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Tailoring CRM Solutions to Your Business Strategy

By **Mitch Bernstein**

"Real World" examples of CRM assessment and initial implementation, highlighting early best practices in CRM deployment was the theme of a panel discussion at CBI's 6th Original Forum on Customer Relationship Management (CRM) for the Pharmaceutical Industry, held in New York City, October 17-18, 2003.

The panel, moderated by Susan Welsh, VP Strategic Customer Alliances for Johnson & Johnson, featured Lisa Barry, Senior Manager, Sales Systems, of Kos Pharmaceuticals, Kevin Cook, Director, Marketing and Business Development, Consumer Medicines, of Bristol-Myers Squibb, Croom Lawrence, Marketing Manager, eBusiness Group, North America, of Wyeth, Tracy Wise, Senior Consumer Promotion Manager, of AstraZeneca, and Kevin Scott, Manager, Global Foresight, of Procter & Gamble Pharmaceuticals.

Panel Experience

With responsibilities ranging from consumer promotions to global foresight, each panelist described a very different set of challenges that they were addressing with their respective programs.

Their experiences ranged from tightly focused initiatives such as the DTC promotional platform that Tracy Wise is coordinating within the Gastrointestinal Products group of AstraZeneca to more overarching, organizational mandates like Kevin Scott's role looking for emerging opportunities and acting as a change agent for P&G Pharmaceuticals.

Despite these differences, all five of the panelists seemed optimistic that they were succeeding in changing behavior within their respective companies and among their customers. Kevin Cook's job description matches the title of the discussion pretty closely, and explained how Bristol-Myers Squibb worked to align its CRM capabilities with the company's overall strategy. "We looked at the brands and how we could take a more customer-based approach to marketing," he began. "We wanted to create value propositions around customer needs – both physicians and patients – and help them make a conscious change in their behavior."

Croom Lawrence, on the other hand, saw market forces necessitating his organization to do things differently. Noting the competitive pressure in the areas where Wyeth focuses its marketing dollars, he felt that optimizing the marketing mix would help the company better engage its customers. He has effectively adopted interactive marketing into the mix, proving its worth with a series of ROI driven models, and smiles that they are getting approved because they are showing value.

You Know You are Ready for CRM If…

Dr. Welsh asked the panel how they knew when their companies were ready for CRM. Barry responded that you are ready for CRM when, as a result of a growing sales force, communication between territory managers becomes more vital when they share the same physician base.

Scott suggested that when there is a conscious shift at the strategic level from a product-based marketing approach to a customer-based approach, then you need to track customer interactions across all channels. This applies to both physicians as well as consumers.

Evaluating Vendors

The conversation took an interesting turn when the panelists were asked for their impressions concerning the companies who were helping them implement their CRM solutions. Scott explained how his organization, long one of the world's largest marketers, looks for companies that deliver what the consumer marketing and packaged goods companies already deliver to their clients, "We're looking for companies who can translate the depth of information that they have into value for our customers, be it the physician or consumer/patient," he says.

This requires looking for a level of fit with his organization on several levels, including the vendor's ability to provide technical and customer support, their ability to partner or subcontract, and their willingness to meet implementation and timeline needs. Un-fortunately, Scott says, most of the vendors he speaks with are selling, not listening, to those needs. "Go past the obvious marketing contacts," he counseled, "and find the folks driving business change."

Wise agreed, saying that while she sees lots of good vendors, they are not always able to convince her that there is a good strategic fit. She recommends prospective vendors ask for an "intake session" rather than trying to sell, and cautions the underestimation of key influencers, such as existing agency partners, the sales organization, and even the purchasing organization. "It's not always a push-off. These people are often very informed about our needs and can make recommendations when we're considering new vendors." Wise added that there are often a lot of vested interests, and when working with multiple vendors, clearly documented business rules help to keep everyone on the same page.

The panelists expressed a number of areas where they thought vendors might do a better job of meeting their needs. Cook stressed thought leadership, while Scott demonstrated his preference for vendors who help him work through the challenges he is facing. He explained how a large e-detailing vendor bought out a smaller competitor that had also been providing services to P&G. The larger company was amazed when it saw the size of the billings it had missed out on, which Scott duly explained was a result of the smaller company effectively addressing his needs that the larger company had not even identified.

One audience member registered her dis-pleasure at being addressed as a vendor, and several heads nodded in agreement. Barry was quick to point out that she still feels that service is too reactive, rather than proactive, and that partnership is only in discussion when a sale is involved. "Don't sell us a service and walk away," she cautioned the audience.

Lawrence sees things differently. He believes that successful vendors are becoming very articulate with the strategy of his organization, and pointed to WebMD as an example of a company that has morphed its offering to meet his needs.

Measuring Success

As the subject turned to measuring the success of different implementation, each of the panel members had advice for the room. Wise emphasized the importance of building a strong business case, especially if you're competing for dollars within the organization, and in clarifying the measures of success.

Cook feels that his efforts have achieved success on a number of levels, some measurable, others less quantifiable. While he is able to measure success in sales rep productivity and regulatory compliance – it's built into the processes he rolled out – there are other benefits, like morale, that are more difficult to measure. "Sales people can now work during downtimes instead of when they get home at night," which doesn't necessarily equate to a business success measure, but makes them happier employees.

Scott said sales force effectiveness, as measured by physicians, has increased and CRM has helped his company communicate with physicians in a way that they want to hear. "This is a very positive ROI," he said.

Another key measure of the panelists' successful CRM programs is the impact that it is having on the brand. Barry has concentrated her efforts on closing the loop in communications to physicians, and expects to continue CRM efforts to improve brand awareness with this group.

Scott also sees CRM as an important component of branding. CRM is helping his organization gather deep insight around two physician "Moments of Truth" questions: "When is the first time they touch a product?" and "When do they provide it to a patient?"

Conclusion

If no two businesses are exactly alike, then it stands to reason that no two CRM solutions should be implemented the same way. The five panelists who shared how their organizations were approaching CRM deployments managed to find a good deal of common ground, including insights about how companies plan for change, work with outside companies and measure the impact of their efforts.

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