized messaging. How can you navigate all the options to pick what's best for you?



Rusty Ray (11:55):

That's really interesting and I want to come back to a point you just made about the physicians. But I guess first, one of the things that we've seen over the course of the last few years is retail has had a tough time to say the least, especially the drug channel. And so even for those products that are problem-solution where you need it now, think a headache medicine, you don't want to wait for Amazon or e-comm. I feel like as the drug channel continues to narrow and there are fewer and fewer brands on shelves as they reposition into whatever they will become, many grocery stores or what have you to drive foot traffic. It feels like AI is going to become only more important because you're going to have to get above and beyond the noise to really reach your consumer. Are you starting to see those kinds of trends take shape?



Alfred Whitehead (12:47):

Yeah, I think it's a really interesting point and I think of it as a long-tail effect. You have sort of your very common conditions that affect essentially everyone, like headaches, and those are probably going to be at pretty much every retail point of sale you can think of forever. And then you have this massive long tail of conditions that are a little more personalized and I think the complexity of number of solutions available is just going to grow and grow, and so having an AI to help navigate that is going to make that digestible for consumers.

(13:15):

I think you mentioned the changing retail environment. And it's interesting, we do see drug stores changing considerably, but one of the things they are often adding now is clinical support from people like physicians so that they become sort of the one-stop problem solution place to come regardless of the regulatory classifications.



Rusty Ray (13:33):

We've talked about commercialization and AI. I guess when I think of that, my own biases are new brands, innovators. How are some of the older, larger brands, let's say the Tylenols of the world, to use an example, are they sort of attacking the problem in the same way? Are they viewing it differently because they have a different relationship and a longer storied relationship with the consumer? Or how does some of the larger brands think about this application vis-a-vis AI?



Alfred Whitehead (14:02):

Yeah, I think the fundamental currency that it all comes down to is going to be trust. Who has the trust of the consumer? And I think some of those story brands like your Tylenols of the world, they have a sort of very direct relationship with consumers where that brand name has a trusted place with the customer who's buying. I think that's the ideal place for a brand to be is sort of where they are.

Episode Transcript



(14:24):

So how does AI help them along? It may help them as their product line becomes more complex or as they have more specialized products for different consumers, but fundamentally they've got the trust. Now the question is for the folks who are sort of not in that level of brand connection, is the trust going to be built between the consumer and the brand or is it going to be built between the consumer and the retailer? So if you can imagine a retailer offering hundreds of solutions, if you can build an AI that provides access to that, whether it's coming from your own stable of products or maybe from somewhere else, that may be an advantage over a more narrow AI that can only pick from a limited set of recommendations.



Rusty Ray (15:03):

On that frontier, I totally agree that there's probably a fight that's about to be set up between the retailer and the brand owner as they try to vie for the trust of the consumer and the retailer becomes more of a care provider, in air quotes I'll say, and advising the consumer on how to satisfy their needs. Does that marginalize the brand owner in any way, shape or form? And if you think it might, does that lead a lot more folks to say, "Well, look, if we can start to target our consumers better and e-comm is at a place where everybody's comfortable with it, does that drive a more DTC model for many of the call it personalized or tail type products that are not so immediate need?" Do you think that could be a trend?



Alfred Whitehead (15:48):

I definitely see the need for some of those long tail brands to have a more direct relationship with the consumer, and I think there's going to be competition there. The retailers are going to want to try to grab that as well. Where I think the rubber hits the road for the brands is on repeat purchases. How can you support your consumers in a way that brings them back? And if you have a model that can achieve that, then the loyalty I think is going to fall to the brand as opposed to the retailer. And that I think is really going to be the key to unlocking that for brands.



Rusty Ray (16:17):

That's really interesting. Just to kind of pivot back to something you said a few moments ago on the physician or care provider, how does the care provider get integrated into this? Are there risks around that as it relates to AI?

(16:33):

We've all seen examples in the newspaper of AI making some somewhat hilarious mistakes, and so as we think about consumer health, be it OTC or Rx, if you're starting to think about connecting with this consumer and almost guiding them through their patient journey, do you see risk there that people are sort of coming to their care providers with ill-conceived notions or that care providers are somehow getting miseducated on a certain brand because of the way AI is interacting with a consumer or the brand?



Alfred Whitehead (17:10):

I love this question and I think there's a few things going on. Some of it is our sort of social expectation of computers. So we've been trained over decades to think of computers as exacting and accurate and mathematical and all of these things. And this current generation of AIs is actually a lot more like an organic brain in terms of making mistakes, having little flubs, doing those things that we find socially acceptable in humans.

Episode Transcript



(17:35):

When doctors pass their medical exam, the bar is not set at 100%. We don't expect that from anyone, but we expect it from our computers and I think that's why people are sort of latching onto AI doing all these weird things. The reality is it's a lot like a human. It's going to make some errors in some sort of predictable ways. It's going to forget things. And I think as that sort of social expectation shifts, that's going to die down and people are sort of going to understand that, start treating it the same way.

(18:00):

When it comes to physicians, I think they're a really interesting model. I mean that used to be historically your one-stop shop for solving whatever problem you had. You'd go to the physician and they would figure it out and they had access to everything. The problem with that has been convenience of access and cost of access, and there've been a lot of barriers to actually getting there. I think AI can help with that by acting as sort of a triage.

(18:22):

I also think AI support is probably coming for the physicians even before the consumers in some cases. There's been a lot of work done on clinical decision support systems. These are bits of software that integrate usually with EHRs and help doctors decide what to do. I saw a really interesting study at the end of last year looking at physician attitudes towards recommendations for which drug to use. And most physicians use the recommendation from the software and they valued it even over the recommendations of their colleagues, which was kind of surprising.

(18:51):

The impact of that, I think, is that physicians are going to get used to having an AI assistant help them with triage, and I think you're going to see a lot more blending of the products they pick. It's not necessarily just going to be prescription. I think OTCs are going to show up a lot more in a physician's office as a result of that because these recommendation algorithms are probably going to be looking at, hey, what's the simplest thing that could work first that's easily accessible?



Rusty Ray (19:15):

It's like a very modern digital interpretation of a very analog solution, which is a sales force calling on docs and we all know that can be very effective.

(19:25):

Kind of pivoting back to your client base, if I were one of your clients, I guess I would feel pretty overwhelmed right now. Are people kind of coming with a very sort of broad help me out notion, or are they coming with, we've got this, we know exactly how we want to handle it and take it on? I mean, how are you sort of advising clients to sort of take that initial step?



Alfred Whitehead (19:47):

I would say the help me out is more common than having a clearly baked strategy when it comes to AI. And that's fine, I think. This is all very new. What we recommend for our clients generally is understand what this technology can do. There is not a huge barrier to entry here, which is I think a big difference compared to

Episode Transcript



some of the past technological revolutions. I can sit down with somebody for a day and I can get pretty much anyone comfortable enough so that they can do something innovative with this new tech. I think it's important to understand sort of the tools you have in your toolkit because otherwise you're just running around with the AI hammer looking for a nail to hammer in.



Rusty Ray (20:21):

Yeah, I think you raised a very good point often with these newer shiny technologies, to use your analogy, when you have an AI hammer, everything looks like an AI nail solution.

(20:33):

And that's a wrap. Thanks for taking the time, Alf. I really appreciate it. That was truly fascinating. I love the analogy of AI to an army of interns because when you typically read about AI, just all seems so very overwhelming. But of course, as you said, you got to understand the tool. Otherwise, you're just running around with an AI hammer looking for an AI nail as they say. If you ever want to hear more about our thoughts or where we're headed within the consumer health space and some of the work we've done, please reach out to us. Thank you.

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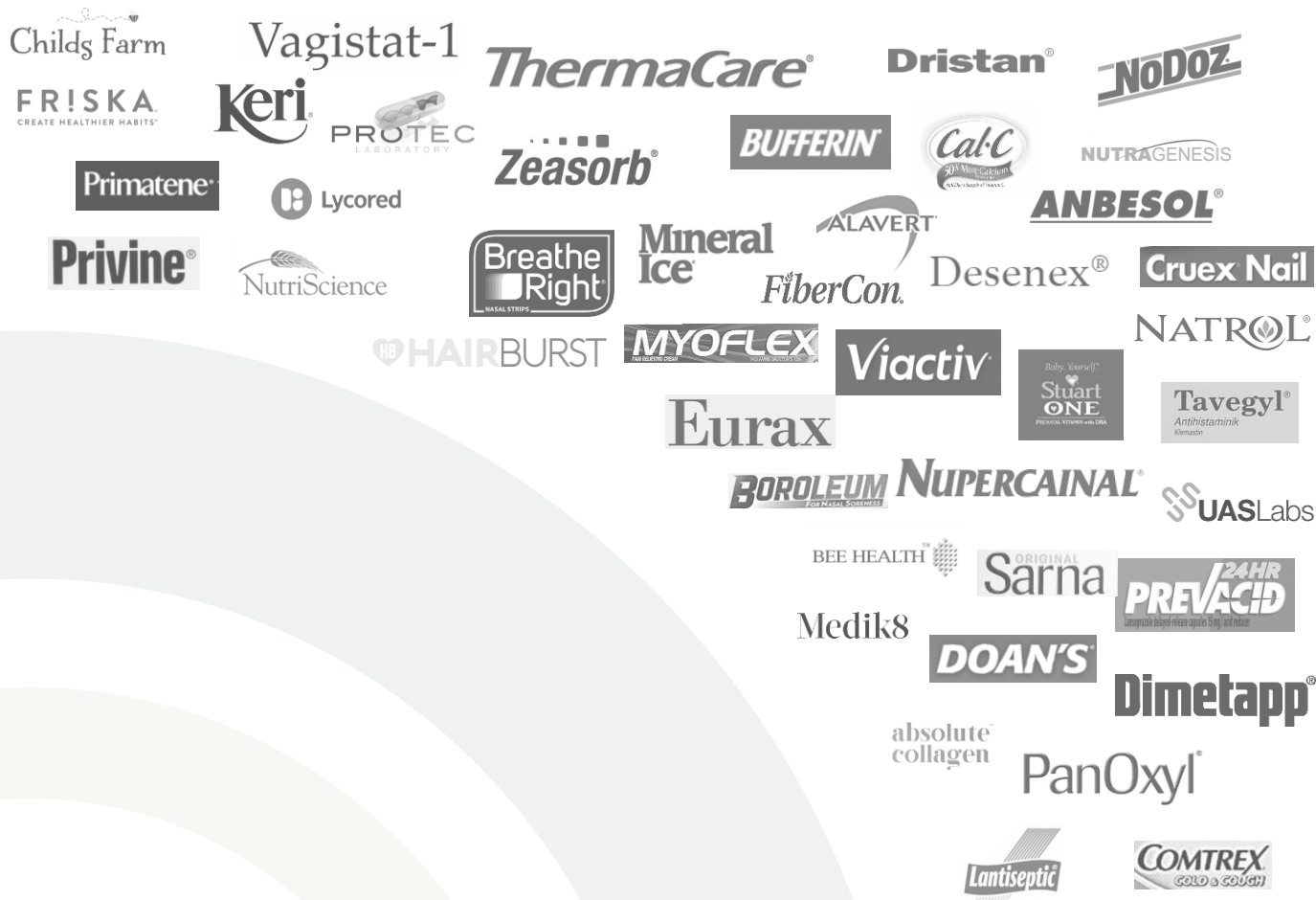
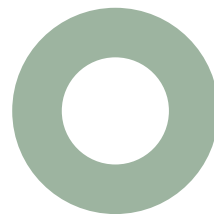
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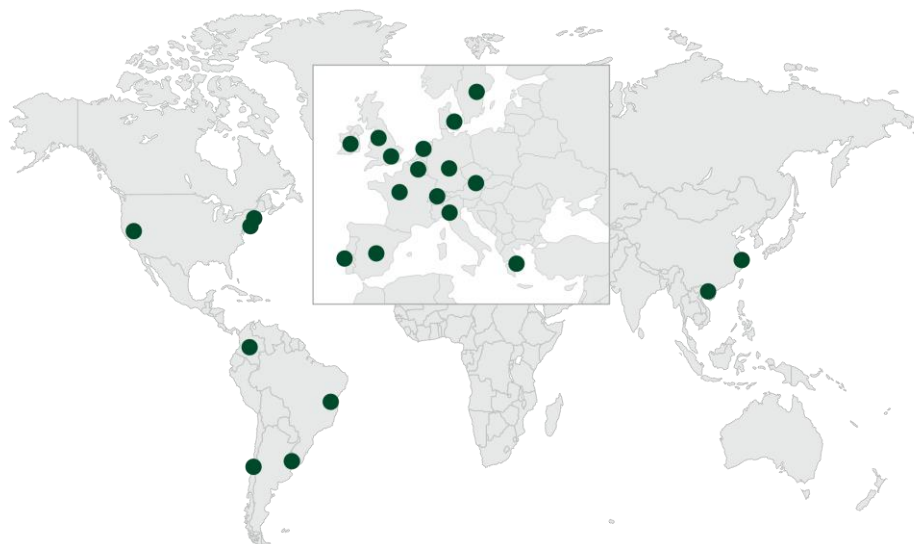


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