

Feature Article

Are Sales Reps Necessary?

By John Mack

It is common knowledge that sales reps are much less effective than they used to be, thanks in part to some tactics of the industry like sales pods that carpet bomb physicians with multiple reps saying the same thing. Some statistics supporting decreasing ROI and effectiveness:

- Although the pharmaceutical sales force has doubled between 1995 and 2000, the number of audited calls has only increased by 10%.
- Reps average only 2 quality details per day (quality details includes discussion of features, benefits, and data).
- Only 43% of pharma reps ever get past the receptionist
- Only 7% of pharma rep visits last more than 2 minutes
- Only 6% of physicians think representatives are very fair balanced
- Only 8% of calls are remembered by the physician
- 56% of physicians think representatives are more aggressive today than in the past
- Less experienced, younger sales forces (average age of a US rep is 26)

Changes Needed

Pharmaceutical companies may do well to take advice from consultants as well as from physicians about how pharmaceutical companies need to change the number and kind of interactions between sales reps and physicians (see, for example, "Reinventing the Sales Model" in this issue).

But are sales reps needed at all? That's a weird question, considering that there are about 100,000 pharmaceutical sales reps out there today in the US. Sales reps are such a staple of the pharmaceutical sales and marketing machine that it's almost a sacrilege to suggest that they may not be necessary.

Yet, recent announcements by Pfizer, for example, proclaim that there are "no sacred cows" when it comes to cutbacks. Pfizer CEO Kindler told Wall Street analysts recently: "There will be no sacred

cows. Everything is on the table." Case in point: Pfizer said it will cut its U.S. sales force by 20 percent, or 2,200 people,

In this atmosphere, downsizing the sales force is definitely an option that many other pharmaceutical companies will consider. But the usual 10-20% cut may not be enough, especially if a good portion of that cut is in support staff rather than in-the-field reps.

To get the pharmaceutical sales rep perspective, I posted the question "Are Sales Reps Necessary?" on a CafePharma online discussion board. If you believe some of the responses, it turns out that many pharmaceutical sales reps don't think they are worth the salaries they are paid and that they are just not that necessary. Here's how one rep summed up the necessity of sales reps:

"Hey chief, I've been in this game for 10 years, and guess what:

1. We don't provide value anymore.
2. Without the sales and marketing arms, drug prices would go down.
3. Charity and patient assistance would be the same.
4. The docs could sure as shit get their samples directly from the company.
5. The public, congress, and consumer advocacy groups would stop hating us because the most visible part of the industry, i.e., you and your little roly bag, would not be front and center to the 65 year old man with diabetes in the waiting room.

Some reps think any run-of-the-mill UPS delivery person can provide almost the same value-added services as they can, which involves mostly distributing samples and lunches (see "Sales Reps Debate Their Value" in this issue).

What Are Reps Absolutely Needed For?

Before we throw the baby out with the bath water, let's see if we can reach a consensus on what the value sales reps bring to pharmaceutical marketing and sales.

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Figure 1: What Are Sales Reps Absolutely Necessary For? Most of the roles are self-explanatory. "Source of practical information" means providing doctors with prescribing information about new drugs.

I posted an impromptu poll on Pharma Marketing Blog, which asked: "What Are Sales Reps Absolutely Necessary For?" with the following choices:

- Increase Scripts Written
- Deliver Samples
- Source of Practical Information for Docs
- Cater Lunches for Docs
- Compensate for Lack of Trained Hospital/Office Staff
- Manage Patient Assistance Programs
- All of the Above
- None of the Above

Respondents could select one or more choices. The results so far are shown in Figure 1, above.

Some studies have asked physicians what they value in sales reps. At an industry conference on sales force effectiveness, a Noven Pharmaceuticals speaker presented results from a survey of OB/GYN physicians the company conducted to determine the effectiveness of its sales force in comparison to competitors' sales forces. The study confirms several tenets of conventional pharmaceutical marketing & sales wisdom. For example, the surveyed physicians ranked sampling needs as the MOST IMPORTANT discussion they have with sales reps. Way down on the list of importance to physicians was reps' knowledge of competitors' products.

Other, unpublished studies have asked physicians "What do you like about sales reps?" Respondents cited product knowledge first, relationship second, and samples third.

Sample Delivery: Reps, Internet, or UPS?

Whichever study you believe, sampling is a major factor for getting reps in the door and electronic sampling can be a credible alternative to hand delivery by sales reps (for more on that, see [Intelligent Online Sampling Strategies in "Increase Physician Access and Detailing Effectiveness"](#)).

A sales rep on the CaféPharma Lilly Company Board lamented "[Do] you really think that you are worth your salary? Ask Indy [Eli Lilly] why they are sending out web based sample ordering systems to 'select' offices to 'pilot.' We don't have long. Hope you have planned, because I sure as hell have."

Regarding samples, another CafePharma member countered with this:

"The very fact that you equate the need for samples with a need for you should tell you that you are reaching. Come on, you don't really believe that Lilly is going to continue to pay you \$100k a year to get little forms signed do you? You just said yourself that a UPS driver could do it for 65K, and that is if they were only delivering Lilly drugs." To which someone responded: "It's been tried before...nothing beats person to person contact..."

Babes Provide Personal Contact

Speaking of person-to-person contact, a recent Time article, "Attack of the Pharma Babes," written by physician Scott Haig, notes the following: "...10 minutes of rapt attention from a smiling beauty [sales rep] is still 10 more minutes than usual."



"Known for their athleticism, postage-stamp skirts and persuasive enthusiasm, cheerleaders have many qualities the drug industry looks for in its sales force," according to an article in today's New York Times. You can read

more about pharma sales rep babes and pharma's penchant for hiring former cheerleaders on Pharma Marketing Blog (see "[Sexy Reps Sell Rx](#)").

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But, we need to question the importance of person-to-person contact, especially these days when MySpace offers a credible example of the popularity of non person-to-person contact. We don't know, a MySpace sales application for docs may be able to replace person-to-person contact just as eSampling can replace hand delivery of samples. These would take care of the top two reasons physicians find value in pharma sales reps.

Not everyone agrees, however, that sales reps can be replaced by technology. Another sales rep on CafePharma had this to say:

"The good reps still provide value. I agree there shouldn't be 100,000 drug reps in the U.S. That's ridiculous. After the clueless Barbies and Kens are weeded out over the next few years (first Pfizer, then GSK, etc.) it hopefully will resemble what it was like when you and I started and even years before if they eliminate enough. Being able to regularly talk with most physicians would be a great thing once again."

But will recently-announced cuts weed out the "Barbies and Kens?" Some physicians worry that cutting back the sales force by 10-20% may leave only the younger, less experienced reps in place. Enter Barbie and Ken.

Are Reps Worth Their Salaries?

An obvious reason why Pfizer has singled out sales reps in its bid to save money, is the high salaries and bonuses that reps receive. "When cuts have to be made, where do they come first?" asked a CafePharma poster. "Oh, that's right, the reps."

Many reps will defend their salaries. Here's an example:

"Hell, yes I am worth my salary. The AVERAGE UPS driver makes over \$25 an hour now (straight pay). At 50 hours a week, without any overtime, holiday, extras, etc., that's around \$65,000. I have

a friend who's been with UPS and he makes almost 100K. If we are considered 'only UPS drivers and caterers', we should at least make what we do. We are actually doing three jobs: 'UPS delivery people', caterers and sales people."

I note that this defender of sales rep salaries neglects to mention bonuses based on sales, which is something no UPS driver receives. He also confesses that reps act as UPS delivery people and caterers as well as sales people. Does this mean that roughly two-thirds of a rep's focus and time is on sales support rather than sales per se? If so, delivering samples and lunches can be handled much more cost-effectively by other means, including via the

Internet. Just look at all the companies that are setting up online catering services for the pharmaceutical industry.

Technology Makes Better Sales Rep Caterers

Free lunch for physicians—delivered by sales reps—is still an important door opener for reps. I've witnessed reps delivering lunch to my GP several times. Usually, the rep has a big guy helping carry in and set up the hot trays or whatever. It doesn't look that tough to do, although many experts claim sales reps are stressed over it. But there's a technology to ease the pain.

Attendees at a recent industry conference were treated to a "free" lunch thanks to a company called Total Take Out. But before we could go eat,

Comments From a Pharma Marketing Blog Reader

"Given the state of healthcare and the time demands being placed on doctors and other ancillary health care providers for increasing patient load AND maintaining high quality of care, the time component once enjoyed by many reps has shrunken significantly. Couple that with emerging access issues and regulations: For example, Stanford, Henry Ford and University of Penn (to name a few) have enacted guidelines on interactions with industry representatives which, in many circumstances, all but denies access to some of the customers critical to a brand's success.

"Physicians need information and seek credible sources of that information to guide their prescribing decisions (I believe Accenture study 2003 elucidated this). Thus, if a rep is not bringing this information that is needed, there is no value of the interaction between rep and doc.

"Is 100,000 the right number to demonstrate value? Absolutely not...diminishing returns on rep investment has been in the literature for the past several years and I would certainly expect to see the cuts that have been implemented at Pfizer be echoed across the industry in '07 and beyond." -- Anonymous

Continues...

Comments From a Pharma Marketing Blog Readers

“Relevance of MRs or pharma sales reps in the internet age!?! The way you portray the picture I will not be surprised if logistics companies pick up the cue and propose a sample, gift and communication input distribution business model to a market savvy innovative pharma company. Who knows? A differentiator logistics company may propose a value added sample, gift and communication input distribution business model along with dispensing order pickup!!?”

“Persuasive communication is today delivered by a host of routes. MRs are an important avenue for persuasive communication. But are they dispensable? That is a great call to make. And if you downsize the field force will a company increase communication through other means?? That question needs to be addressed too.” – Sunil S Chiplunkar

Total Take Out subjected us to a presentation about their service, which is a Web site where sales reps can order lunches to be delivered to doctors' offices. It's actually a pretty cool application, which also offers discounts to drug companies from participating restaurants. But rather than going on an on about that here, I have reproduced a cartoon that the company handed out (see Figure 2).

What About MSLs?

What physicians want are pharma representatives that keep them informed, protect them from prescribing the wrong drug, talk to them without regulatory constraints, and keep them stocked with samples. They also want someone who talks like they do. In other words, they want another health professional and not a sales person at all! I've heard this from doctors at several industry conferences (see, for example, [“A Crisis in Professional Detailing”](#)).

What if pharmaceutical companies actually listened to these physicians? Instead of talking about gaining “physician access” for sales reps, pharmaceutical companies might provide more access to the kind of representative physicians seem to want—the medical science liaison or MSL. Except let's drop the liaison part and just call them medical science representatives.

While I am not an expert on the current roles of MSLs and how often they are employed, I do sense a rivalry, let's say, between sales and



Figure 2: A promo from a company that offers an online catering service for pharmaceutical sales reps. Presumably delivery is included. The logical next step is to eliminate the rep!

marketing and the medical sciences department. I have been to conferences and had lunch with pharma medical education people and heard a few things. MSLs play, at best, second fiddle to the sales reps. That situation should, IMHO, be turned on its head. The MSL should be the primary contact and call in the rep when the physician asks for samples. After all, sample delivery is the primary reason sales reps gain access to physicians anyway. (For more on this see [“Give Docs What They Want”](#).)

Conclusion

It's very interesting to imagine a world without pharmaceutical sales reps. If more pharmaceutical companies at least raised that possibility as a “straw man” proposal, knocking it down might at least help solve some of the issues discussed in this article. In other words, pharmaceutical companies need to start thinking outside the box in order to address the diminishing returns of their sales rep force.

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Resources

The following resources were used in the preparation of articles for this issue.

- Free Webinar: **How Can You Create the Right Balance of Selling and Service to Optimize Physician Relationships and Drive Prescribing?** Re-Inventing the Sales Model: Transitioning to a Physician-Focused Selling Strategy. Access the archives at <http://medconference.net/sales>

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