

MANAGING THE SALES RELATIONSHIP



THE PHARMACEUTICAL SALES REP IS UNDER PRESSURE.

Increasing constraints on physicians' time, greater competition in therapeutic areas, and growth in the size of salesforces all combine to make the rep's job harder.

Industry data show salesforces at pharma companies have doubled in recent years from around 40,000 in 1996, to 92,000 in the third quarter of 2002, according to data from Scott-Levin, a division of Verispan. (See chart on page 42.)

From the physician's point of view, a greater workload, as well as an increase in the number of reps requesting time, has led to less time allocated to reps. In 2001, the average detail lasted only two minutes, with physicians typically spending only seven minutes per day with reps compared with 12 minutes in 1995, according to a Datamonitor report — Networked Pharma: Innovative Strategies to Overcome Industry Margin Deterioration. The Datamonitor study also found that reps spend so much time trying to gain access to high-prescribing physicians that their overall productivity was lower than those reps who focused on low prescribers.

Despite these statistics, sales reps remain the most trusted source of product information for physicians, hospitals, and pharmacists.

"Multiple drugs are introduced into the U.S. market every week," says Derek Pollock, co-founder of Proscap Technologies. "It is impossible for physicians to keep up with all this information.

Their reliance upon the pharmaceutical sales rep as a source of information and education has become much greater than in the past."

The product information the rep brings to the physician has been shown to have a significant influence on prescribing decisions. In the Datamonitor survey, 70% of physicians admitted to considering changing their prescribing habits in response to detailing messages.

"Sales reps really do want to have an important reason for going in front of the physician since the doctor's time is more limited," says Mary Schaeen, president and CEO of Numoda. "What the rep wants is to go into the physician's office and be helpful and to be a significant partner in helping the doctor to make the right choices for his or her patients."

The success or otherwise of a salesforce hinges on how reps respond to and manage their relationships with the physician, or other sales leads.

"There are many more representatives today, yet almost the same number of physicians as there were 10 years ago," says John Riggle, manager of primary training at Sankyo Pharma. "Reps have less access than ever before. Representatives need to know their product and, most importantly, the physician's needs, to effectively sell their features and benefits."

PROVEN TACTICS

Pharmaceutical companies continue to invest heavily in promotional spending. During the first six months of 2002, promotional spending reached \$6.1 billion, including detailing, events, and direct-to-consumer, according to Scott-Levin. (See chart on page 42.)

According to Dendrite International, as much as two-thirds of the sales and marketing budgets of its clients are spent on sales reps and product samples. Field sales reps are the most important and effective interface to the physician and are expected to deliver knowledge and value during every customer interaction.

In the typical promotional investment, companies report that \$170 million, or 60% of the budget, is spent on physician detailing, according to Health Strategies Group. (See chart on page 42.)

Industry leaders say the sales rep who succeeds is able to use the limited time available to provide physicians the information they need when they need it.

"There is still nothing more effective when engaged in a sales dialogue with physicians than strong product knowledge," Mr. Riggle says. "Physicians are hungry for valuable information and sales representatives who know the strengths and limitations of their products will ultimately be regarded as a valuable resource to the physician and office. They also will differentiate themselves from peers."

That requires the reps to be well-prepared ahead of time and to understand how their product is different from a benefit perspective than the competition, says Selest Lunsford, sales portfolio market director at AchieveGlobal.

With more reps in the field, pharma sales professionals have to

"It's not just a case of knowing the features, but also the benefits of the product, and recognizing the reasons why physicians make decisions about what to prescribe," Ms. Lunsford says. "Part of that is the service the rep provides, and part is the rapport the rep has with the physician."

According to Gary Steier, VP of field sales at PDI, the most important initial goal of every effective salesperson is to thoroughly understand and identify with their customer's needs. "Reps must understand the needs of the physician's patient base, as well as the product attributes the physician finds most beneficial," he says. "We find that patient success stories resonate well with our target physicians and solidifies their commitment to the products we represent."

Of top priority is ensuring the reps are educated before they even walk in the door of the physician's office, says Susan Hill, director of strategic marketing at Dendrite. "The drive in the industry has been for reps to more effectively target customers before walking in the door; reps need to know whether the doctor is a thought leader, an influencer, and what his or her characteristics are," she says.



DEREK POLLOCK

The Tablet PC allows the rep to **INCORPORATE MANY ASPECTS OF THE JOB QUICKLY AND EASILY** — from electronic signature capture to access to all clinical studies on a product — to discuss with the doctor.

Others with experience in the field say persistence is key to managing sales leads effectively.

"The did-you-buy surveys conducted in the past 20 years have shown that 45% of all inquiries turn into a sale within a year," says James W. Obermayer, VP of sales at AdTrack Corp. "The problem is only 10% to 15% of sales inquiries are followed up by a sales rep."

Mr. Obermayer attributes this to the sales rep's tendency to sort inquiries based on past knowledge and the attitude of the physicians that the rep sees.

"If the reps follow up at least five times with any group of inquiries, they will get through to 85% of the people," he says.

But since one physician may be visited by several representatives from the same company, or from several companies co-promoting the same product, an open line of communication between the different rep groups is crucial to ensuring that the doctor is not inundated.

"Some of the things that we are doing is ensuring that sales reps are informed of other reps who are making calls, so if there was a question outstanding from a previous visit to the physician, that question can be identified and answered," says Eric Bloom, VP of information technology at Endo Pharmaceuticals. "It has become even more important to ensure that we have proper communications between the different avenues."

If the rep can go to the doctor and say 'we're going to do **SOMETHING NEW AND DIFFERENT**, we're going to do something electronic,' then the doctor becomes intrigued with that feedback.



CHRIS MATHER

THE CHALLENGES

Since the introduction of PhRMA's new Code of Interactions with Healthcare Professionals, reps have had to consider carefully the way they interact with the physician. The code outlines ethical conduct between reps and healthcare professionals, eliminating the non-medically related programs and give-aways that have been used by the pharma industry to gain access to physicians.

Mr. Riggle says the PhRMA code merely requires what many in pharmaceutical sales have always strived for, being recognized as an important consultant in the physician's office. But adherence to the guidelines does present challenges. "Access has always been difficult, becoming increasingly so in recent years," he notes. "The departure of certain time-tested 'ins' are forcing representatives to think outside the box. Now, more than ever, there is a need to remain persistent, well-versed in disease states, and actively seek alternative ways to access the physician."

Though a sales rep typically will call on a physician 8 to 12 times a year, those visits are ordinarily brief. The rep therefore needs to have several anchor interactions a year with that physician, says Robert Sederman, executive VP at Market Measures/Cozint. "It could be a lunch meeting or a convenient time for the physician where the rep gets a significant piece of time to establish the key differentiation elements of the product," he says. "That way during those quick interchanges that occur throughout the year, the rep can have more impactful 'reminders' of the important messages based on the foundation developed during the anchor interactions."

A HELPING HAND

According to industry experts, the two minute or less visit, which has become the norm in most physician-rep interactions, puts additional pressures on sales reps. They must be able to organize and convey relevant information to the

Profile questions allow the rep to figure out whether **THE DOCTOR IS A BUYER**.

Answers to these questions can determine need, desire, buying ability, timeframe of purchase, as well as attitudes about competitors' products similar to the one the rep is selling.



JAMES OBERMAYER

consider carefully the best way to approach and talk to physicians.



The drive in the industry has been for **REPS TO MORE EFFECTIVELY TARGET CUSTOMERS** before walking in the door; reps need to know whether the doctor is a thought leader, an influencer, and what his or her characteristics are.

physician succinctly and convincingly. The sales rep has a plethora of material — produced by the brand team to support education of the physicians — to absorb, from information about the disease, to clinical data about the product, as well as information about competitors' products, to promotional material. The reps not only have to have this information at their fingertips, but also must know about the physician's needs to make best use of their time. This is where technology can offer a smart solution.

"The sales rep needs access to this very rich information at the moment in the discussion with the physician when it would be most relevant," says Richie A. Bavasso, chief operating officer and executive VP at Pharmedica Holdings LLC. "It is only then that the detailing experience for the physician will be most meaningful."

"Technology helps the rep make sense of all the information at his or her disposal," Ms. Lunsford says. "It enables the rep to be responsive during a sales call, and because there is instant access to information it allows the rep to be a little more nimble if the conversation with the doc changes course."

But Mr. Bloom adds that it is important the technology does not get in the way of how the reps do their jobs, or that the technology is made to look like the answer to managing the relationship with the physician.

The options open to a salesforce are vast, ranging from hand-held devices to laptops, with an array of software giving the rep access to data about the disease, the therapies available, as well as information about the physician that the rep or a colleague has gathered during visits.

Proscaper officials say the company's tablet computer-based technology, Proscaper Tablet PC Edition, provides a common platform for marketing and sales to exchange and communicate information. Mr. Pollock says the Tablet PC allows the rep to incorporate many aspects of the job quickly and easily — from electronic signature capture to access to all sales aids and clinical studies on a product — to discuss with the doctor. The Proscaper software, which is combined with the strategic analysis



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and educational content provided by Pharmedica, is significantly enhancing the rep's ability to educate doctors, he says.

Another technology solution available to reps is Numoda's mobile marketing systems. The company says its devices offer a flexible solution to reps needing to access data quickly.

"It's about influencing immediately, educating, and having real quality time with the doc," Ms. Schaheen says. "It's about improving the rep's relationship with the physician because the whole experience with an electronic marketing program is fun for the physician."

Numoda offers an example of how one client with five reps switched 2,000 patients in 11 weeks, generating substantial increases in revenue, for about the same cost as a paper program.

Endo Pharmaceuticals has deployed StayinFront's Pocket Elk product, which is a hand-held CRM solution.

"One of the key advantages for the reps is mobility, being able to have a hand-held device they can take into the doctor's practice or the hospital," says Sam Barclay, VP of business development at StayinFront. "The second thing is that the software is designed to help reps manage their time better."

The focus of the rep is on **SUPPORTING THE DOCTOR WITH INFORMATION THE DOCTOR NEEDS** and that comes back to seeing the right doctor, with the right message, at the right time.



In addition to giving reps access to all the data about a drug or disease state, technology also can help them build a specialized message to different segments of the marketplace. "A pediatrician in Texas would get a very different message than a pediatrician in inner-city New York," Mr. Pollock says. "That makes sense because different physicians see different patient types and have different managed-care coverage for those patients."

Reps can have different criteria for how they organize their information, depending on personal preference as well as their territory.

"Through our Pocket Elk device, reps can personalize what they're looking at in that device to meet their own needs," Mr. Barclay says. "For instance, a rep in the Midwest would probably organize his information by geography because he can't easily jump around the territory. Whereas in Manhattan, there might be 5 or 10 doctors whom the rep wants to see in one building, so it may be more important to organize information in terms of specialty or prescribing history. The focus of the rep is on supporting the doctor with information the doctor needs and that comes back to seeing the right doctor, with the right message, at the right time."

One further advantage of technology is it potentially can increase the amount of time the rep has with the doctor.

"The intervention time between the primary-care physician and the sales rep has shrunk to somewhere between 60 seconds and 96 seconds,"

Reps continue to be a trusted source of information for physicians.

Mr. Bavasso says. “What we’ve looked at is, first, how can we maximize that 60 seconds to 96 seconds so the physician gets the most out of that intervention, and second how can we extend that time to three minutes and beyond because the interaction is that much more significant and the physician wants to spend more time with the rep. The technology is about focusing the interaction on enhancing richness and reach, in other words, expand the reach or access to the physician and increasing the

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RICHIE BAVASSO



GARY STEIER

We find that **PATIENT
 SUCCESS STORIES** resonate
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Ms. Schaheen says through one of her company’s technology solutions, the time representatives were able to spend with the physicians increased from less than two minutes to more than 15 minutes. The reps also report that they can now get the physicians to receive them at almost any time.

Chris Mather, senior VP of marketing and business affairs at Numoda, says the key is in engaging the physician.

“If a rep was to go along to a physician and try to engage him or her in a paper study, the physician would probably not be receptive,” he says. “But if the rep can go to the doctor and say ‘we’re going to do something new and different, we’re going to do something electronic,’ — where both the rep and the doctor have devices and the doctor can send information to and fro — and can read feedback from fellow physicians in their therapeutic area or geographical area — then the doctor becomes intrigued with that feedback.”

Tools of the Trade

DENDRITE: WebForce is a comprehensive suite of salesforce tools with data-sharing, analysis, and interfacing capabilities intended to serve as the basis of the CRM environment for large, multinational pharmaceutical customers. WebForce lets pharmaceutical companies manage salesforce activities around the world. It provides sales teams with a single, centralized location from which to access and analyze product, sales, and customer information; evaluate competitors’ business strategies; identify target customers for sales campaigns; and record details of representative/customer interactions.

NUMODA: Numoda provides an integrated suite of products and specialty CRO services for drug development and commercialization. Numoda’s electronic marketing programs are based on mobile, handheld data collection and reporting systems, which engage, educate, and influence physicians. These programs aggregate and report findings and deliver information to the enterprise database. Numoda technologies deliver not only great flexibility, but also cost reductions, improved data quality, reliability and speed. Numoda performs studies and marketing programs in North America, Europe, Asia, and Latin America.

PROSCAPE/PHARMEDICA: Proscape Technologies is a turnkey software suite that manages sales and marketing content, including sales aids, case studies, article reprints, presentations, testimonial video, customer surveys, and training materials. The system distributes the information to the field salesforces via the Internet/intranet for playback on Tablet PCs in an easy-to-use fashion (both connected and disconnected modes). Proscape

enables one-on-one segmented marketing to customers, allowing companies to deliver the optimal message into the field, reaching the right customer with current information. Pharmedica has teamed with Proscape to provide content to the Proscape suite. Pharmedica draws upon its core service offerings of strategic marketing planning, continuing medical-education development, multimedia and graphic design, and salesforce support to work with clients to help direct existing sales, marketing, and educational materials — creating new materials as needed.

STAYINFRONT: StayinFront products provide a solution to manage all aspects of customer interaction, including sales, marketing, customer support, and Web integration. The company’s enterprise-wide solutions enable management, field, and support personnel to better profile, understand, and service the needs of clients and customers. The software technology allows fast, effective configuration of a solution tailored to a company’s specific requirements. This technology enables rapid, seamless implementation and fast adaptation to meet changes in the business environment. Products include: Visual Elk, a CRM solution; Web Works, which provides a platform to deliver highly integrated eBusiness solutions as well as a browser based, or thin client, CRM application; Panorama, which is a data analysis and decision-support tool; Pocket Elk, which is a CRM solution designed for mobile business professionals who may not have access to laptop or desktop computers; and Synchronization for Visual Elk, which ensures that up-to-date customer information is available wherever it is needed, regardless of geographical or corporate location.

Technology helps reps make sense of data at their disposal.

Technology also has to be flexible to the environment. Ms. Hill says while wireless applications provide some advantages to the rep, there isn't that need for minute-by-minute data.

"Conducting a truth-in-client wireless application can cause difficulties because many reps are doing electronic signature capture for sampling and if they walk into an office and no longer have a signal, they can't get that doctor to sign for the sample," she says. "The hot thing right now is portable devices, such as the CE-based PDAs or tablet XPs, where the rep can see data immediately before calling on the physician and can minimize the paperwork by capturing information electronically at the point of contact."

Furthermore, it's important to take into account how the technology is deployed. Mr. Steier says PDI works with clients to deploy technologies that promote interactive exchanges with physicians to maximize impact, from leading-edge hardware and software to e-detailing call centers.

PERSONAL TOUCH

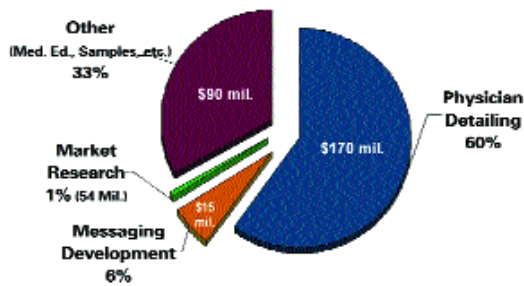
However beneficial the technology, without the skills and processes in place to manage the sales process, all the rep might succeed in doing is making bad processes more efficient, Ms. Lunsford says.

"The goal of the rep is to be seen as a business advisor — someone who provides information on research as well as samples and production information," she says. "To achieve that relationship with the doctor requires the rep to have a longer-term perspective and that means not only planning from call to call, but having the big picture in mind at all times. The rep needs to understand the physician's environment, circumstances, any issues or needs the doctor might be facing, and how he or she can fill those needs."

Top-performing representatives align their planning, targeting, and scheduling activities to reflect their personal selling approaches, according

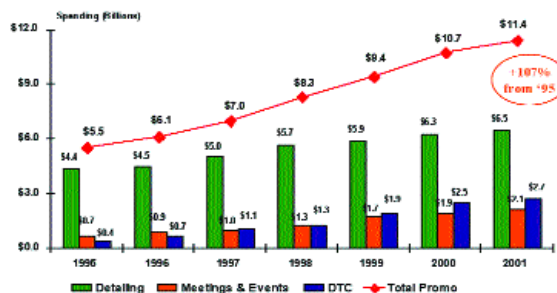
SALES REPS AND THEIR STATS

Typical Promotional Investment



Source: Health Strategies Group Access Study Activity Logs, Representative and Physician Surveys, 2001

Trends in Promotional Spending

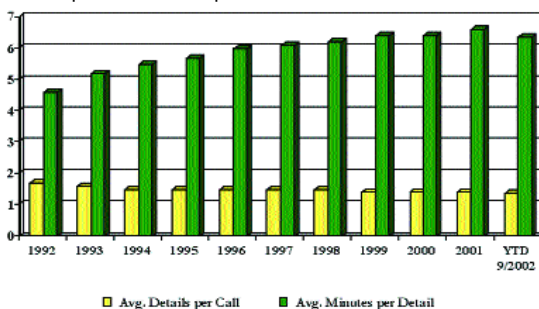


During the first six months of 2002, total promotional spending (including detailing, events, and DTC) reached \$6.1 billion.

Source: Scott-Levin's Total Promotional Audits, from Verispan, Newtown, Pa.

Industry Trends: Details

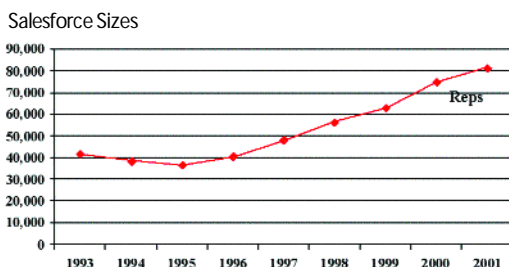
Details per Call/Minutes per Detail



Source: Scott-Levin's Personal and Hospital Personal Selling Audits, Verispan, Newtown, Pa.

Industry Trends: Salesforce Size

As of 3Q02, there were more than 92,000 reps in the industry.



Source: Scott-Levin's Sales Force Structures and Strategies, Verispan, Newtown, Pa.

to a report from Best Practices. Reps also become familiar with the workings of their doctors' offices, gather intelligence, and detail effectively to drive sales growth, as well as cultivate relationships with physicians.

"Today's primary battle is for the physician's time and mindshare," Mr. Steier says. "With all of the competing influences for their time, most physicians are looking for value-added information. Successful reps are not only well-trained on the brand, but they also understand how the physicians will use the product to treat their patients. Ongoing training and tailored information gives our reps the tools they need to clearly present their brand as the one that best meets the physician's need for superior efficacy and/or increased patient compliance."

Reps must be familiar with the workings of their doctors' offices and have a relationship with the practice to ensure they have the opportunity to detail effectively. Technology can provide the rep with access to data that show prescribing patterns, behavior, and market share, but it's up to the individual rep to enhance that information.

"First of all, the reps have to understand that data and know how to use and leverage the information," Mr. Sederman says. "The second piece is understanding the practice and dynamics of each physician or physician practice that they're calling on. They need to know who is who in a specific practice — the front office, the administrative staff, the nurse practitioners, etc. They also need to know how that practice works in terms of who makes decisions, who influences who, and who are the rising stars — the younger physicians taking an increasing role in that practice. They need to understand the managed-care plans that the practice tends to deal with most, and where the company's products stand on those managed-care plans from a reimbursement standpoint. Reps also need to understand the physicians' attitudes about treating certain diseases, not just what they

The rep needs to have the big picture in mind at all times.

say but what they actually do, this allows the reps to position their products appropriately.”

Some of this knowledge can be gleaned from profile questions, often put to physicians by a company's marketing department.

“Profile questions allow the rep to figure out whether the doctor is a buyer,” Mr. Obermayer says. “Answers to these questions can determine need, desire, buying ability, timeframe of purchase, as well as attitudes about competitors' products similar to the one the rep is selling.”

With so many reps in the field, there is a need to find ways to be more effective and to really make a difference.

“The answer to market saturation is more and better targeting and seg-

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ERIC BLOOM

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PharmaVoice welcomes comments about this article. E-mail us at feedback@pharmavoices.com.

Experts on this topic

BEST PRACTICES LLC, Chapel Hill, N.C., conducts studies into the best business practices, operating tactics, and winning strategies of world-class organizations. For more information, visit best-in-class.com

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VERISPAN, Newtown, Pa., is a healthcare informatics joint venture of Quintiles Transnational Corp. and McKesson Corp. that provides patient-level, longitudinal data. For more information, visit verispan.com.

Top-performing reps cultivate relationships with doctors.