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THE COMPETITIVE EDGE

To survive and thrive, pharmaceutical manufacturers must tune in to what drives prescribing decisions and how physicians respond to various sales-representative behaviors.

By Mike Bandick, VP, business unit leader, G & S Research

Response modeling is no longer working. This traditional way of planning and measuring sales-force performance relies exclusively on measuring the effect on market share of physician targeting and call frequency. Response modeling fails to consider a representative's ability to gain access with target physicians and overlooks the actual interaction between reps and physicians. This is akin to evaluating a restaurant by how many choices are offered, without regard to whether or not any of them actually taste good.

In a large model, the number of sales calls may suggest an effect on share, but a representative in the trenches knows that having one good call with actual dialogue is better than four calls in which time is up before the brand is even named.

"To be truly effective in today's health-care environment, the promotional focus needs to shift from a model based on quantity to a model that focuses on bringing real value to customers and their patients," says Eric Brandon, director, sales effectiveness, **Wyeth** Pharmaceuticals (wyeth.com). "This is the basis of Wyeth's approach to looking at sales-force structure, sizing, tools, coaching, and training. This gives us true insight to overall sales-force effectiveness."

As regulatory and other high-level changes continue to affect the pharmaceutical industry, the field sales force needs more information, better training, and corporate support that understands the environment in which the reps are competing. The personal approach of rep-based selling is a pharmaceutical sales signature, but the approach relies on access to physician customers and time to interact.

The challenge for a pharmaceutical company is to determine what its customers want and how to provide it.

quick facts

- In addition to detail, reach, frequency, and duration of calls, sales management also needs to consider the quality of the sales call, as behaviors and relationships — not number of calls — are driving the sales process.
- Regular research with members of the sales force can provide tremendous insight to what is happening in the field and how sales people feel about what is happening.
- To improve the quality of the rep/physician interaction, marketers must gather feedback about the relationship from target physicians.
- Brand teams hoping to implement a quality-based sales-force strategy should define and prioritize objectives, align shared resources, and secure buy-in from the sales force.

Productive measures

Determining what's working and what's not in pharmaceutical sales is not easy, especially with the traditional method of measuring sales-force effectiveness. This approach looks at how many sales calls a rep makes to detail a certain brand and compares this number to the brand's change in market share over time.

This approach overlooks the two most vital parts of the story — input from representatives and their customers. The opinions and actions of reps and the physicians they call on are the most important elements to sales-force performance.

In the late 1990s and early 2000s, pharmaceutical companies expanded their sales forces, but return on investment decreased. Although adding more representatives may have made sense based on the response-curve modeling approach, the decline in return on investment indicates that the focus on quantity eclipsed a focus on quality.

Detail, reach, frequency, and duration of calls are metrics that are not likely to go away, but sales management needs to consider the quality of the sales call, as behaviors and relationships — not number of calls — are driving the sales process. This industry trend was validated by results of the most recent wave of RepReview, a biannual study conducted by G & S Research (gs-research.com).

The research shows that the quality of the physician-rep relationship correlates to the amount of time that the two spend together. In fact, reps who chose "trusted colleague" as the best descriptor for how they were perceived during their last sales call reported getting twice the amount of face time with the physician than those who said they were perceived as a "sample supplier."

For this reason and more, companies need to uncover strategies to improve the quality of the interaction between representatives and their customer.

"You will always have the traditional activity measures," Mr. Brandon says. "They help us understand how effective and efficient the sales force is in reaching customers and conveying a message. But it's the quality metrics that provide insight to what truly drives value to health-care providers and their preference for appropriate use of our products. Wyeth senior sales leadership's belief in and commitment to providing value to our customers — and measuring that value — have been the key drivers for using our learnings to change the way we train, coach, and execute programs in the field."

Quality growth

There are several tactics that can be used to improve the quality of the rep/physician interaction. One centers on insight from the internal sales team. Another generates input from target physicians. To make real change within an organization and establish a quality-based sales-force strategy, brand teams need to apply this feedback to a well-considered implementation strategy.

The first tactic is infusing strategies with the sales-force perspective. Regular research with members of the sales force can provide tremendous insight into what is happening in the field and how sales people feel about what is happening. Research can also uncover how the sales team perceives the company that employs them.

At a minimum, researchers and marketers can learn what is and is not working from the front-line perspective and can improve the tools and messages they are rolling out to the sales team. After all, sales representatives are the face of the company — a critical touch point for physician customers. Their attitudes and opinions matter a great deal.

Consider the following statistic: Only 38% of 2005 RepReview respondents named their employer as the health-care company with the best sales force. This represents a significant drop from 2003, when 56% of all respondents chose their own employer (see chart on page 36).

To stay competitive in the field, companies must have a reliable mechanism for collecting feedback from their sales people. Management needs to understand the frustrations and challenges that keep representatives from perceiving their own company as the best. To ensure that this feedback is useful, the feedback must be collected in a way that yields candid responses.

Many sales representatives are cynical about how "Big Brother" may interpret their feedback. As a result, internal data collection may be less expensive, but results may be misleading at best. Using external resources to design surveys and analyze responses provides objectivity in research design and plausible anonymity for respondents.

The other tactic for improving the quality of the rep/physician interaction is gathering feedback about the relationship from target physicians.

Typically, sales-force analytics stay firmly grounded in secondary data, consisting mainly of script volume and market share. Similarly, brand teams tend to spend hours talking one-on-one with customers to develop messaging, fine-tune graphics and establish sales strategy and tactics. Some may even follow up with physicians to test message recall, but few brand teams and sales groups conduct primary research to develop or evaluate an implementation strategy.

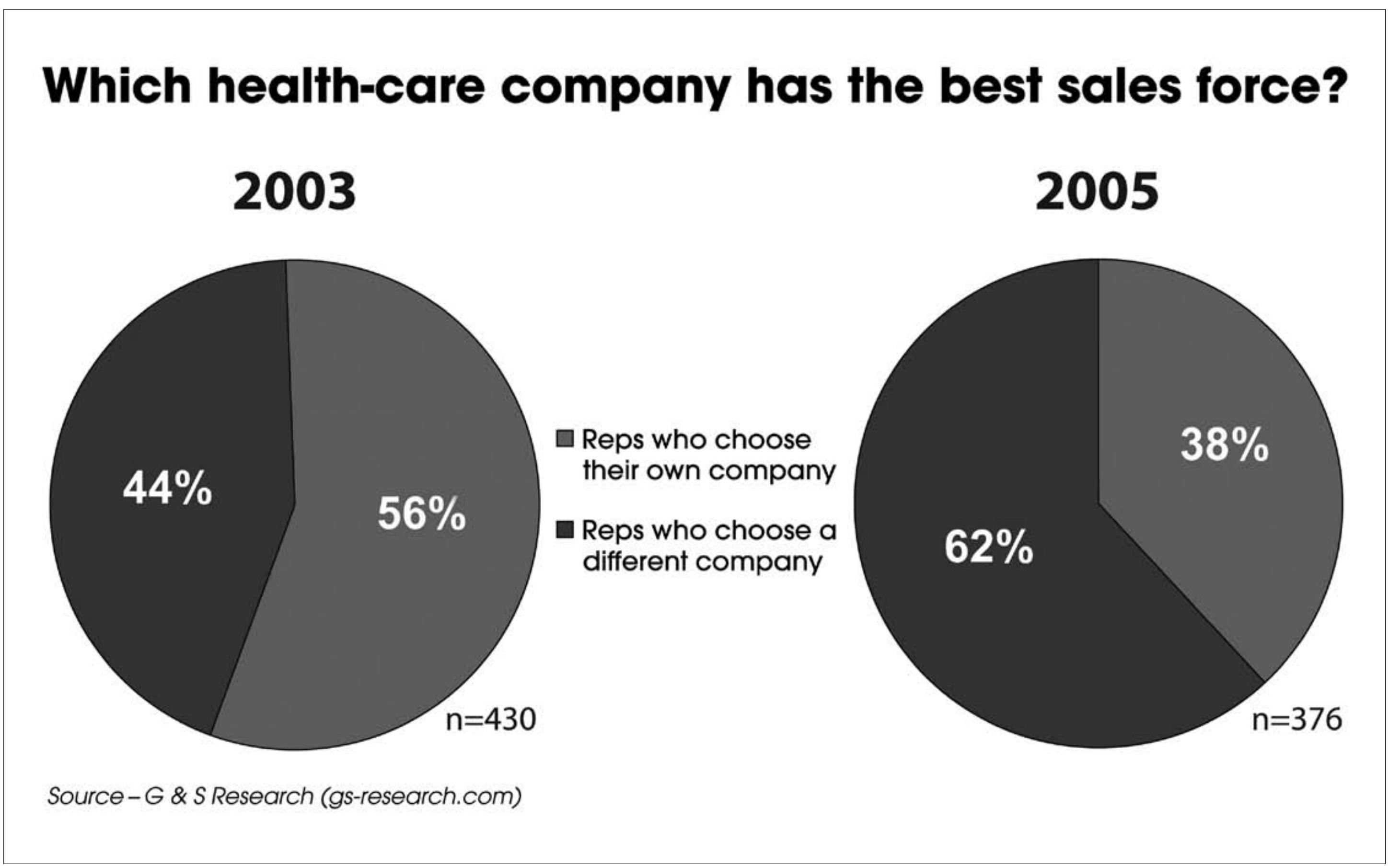
Research with target physicians can help identify what, specifically, these customers want from a sales representative. By uncovering behaviors and attributes that physicians value and applying this knowledge to sales training and promotion strategies, brand teams and sales managers can take a quality-based strategy to the next level.

Proliferation

Making real changes throughout an organization requires more than good data. Brand teams hoping to put a quality-based sales-force strategy into effect should define and prioritize objectives, align shared resources, and secure buy-in from the sales force.

When establishing objectives, the team must stay focused on the one or two things the team wants target physicians to do differently. Is it most important that customers see representatives, give more time to the sales call, recall promotional messages, change prescribing behavior, or do something else? Although numerous end results may be desirable, prioritizing is essential. When objectives are poorly defined or too numerous, implementation falls apart. Companies must stay focused on the top objective and not let any other agenda or hot topic *du jour* hinder the implementation strategy.

For example, if the leading objective is to improve representative access to physicians, no other corporate initiative — such as a new message-recall metric — should get bundled with



the strategy to improve access. This helps teams avoid becoming distracted, misappropriating resources, and diluting the desired results.

Secondly, shared resources play an enormous role when developing strategy involving the sales force. These include the portfolio of brands that a particular sales representative carries as well as sales-support teams.

Each product the representative carries cannot have a different implementation strategy. He or she may have a few minutes with a physician, so multiple segmentation approaches, for example, will only confuse and frustrate. Having a sales person use one approach for product x and a different one for product y during a single visit with a physician is not practical. Strategies must be coordinated, and they should be aligned to the customer — not the brand.

The brand team must also consider the effect that a new sales strategy will have on training, measurement/analytics, program support, external partners, and other support groups. A viable plan will include implementation tactics for each of these support teams.

Finally, securing early buy-in from the sales force and keeping sales people appropriately involved in the development process will help streamline implementation. These steps may help to select key peer leaders from all levels of the sales force and rely on these people to influence peers through their support and testimonials. A best-case scenario is for a brand team to pilot the new strategy with these peer leaders and then use their help for the roll-out.

The rewards

The ultimate goal of implementing a quality-based sales-strategy process is to improve the relationship between physician customers and sales representatives. As previously described, there are tangible benefits for improving this relationship. Time with physicians is one of them.

The impact of a beneficent relationship extends to market share as well. Representatives who indicated in the RepReview survey that they are a "trusted colleague" of the physician they most recently detailed were also more likely to indicate that their brand is the share leader with this customer.

Although the impact of a representative's relationship with a customer can be calculated more precisely, this study provides enough information to suggest that the quality of the representative relationship is an important metric. If a company is going to invest time and money to evaluate what is important to customers and take steps to enable reps to meet customer needs, then progress should be evaluated. Instituting a quality metric makes sense.

"Taking on a quality strategy was no small task for us at Wyeth," Mr. Brandon says. "This required a large paradigm shift from the traditional pod-aligned, high-frequency model. Actualizing this shift took time to train, coach, and model new behaviors at the rep level. Then it took more time to actually see that value carry through to the health-care provider level. In some markets, we can already see a positive impact."

Mr. Brandon advises anyone trying to implement this new approach to view quality-performance metrics as a coaching guide to improve sales-representative effectiveness, deliver value to health-care providers, and increase company performance.

Implementing a quality metric is ultimately about execution: consistently delivering what customers say they value most. Implementing a quality metric is also about validating that approach — and making adjustments as necessary — by measuring the results. Wyeth is leading the charge in this new approach to sales-force effectiveness research, and company executives believe that a mind-set on quality versus quantity is directly enhancing its competitive edge.

Editor's note: This is one of an occasional series of guest columns. Mike Bandick is VP, business unit leader, G & S Research (gs-research.com). G & S Research is a global market-research company focused on health care, specializing in custom quantitative strategy and longitudinal assessment programs.

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