

# Redefining the Salesforce Landscape



to Navigate

NEW TERRITORIES

**O**ver the past decade, the industry has invested in new tools and technologies to meet the rising pressures of meeting sales goals caused by drying pipelines, patent expirations, managed care, and dwindling salesforces.

**The real need, however, is for a dramatic shift in thinking around processes, and that will occur slowly as companies are forced to deal with market-shaping factors.**

Although the industry is not known for being quick to adopt new ideas, it may be reaching a tipping point of change.

"The industry is famous for being the first to be second in adopting new trends," says Kelly Myers, CEO of Qforma.

Some of this reluctance could be due to an "if it ain't broke don't fix it" mentality in the business, but it is more likely to be due to short-range thinking.

"Human behavior is such that if business is going well, no one has the initiative to change it," says Jim Mercante, partner at TGaS Advisors. "What the industry doesn't always do is take a long-term view to determine if the same business model will work in the next five years. Depending upon where the company is today and where it wants to go, bridging that gap could involve quite a bit of change for the organization."

The move toward change is afoot as pressures from all sides crash in on pharma.

One of the driving factors to find new new solutions is the looming loss of patent protection for several blockbuster drugs.

"We are two years away from Lipitor going off patent, which means we are one year closer to Armageddon, and things are going to get really ugly," says Matt Wallach, VP of sales and marketing at Verticals onDemand.

But the industry is slowly moving in the right direction by investigating how to approach sales differently. Taking steps to improve segmentation, using predictive modeling, and reducing salesforces are all proactive ways to deal with the increasingly competitive marketplace. But those steps are only part of the total equation.

"After reducing the salesforces, companies are going to have to operate leaner and meaner, and this will require a retooling of the infrastructure," Mr. Wallach says. "While a ton of work has been done in reallocating salesforces, segmentation of audiences, and data mining and management, the



**Kelly Myers,** Qforma

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foundation of the solution lies in going back to square one and overhauling the process.

"If a pharmaceutical company was being built from scratch today, its business model would not look anything like those of today's top 25 companies," he continues. "That observation, in and of itself, is a huge indication that the industry needs to change the way it is doing business. It's not so much about crunching the data differently as it is talking about doing the job differently."

Small companies may be in the best position in these changing times, because larger companies have too many layers to change easily.

"The difficulty lies in trying to recover from the excesses of the 1980s; we have a hangover of reps," Mr. Wallach says. "Once a company builds a large infrastructure of reps, it is very hard to reduce that salesforce quickly, because too many things change too fast. But a specialty pharma company that calls on 2,000 docs has nothing to fix. Specialty organizations will do fine in the future."

Reallocation of the salesforce is an important move, but what pharma needs to learn is how to do more with less, he adds. Sales reps need to be trained with new skills, such as learning about all of the information channels available to physicians and providing the



**Jim Mercante,** TGaS Advisors

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information in a way that the physician prefers.

Changing the mechanism and the medium by which sales reps provide information to accommodate the physician's needs is a step in the right direction, Mr. Wallach says.

"I'm not talking about introducing closed loop marketing on a Tablet as that is not a fundamental business process change," he explains. "To me, the change is providing the physician with the option for a stop by, for a call, or for a click. If a physician says he or she wants to see a rep, then send a rep; if a doctor wants to phone into a call center and learn about a drug at 9 p.m. on a Saturday, there has to be somebody qualified to

answer the phone who has the answers; if a doctor prefers to check the Internet for drug information, the site and the relevant information need to be there. In this way, a rep can have 1,000 docs in his or her territory and still manage them. They don't visit them all face to face; instead, they act as the quarterback between the physician and the company. The sales rep of the future needs to be able to transverse multiple communication mediums."

All is not lost, however. There are ways for the industry to turn itself around, but dramatic changes must be made in small steps — product by product. Pharma companies of all sizes are looking for ways to operate leaner, and it may take several years for a large pharma company to adapt its processes to become flexible enough to meet the needs of the ever-changing environment.

The industry has functioned within inflexible systems that have forced it to have inflexible processes for so long; one cannot be changed without changing the other.

"Inflexible software systems have become a real barrier in getting things done and have forced companies to build customized applications to accommodate the information that is now being collected and disseminated," Mr. Wallach says. "Companies need a flexible

technology platform that allows the possibility of change or the necessary data will never be able to be pulled together quickly."

With the flow of new products greatly diminishing, big pharma is forced to look at how to maximize its efforts in ways it never has before, creating a real need for effective sales strategies that are implemented early in the process.

"Companies need to think strategically about how they can better deploy their most valuable resource: the sales representative," says Rick Keefer, chief operating officer of Publicis Selling Solutions Group. "The industry appears to be returning to a common approach from the 1970s and 1980s, which is to assign more accountability at the single representative level and use a variety of tools synergistically to educate physicians."

## TOOLS OF THE TRADE: SEGMENTATION, PEER INFLUENCE MAPPING, OUTSOURCING

As part of the overall process change, a tool that is gaining traction throughout the industry is segmentation, which is breaking down the target audience to cull the most valuable consumers to make sales optimization more manageable and fruitful.

According to TGaS Advisors' Mr. Mercante, in some ways the pharma industry can compare itself with the consumer goods industry, only it has the benefit of a smaller consumer network and more unique products.

"In pharma, we are starting to look at targeting consumers in much the same way as the consumer packaged goods or financial industry does, recognizing that identifying the best customer is a continuous process," he says. "The difference is that our companies are calling on the physician to influence their perspective and attitudes toward our products and advise the patient accordingly."

Mr. Mercante suggests that companies analyze the universe of physicians and narrow the field to those who have the highest potential. This used to mean calling on physicians only in the highest decile, but the emerging trend takes into account physicians' behaviors and attitudes,

**Matt Wallach,** Verticals onDemand

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along with other variables such as market events and competition. With thorough analysis, an organization can more efficiently build processes and procedures that will ensure the salesforce is optimized.

"An emerging best practice is one that segments physicians by attitude," Mr. Mercante says. "Some physicians may be more prone to look at therapy based on its efficacy, while some may be interested in a more rapid response, and others may be interested in side effects. There is

a whole litany of characteristics that can be deduced through primary research about why physicians write or don't write a prescription."

The Internet is a very cost-effective way to reach a customer base and at the same time allows the ability to capture behavioral and attitudinal information and store it in a repository that can be used to produce a model — based on both historical and predictive trends — that will help identify where to direct the salesforce, Mr. Mercante says.



Additional data that could be key in the evaluation of physicians and where the salesforce should best direct its efforts can also be obtained through partnerships with market intelligence and research firms.

"Another best practice is to determine the right way to deliver the right message to the right person at the right time in the right format," he adds. "In other words, sales managers need to figure out if physicians are more prone to get on the Internet to learn more about a drug or if they are more likely to respond to some other tactic. We have moved beyond using the same message in the same medium for all physicians. The time-honored analogy 'when all you have is a hammer, everything looks like a nail' no longer applies in today's environment."

Predictive modeling, another tool being used to help pharma companies more cost-effectively target their efforts, takes segmentation to the next level. This involves identifying networks of physicians who operate on a regional and local level that were not previously seen as influential.

"Professional relationship network mapping is being used more by smaller organizations — the Davids against the Goliaths," Mr. Myers says. "Although as large companies are pressed to look for ways to do more with less, they are beginning to evaluate analytics that target with greater precision. Traditionally, organizations target physicians primarily by their volume of prescribing, but virtually every company, large and small, is saying it can't afford to call on these large physician universes anymore."

Instead of placing most effort on high-volume prescribers, companies today are segmenting physicians by their impact on peer prescribing decisions.

"A certain physician may write very few prescriptions, but have more impact over the actions of others than a high-prescribing physician," Mr. Myers says. "These physicians are local action leaders, as opposed to national thought leaders."

Mr. Myers admits that it may be difficult

## Sound Bites From The Field

**PHARMAVOICE ASKED EXPERTS THROUGHOUT THE INDUSTRY WHETHER SALES OPTIMIZATION CAN BE ENHANCED BY VARIOUS TECHNOLOGIES AND TECHNIQUES, AND HOW THE INDUSTRY SHOULD MOVE FROM ITS FOCUS ON PRODUCTS TO A MORE CONSUMER-CENTRIC PROCESS.**



**ALAN BIRTCHET** is Chief Operating Officer of inVentiv Selling Solutions, Somerset, N.J., which is a division of inVentiv Health, an insights-driven global healthcare

company that provides dynamic solutions to deliver customer and patient success. For more information, visit [inventivhealth.com](http://inventivhealth.com).

"It is indisputable that the use of technology can have a significant impact on salesforce behavior and effectiveness. But the effect is limited by the nature and accuracy of the data used to drive decision making. As an industry, we have often used old data to drive old thinking and ended with the same results as in previous years.

The application of technology to identify how to best communicate with healthcare practitioners (HCPs) allows us to maximize their time and our impact through catering to personal preferences. We can marry personal and nonpersonal approaches to optimize the application of resources and ultimately deliver ROI. As an industry, we need to capture insights of our customers and adjust accordingly. If we know what they want and how they want it, we can sell them as they want to be sold. A consumer-centric process that harnesses technology will ultimately drive increased effectiveness."



**STEWART ROSEN, M.D.**, is VP of Medical Affairs and HMS Operations at Innovex, Parsippany, N.J., a contract sales organization that provides pharmaceutical,

biotech, and medical-device customers with a range of flexible, high-quality sales solutions. For more information, visit [innovex.com](http://innovex.com).

"With an aging population and spiraling healthcare costs, it is vital that we work together with healthcare providers to drive the best possible patient outcomes. Many patients are not well-informed about their diseases. This, coupled with poor patient compliance, negatively impacts patient outcomes. Therefore, it is essential we become more focused on patients and their appropriate use of the prescribed medicine. If a patient is misdiagnosed, does not comply, or takes the medication incorrectly, this is a waste of valuable resources.

Clinical educators can play a vital role in addressing this challenge. They can teach clinicians about underdiagnosed or undertreated disease states, demonstrate proper procedures for administering new or complex drugs, help patients understand how and why to take their medicines exactly as prescribed, and motivate patients in ways that will increase compliance in full compliance with all of the regulations and industry guidelines."

# The industry needs a new business model, and that's the line we're taking.

The pharmaceutical industry is undergoing a sea change. Familiar sales and marketing models are no longer enough.

Innovex believes that commercial success requires a rigorous new approach. One that demands insightful new strategies and the innovative commercial solutions to fulfill them.

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## Rick Keefer, Publicis Selling Solutions Group

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for some organizations to adjust their thinking from the “spray and pray” method of providing the same message to all the physicians in their universe, but prioritizing those most likely to respond is just good sense.

“We consistently find that 10% to 30% of local action leaders who we identify as the most prominent leaders in a disease state or condition are either not targeted at all or are considered low priority targets,” he says. “Some local action leaders can impact anywhere from five to 20 times as many patients as they treat themselves through physicians they have relationships with.”

Mr. Myers says a company can realize better results from its efforts in as little as two months after predictive modeling has been implemented.

“If done successfully, the impact is immediate in terms of getting lift beyond a company’s customer base,” he adds. “This helps stretch sales and marketing dollars and the actions can be quantified at both the individual physician level and physician network level.”

The lack of new pharmaceutical products as well as the increase in government programs and compliance initiatives are forcing pharma companies to look at existing portfolios today in ways they haven’t had to in the past. This means they need to be more strategic than ever before, Mr. Keefer says.

“Outsourcing programs such as preference-based marketing efforts can help fill the gaps created by reduced salesforces and other pressures facing the industry,” he says. “There are

many more touch points to cover in reaching physicians in today’s marketplace.

“Physicians’ demographics are changing in terms of age and gender,” Mr. Keefer adds. “Younger physicians are growing up in a technology environment, which should inspire initiatives that allow physicians to state their preferences in getting information. Outsourcing provides an organization with the ability to adjust quickly to market dynamics and market changes. For small to emerging companies in particular, outsourcing can put additional live representatives in the field, staff huge call centers with nurses or pharmacists, or provide the tools for virtual representatives. Outsourcing solutions can bring flexibility and synergy to the table while allowing the pharmaceutical company to focus on what its expertise is: developing drugs.”

Experts agree that as the industry continues to change, the strategic use of flexible outsourced solutions will be an integral part of how companies market their products in the future.

Taking advantage of these winds of change will require a company to carefully identify a brand that is important to the company’s future, as well as the need to get the undivided support of the IT department and the business department, Mr. Wallach says.

“Until those two entities have bought into the new business model, a company can’t succeed,” he says. “Goals need to be shared, and IT and business functions need to work together. This collaboration will allow pilot programs to go forward without the fear of failure; teamwork is necessary to success.”

Mr. Wallach advises companies to identify a brand that is small but important and then overspend on training and document the best practices so they can be replicated. ♦

PharmaVOICE welcomes comments about this article. E-mail us at [feedback@pharmavoice.com](mailto:feedback@pharmavoice.com).

## Experts on this topic

**RICK KEEFER.** Chief Operating Officer, Publicis Selling Solutions Group, Lawrenceville, N.J.; Publicis Selling Solutions Group is a provider of outsourced sales teams and support services. For more information, visit [psellingsolutions.com](http://psellingsolutions.com).

**JIM MERCANTE.** Partner, TGaS Advisors, East Norriton, Pa.; TGaS Advisors provides

pharmaceutical companies with customized information that enables them to evaluate their commercial operations against industry benchmarks. For more information, visit [tgas.com](http://tgas.com).

**KELLY MYERS.** Cofounder and CEO, Qforma, Santa Fe, N.M.; Qforma is an advanced analytics and predictive modeling company specializing in sales and marketing solutions for the

healthcare industry. For more information, visit [qforma.com](http://qforma.com).

**MATT WALLACH.** VP, Sales and Marketing, Verticals onDemand Inc., Pleasanton, Calif.; Verticals onDemand delivers on-demand customer relationship management (CRM) solutions for specific industry segments. For more information, visit [verticalsondemand.com](http://verticalsondemand.com).