Pharma Marketing News
www.pharmamarketingnews.com

Reprinted from Volume 6, Number 9 (Oct 2007)
Published by **VirSci Corporation** www.virsci.com
PO Box 760, Newtown, PA 18940 • 215-504-4164

Conference Highlight Reprint # 69-03

Re-Designing the Pharma Sales Force

An Ailing Model in Need of Change

By Steve Woodruff

More and more doctors, clinics, and healthcare institutions are closing their doors to sales reps out of concern for the increasingly aggressive tactics used by pharmaceutical companies. The frequency model utilized by major pharmacos—pushing 5 reps per doctor to gain a share of voice—is frowned upon by prescribers as an over-kill.

Today, doctors are swamped with paperwork and regulations and don't have the time or patience to meet reps. Studies estimate that 7 percent of doctors nationwide now refuse to meet directly with drug sales reps. In some regions, like Wisconsin, that number can shoot as high as 50 percent.

Compounding the problem for pharma manufacturers are:

- managed care policies that favor low-cost generics over name-brand drugs,
- data restriction laws,
- state government policies on price negotiations,
- federal government bill on drug importation, and
- decline in blockbuster pipelines.

Many industry conferences have been organized to address the issue of declining sales force effectiveness and what to do about it. One of these, Pharma Force 2007, organized by Worldwide Business Research, was held recently in Philadelphia, PA. This artcicle summarizes some of the learnings from that conference.

The frequency model is finished!
The opening address, by Patrick Stakenas, President and CEO of ForceLogix, set the stage by outlining a handful of the high-level challenges faced by pharmaceutical sales forces.

Sales force effectiveness is on the decline. Access is more difficult—a growing number of physicians are difficult or impossible to see, and time for product discussion is shrinking.

The days of adding more reps in order to gain share of voice are over. While this once was an effective strategy, there is a market backlash, and companies now need to increase effectiveness with what they have. In fact, pharmaceutical companies have to move upstream against the growing negativity toward the industry—a negativity created, in part, through the sales rep arms race.

Productivity Moving in Wrong Direction
What is required is to find strategies for gaining more productivity. This includes ongoing reinforcement for the sales force to build confidence and to reduce self-limiting access behaviors. All of these issues are well-known.

More than one pharmaceutical company speaker pointed out that the healthcare environment has changed: patients are more knowledgeable, pricing pressures are widespread, and there are growing restrictions on pharma rep interactions. There is a downward trend in morale of sales forces, in the value proposition for taking up physicians' time, and therefore overall productivity is also moving in the wrong direction.

A Merck speaker pointed to the need for customer centricity (not just "customer focus") in the business model—the company's commercial strategy must be rooted in clearly understood customer needs. The Physician, the Payer, the Patient—all 3 are audiences/customers. Pharma companies, therefore, need to talk to customers with an open mind, and find out, what do they actually want and need. Then change the model accordingly.

> ***"Our new model calls for an increased use of technology [and metrics], and it is much more customer-focused."***
> – Merck spokeswoman Amy Rose (see "Merck Rejiggers Its Marketing Mix")

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In one panel discussion there was a focus on trying experimental models. Companies are deploying fewer layered forces, and using some more specialized and niched sales groups. Novartis Oncology, for instance, split their reps into oncology and hematology groups in order to get closer to practitioners according to specialty.

Customer Relationship Management
Other speakers focused on the need to optimize Customer Relationship Management systems, and incentive programs, in accordance with new market realities. In one roundtable discussion, a sales effectiveness veteran admitted that every possible incentive structure has been attempted, with varying levels of success. It is naïve to think that there will be a panacea incentive structure which will optimally meet all needs, claimed this veteran.

There was talk of the need to bring greater value to the doctor and his or her business as well as the need to integrate sales and marketing and enable connections throughout the chain of stakeholders. But very little was offered by way of tangible strategies or actionable tactics.

The Boomer Factor
One vendor (Aptilon) underscored that "the math" is against the current healthcare system. While more and more boomers are visiting their docs, boomer docs are leaving the business putting more strain and time limits on the remaining docs.

Aptilon's solution is an on-demand information portals with live e-detailing and related product information. Statistics were quoted showing the physicians enjoy the convenience of gathering drug information during off-hours; an argument for changing to (or adding) an e-detailing model.

Summary
In sum, there was a lot of "here's what is" and "here's what ought to be," but not enough answers for the vexing questions that have arisen by virtue of the declining effectiveness of the current sales model.

In many ways, the conference presentations underscored the conundrum the industry now faces—a sales model which is steadily losing the ability to deliver results in proportion to its costs, and not much on the horizon by way of an alternative. This leads very naturally to a provocative question—is it going to be best to focus on incremental (micro-evolutionary) changes, or is a radically different approach needed?

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Not only has Steve posed the question about the need for a radically different approach, he has also answered it by coming up with a new field force model, which he discussed in his Impactiviti Blog. Steve has been kind enough to allow PMN to reproduce his thoughts here. I encourage all PMN readers to visit Steve's blog and comment upon his model there. – John Mack, Editor

Challenge: Re-Design the Sales Force
It's common knowledge that the current pharmaceutical sales force model is inefficient, expensive, and poorly designed to meet current healthcare practitioner business needs. So, here is the question…what would be the IDEAL model for a pharma field force that would actually meet both drug manufacturer, and healthcare practitioner needs?

I'll throw one idea out there. Feel free to comment, critique, eviscerate, refine, make suggestions, and have a discussion in the comments to the Impactiviti blog post on this topic.

Let's look at the mass market field force model—sales reps visiting multiple doctors' offices in a territory. That one rep is meant to provide clinical/product information, business/managed care information, samples, other company information, and build relationships with healthcare providers…all in the space of, say, 3-5 minutes of face-time (if they're lucky) with any given doctor on a given day, during busy office hours.

Ummm…is something wrong with this picture? Can one person (often starting out quite young and inexperienced) actually do all this? In competition with the increased demands and decreased access marking doctors' offices?

What if the model included 4 key players that serviced physicians? They would be:

1. A territory account manager, whose role is to bring samples, discover needs, and coordinate all other channels of influence for that account (see below for other channels). This account manager would also give basic product information.
2. A regional clinical specialist, who is more highly trained (say, a MSL-lite) and able to speak much more in-depth with physicians in the territory about the complex issues of the drug's usage and clinical challenges (this person will add greater value because much more time is spent acquiring deeper

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knowledge than just driving around doing "details").

3. A regional business specialist, who is deeply trained in managed market issues and able to bring genuine in-depth value to the office staff about health plans, prior authorizations, reimbursement issues, etc.
4. An on-line detail rep who is available for off-hours (I said off-hours, not off-label!) promotional discussions with doctors, when significant interaction time is much more likely.

What are the advantages of a coordinated structure like this?

- The account manager would cover a larger territory, need to be somewhat less trained initially (they now have "experts" on their team backing them up), and would have new avenues of professional growth that could keep them in the field (they could become product or business experts). This role is now partially sales rep, partially account manager and partially team coordinator.
- The on-line resource would greatly increase the opportunity for getting (virtual) face time for product messaging, especially during non-office hours (nights and weekends).
- The pharma company would be providing genuine, in-depth value by having clinical and business specialists available for visits.
- If one member of the team is promoted or leaves, there is still continuity with the account, as the team is multi-faceted.

OK, that's one idea. I'm sure many holes can poked in it. What would you come up with if you had to design the "ideal" setup from scratch??

Source: Impactiviti Blog by Steve Woodruff

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