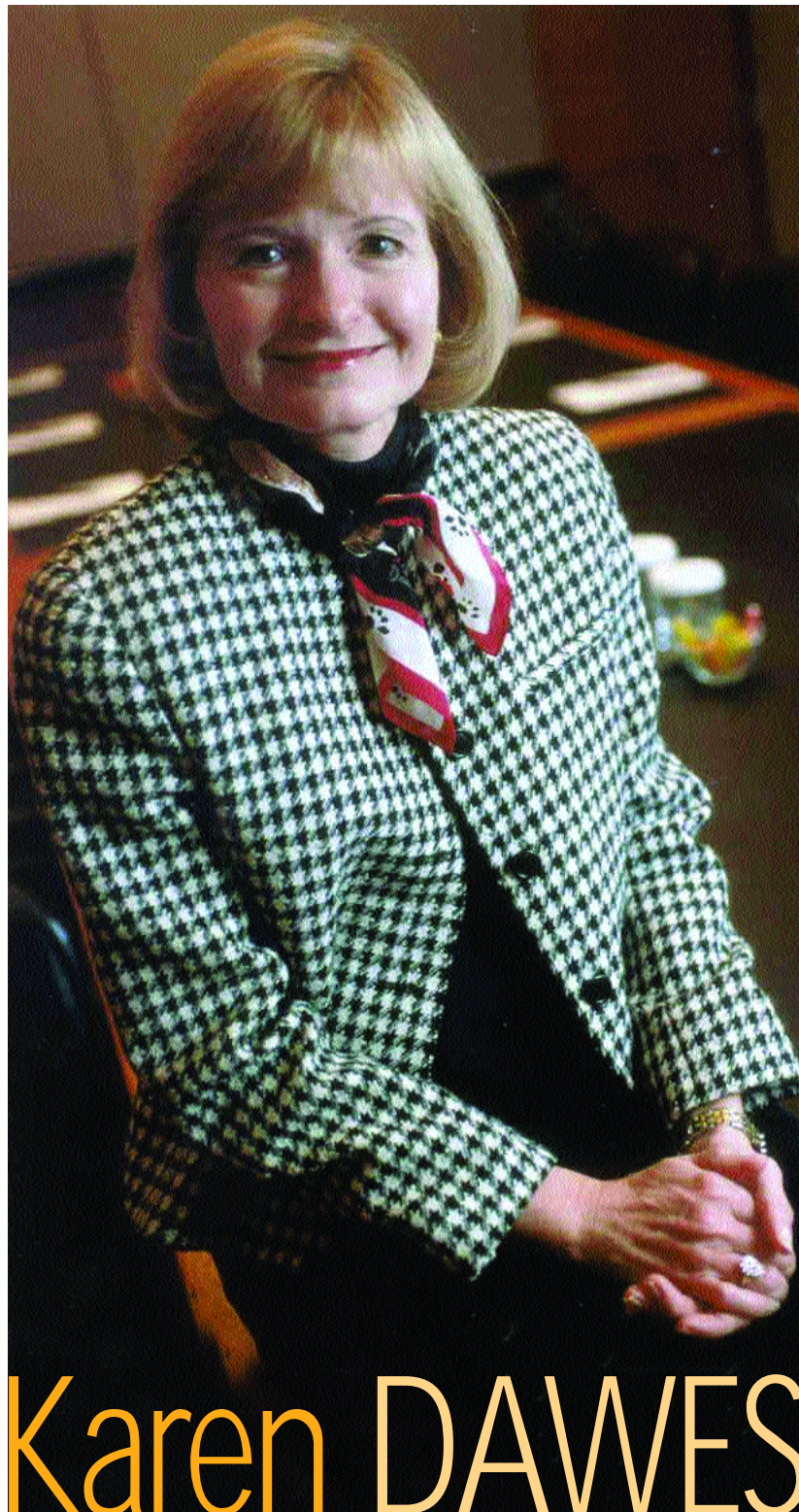


A closer look



By T a r e n G r o m

Market-driven, customer-oriented

A consummate marketing professional, Bayer's Karen Dawes has aligned the company's marketing, sales, and scientific affairs groups to deliver unified communications to customers

5:30 a.m. is the start of a typical day for Karen A. Dawes, senior VP, marketing and sales for Bayer Pharmaceuticals USA.

With responsibility for the commercial activities of Bayer's portfolio of products, including Cipro, Baycol, and Avelox and managing the 3,000 people in Bayer's Marketing, Sales, Operations, Managed Markets, and Strategic Analysis groups, Ms. Dawes has to start her day early. Attending to voice mail from her car on the way from the gym to the office, Ms. Dawes is energized and ready to tackle the inevitable e-mail that awaits her when she reaches the office. Her day is then filled with strategy meetings with her different groups.

Passionate about her mission to mold Bayer into a market-driven company rather than a sales-based company, Ms. Dawes is committed to bringing the latest educational information to Bayer's customers.

"I've been at Bayer almost two years and the most important thing that I've done is to make Bayer more of a market-driven company," Ms. Dawes says. "We were a company that was very singularly sales driven and we really needed to move toward looking more at our customers, both physicians and the managed-care market, providing them with the latest information and materials to really meet their needs; we really needed to focus more in the marketing area and bring all the product strategies together and focus on the physicians and the patients."

Since coming to Bayer in September 1999, Ms. Dawes has been instrumental in orchestrating a cultural shift in the German-based company, of which healthcare is just one of its many holdings.

"This has been a very successful strategy in the marketplace to have the company driven by the marketing teams," she says. "What is really important is that we've moved to an organization where we have our marketing,

sales, and scientific affairs groups all working together and aligned toward common goals and really meeting the needs of the customer."

Ms. Dawes is the first person in Bayer's pharmaceutical organization to head the marketing and sales and scientific affairs groups.

"One of the reasons for my coming to Bayer was to try to bring these groups together," she says. "We have a good alignment in that we are discussing the same things and bringing the same messages and communicating with one voice to our customers, which is much more effective than having diverse messages going out there."

Coordinating all of these functions is challenging, especially considering that the home office is located about 3,600 miles away in Leverkusen, Germany. Ms. Dawes spends about 30% of her time traveling to visit with the company's customers — physicians and managed care groups — as well as monthly trips to Germany.

"We have major operations in many of the states and have been a major force in the United States for a number of decades," Ms. Dawes says. "Our German management is aware of and is sensitive to the importance of the U.S. pharma industry to the worldwide pharma industry. But, I still have to travel over to do presentations and periodic updates on the marketplace, which I wouldn't have to do in a U.S.-based company."

Bayer's U.S. presence is soon to become more pronounced. The company plans to list its shares on the New York Stock Exchange on Sept. 26, 2001. The goal is to increase the attractiveness of the company's stock for U.S. investors and gain a broader stockholder base in the United States.

Increasing its U.S. capital resources can only help the company in its marketing, sales, and research initiatives. The company's major U.S. products — Cipro, Baycol, and Avelox — hold respectable positions within their therapeutic categories.

Ms. Dawes is realistic about the marketing challenges of promoting products from a mid-size pharmaceutical base in light of the major consolidations that continue to redefine the pharmaceutical landscape.

"There is a handful of these megamerger companies, but we are still an industry that has many active significant midsize players," Ms. Dawes says. "What we're seeing from the mergers is that there is a bigger gap between the No. 1 and No. 2 companies and the No. 15 and No. 16 companies. How will we or any midsize company compete? Speaking for Bayer, we will be competitive by being focused. In the primary-care marketplace, we have three key franchises — anti-infectives, men's health, and cardiovascular. We're also focusing on those areas in primary care. We're also focusing in some speciality markets, like the urology market, where we don't have to have 6,000 field people to compete."

Karen DAWES

My philosophy is to get good smart people and really let them go forward, empower them to make decisions.

Like executives in other midsize companies, Ms. Dawes recognizes to be successful means being very creative and focused in the partnerships that Bayer pursues.

"We co-promote Baycol, our statin, with GlaxoSmithKline," she says. "We also use two contract field forces, one from Professional Detailing Inc. and another from Ventiv Health. We are being resourceful; we know we have to do some creative things to compete effectively."

One of the creative initiatives Bayer has instituted for the statin Baycol is an educational program linked to recently released national cholesterol guidelines.

Even before the guidelines were released, Ms. Dawes and her senior executives were

busy putting together a Baycol program with input from key physicians who were involved in developing the national guidelines.

"We now have an education program for a large number of primary-care physicians; we are educating them on the guidelines and on how Baycol meets those guidelines," Ms. Dawes says. "This is one of the things we do very effectively, which is really understanding what's on the minds of the physicians and then trying to provide valuable information to them."

"One of the things that physicians have noted to us with Avelox is that their patients seem to get better very quickly," Ms. Dawes says. "So we put together a couple of programs. One is called our 24/5 challenge, playing off 24/7. The program gives physicians a chance to try Avelox for their patients, to see the product's initial coverage in 24 hours and that Avelox provides a curative treatment in only five days."

Ms. Dawes' responsibilities extend beyond the market to the pipeline. She is instrumen-

"I am the commercial representative to the committee; we review all the products that are in research," Ms. Dawes says. "I have a vote on which products go into development and how they will be developed. I have commercial input early on, which is very important.

"I've always been interested in medicine," she says. "I'm interested in the science. I enjoy learning about the science. I think the development process is fascinating."

Consistent with its commitment to improving men's health, Bayer is preparing to launch vardenafil for improving erectile function in older men. Vardenafil, upon regulatory approval, will join Bayer's already established portfolio of men's health-care products: Cipro for the treatment of chronic bacterial prostatitis, and Viadur, the first and only, once-yearly, continuous testosterone suppression therapy for the treatment of symptoms associated with advanced prostate cancer.

Vardenafil, which improves erectile function in men older than 65, is anticipated to be Bayer's next big product. This is an important patient population because men older than 65 are more likely to suffer from impaired erectile function and are more difficult to treat. Bayer plans to submit a new drug application for this compound to the U.S. Food and Drug Administration later this year.

Undaunted by the challenge of going head-to-head against market leader Viagra, Ms. Dawes is confident that Bayer's product can treat an underserved patient population. "Only 15% to 20% of men with erectile function difficulties are actually diagnosed and treated," Ms. Dawes says. "This is a tremendous opportunity for Bayer."

The launch of vardenafil poses another challenge for Bayer marketers; unlike Cipro or Avelox, vardenafil is a good candidate for direct-to-consumer promotion.

"We definitely will be looking at direct-to-consumer for vardenafil; there's no question about that," Ms. Dawes says. "For acute care antibiotics, like Avelox or Cipro, consumer advertising really doesn't appear to make sense, or it hasn't for us at this point."

Reaching the consumer may be an important part of the marketing mix, but for Ms. Dawes, face-to-face meetings with physicians are still the most effective way to relay information to the person who is actually writing the prescription.

"I really love talking with physicians about our products and how they work," she says. "I also enjoy going out to our managed-care and our trade customers because they have a different perspective on the industry. I always come back from these visits, whether it's visiting with physicians or with managed-care customers, with pages full of ideas. I come back and send out about 15 e-mails of ideas. So

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Another innovative program is for Bayer's anti-infective agent Avelox, which was launched last year for respiratory tract infections. Again, by being tuned into the important physician base, Bayer's marketing team has been able to position Avelox as a fast and effective treatment for respiratory infections.

tal in shaping Bayer's research and development activities. She sits on Bayer's international product development committee, which meets once a month. The company has more than 40 products in development and is committing 1,100 million euros to R&D this year, an increase of 18.0% from 2000.

Rising through the ranks

KAREN DAWES - RESUME

SEPTEMBER 1999 TO PRESENT. Ms. Dawes is senior VP, marketing and sales for Bayer Pharmaceuticals, USA. She is responsible for the commercial activities of Bayer's portfolio of products including, Cipro, Baycol, and Avelox. She also manages the 3,000 people in Bayer's Marketing, Sales, Operations, Managed Markets, and Strategic Analysis groups.

1994 TO SEPTEMBER 1999. Ms. Dawes began her time at American Home Products as VP of commercial operations at the company's biotechnology subsidiary, Genetics Institute. There she designed and implemented the company's first commercial infrastructure, including building the marketing and sales staff. Her team successfully launched the company's first two commercial products, BeneFix and Neumega. When American Home fully bought Genetics Institute, Ms. Dawes was promoted to senior VP for global strategic marketing for AHP's Wyeth-Ayerst division. There she had worldwide responsibility for the strategic marketing of the Wyeth-Ayerst product line. Her responsibilities also included health economics and e-commerce.

1984 TO 1994. Ms. Dawes joined Pfizer in 1984 as a product manager. She held various positions in marketing, including VP, marketing for the Pratt Division. Ms. Dawes was responsible for the marketing of a broad variety of products at Pfizer as well as for the launches of Glucotrol/Glucotrol XL, Zolof, and Cardura.

SIMMONS COLLEGE, BOSTON. Ms. Dawes received M.A. and B.A. degrees with highest honors from Simmons College, Boston, where she was a member of the Academic Honor Society.

HARVARD UNIVERSITY, BOSTON. Ms. Dawes received her Masters in Business Administration from Harvard University Graduate school of Business. At Harvard, she served as President of the Women's Student Association.

PERSONAL. Ms. Dawes is married to Alan S. Dawes, chief financial officer and executive VP, Delphi Corp.

some days I'm sure that my people would probably rather that I not go out."

Ten vice presidents within the functional areas report directly to Ms. Dawes. These are key executives upon whom she places a great deal of responsibility.

Karen DAWES

What I've achieved in the industry, and at Bayer, I achieved on the basis of being competent and being accomplished.

"My basic philosophy is to get good smart people and really let them go forward and empower them to make decisions," she says. "From my point of view, it's important that I get the best people in the right jobs and then let them do those jobs. I look for people who are intelligent, analytical, independent, self starting, and then I like to let them do their thing. Somebody working operationally day-to-day in a therapeutic area knows much more about that area than I do. So, I like to empower people to work independently — let them make their own decisions."

Finding the right people to make those decisions is a management area Ms. Dawes takes seriously; she is a formal mentor at the company. "I believe that a really important part of my job is to identify high potential people, to make sure that I know who they are, that we spend time together, that we talk about their careers," Ms. Dawes says. "One of the most satisfying parts of my job is to bring people up through the organization and see that they are promoted and that they succeed."

Ms. Dawes' managerial strength is in more than her ability to hire top-notch people; she has a depth of experience and knowledge that allows her to analytically solve problems.

"I am able to bring my people's ideas to more senior management and provide input and solve problems and provide analysis in the operational issues of the company," she says. "I like to think of myself as someone who empowers people, but certainly I want to be kept in the loop of what's happening. I have a broad range of experience that I can offer to people and have dealt with a lot of problems and issues in my career. I enjoy developing the

strategy of where we are as a company. Developing the strategy of how our products should compete in the best way I find intellectually very challenging.

"At the end of the day, I'm very proud of being in the pharmaceutical industry," she says. "When I can talk to a physician and the physician says to me I used your product and somebody lived, I feel good about that. I go home at the end of the day and I feel proud of our industry and I think we do really good things for people."

The end of the day for Ms. Dawes comes later than she would like to think about some times, but she has learned the art of balance. Downtime includes traveling with her husband, reading, cooking, and tennis.

"Some days, I don't even want to think about what time the day ends," she says. "I strive to have a balance in my life. I work very hard when I'm at work and when I walk out the door, I really walk out the door. That doesn't mean that I don't wake up at 2:00 in the morning occasionally." ♦

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

Marketing insights

IN AN EXCLUSIVE INTERVIEW WITH PHARMAVOICE, KAREN DAWES PROVIDES INSIGHT

TO THE CHALLENGES ASSOCIATED WITH TODAY'S MARKETING PRACTICES.

WHAT MAKES A GOOD MARKETING PROFESSIONAL?

There is a unique type of marketing professional, particularly now. You have to be a combination person who can do the analytical and strategic on an industrial side, and now there is marketing to consumers. You have to be somebody who really understands and can work in all aspects of marketing.

In this industry, as a marketing person, you spend a lot of time with physicians. You need to really understand the science so you can understand the product. You need to be able to deal with people at that intellectual level and you need to be able to do it face-to-face.

WHAT CHALLENGES DO YOU ENCOUNTER AS ONE OF THE FEW FEMALE SENIOR-LEVEL EXECUTIVES IN THE PHARMACEUTICAL INDUSTRY?

One day I hope somebody's going to ask me the question of how do I feel about being one of the leaders in the industry, and not have 'female' in front of leader. That aside, I think that what I've achieved in the industry and at Bayer, I achieved on the basis of being competent and being accomplished.

I think the pharmaceutical industry, particularly in recent years, has been very welcoming to women and to a very diverse population of executives. I worked for Karen Katen at Pfizer Inc. for 10 years; she is a very good role model and clearly is very successful. And in

biotech, there are many women running biotech companies and I think that has certainly influenced big pharma as well.

HOW IS THE INDUSTRY CHANGING IN TERMS OF HIRING AND FOSTERING THE GROWTH OF MARKETING PROFESSIONALS?

First, there is much more cross pollination of people coming from consumer industries into the pharmaceutical industry. When I went to Pfizer, I was definitely the first person who had a consumer background. Since then, I know that there have been a number of people with consumer backgrounds who have come in.

Second, we're seeing an influx of people, particularly in some of the biotech companies, from the scientific side. Scientists make excellent marketers.

CAN THE PHARMACEUTICAL INDUSTRY REGULATE ITSELF IN TERMS OF ITS FIELD-FORCE DETAILING?

I think the industry has been very successful in self-regulation. I'm impressed with the industry in the main. Of course, there are always the one or two companies that are perhaps too aggressive. I think most companies comply with the guidelines that are out there. I know we certainly do. We have a multihour training course where representatives are taught what is appropriate and what is not appropriate and we really do toe the line.