Managing sales force change with simulation

Increasing complexity in the market and shifts in product portfolios are radically changing the skills and strategies that determine sales success. Companies are responding to the need for new sales force models but finding it no easy task to secure their successful implementation. Kevin Dolgin, Senior Principal at IMS Health considers why change management capabilities, involving practical simulation, are a critical tool in defining, managing, and implementing recommended sales management processes – ensuring the smoothest transition, critical buy-in and maximum return on investment...

There has been much discussion about the changing face of sales force management in response to growing market complexity and increasing pressure on sales. In its recent white paper on the topic*, IMS Health underscored the imperative for a paradigm shift away from the pure ‘coverage and frequency’ selling approach towards new sales models and strategies built on greater knowledge about patients, prescribers, payment and treatment pathways, including spheres of influence.

The changes continue unabated and more are looming on the horizon. In the face of these, many pharmaceutical companies are indeed rethinking the way they work and large organisations are leading the way with field force innovation. In some cases, we are not just talking about adjustments but about fundamental shifts – about ripping out the old carpet and replacing it with space-age materials; about redefining the sales force in its entirety. For example, numerous watchers, both inside and outside the industry, have been hanging on the Takeda experiment in the UK, when in 2004 the company fired its sales force and replaced it with regional account directors, each of which has wide local discretionary powers and may or may not visit doctors at all. Opinions differ about the effectiveness of this approach, and debate continues to rage – but

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*Increasing sales productivity while adapting to growing market complexity.
MANAGING THE SHIFT TO PRECISION SALES AND MARKETING, IMS Health, 2006.
Takeda has maintained its new system and is currently the fastest growing pharmaceutical company in the UK. Other companies, such as Proctor & Gamble, rich in their non-pharma experience have publicly stated that ‘the old model is dead’. So where does that leave everyone? There are those who would say that there is no choice, and that to quote the words of Bob Dylan, he who is not “busy being born is busy dying”.

But birth is traumatic – ask any newborn. It is hard enough managing a group of people when everyone knows what they are supposed to be doing: it is exponentially more difficult if you now expect them to change. This means that sales force managers must learn not only how to lead a sales force, but how to master the domain of change management.

**MANAGING CHANGE**

Change management is a specialty unto itself. Sales force managers have for years struggled with techniques about sizing, alignment, compensation – the list goes on – and these topics remain as important as ever. However, change management as a domain of competence is becoming just as important. In order to run a pharmaceutical sales force, managers now have to become experts at change management.

Luckily, it’s simple. OK, it’s not simple, but there are some simple rules and principles that can certainly help. At the heart of the problem lies the need to move a whole group of people from behaviour A to behaviour B. We won’t even begin to tackle what...
those behaviours are or should be – the question here is how to affect the change. And the first thing to keep in mind is that as with any other situation, success will be a function of capability and will.

**CAPABILITY**

Capability means the ability to change. Sales force teams must have a full understanding of what they are being asked to do and possess the necessary skills to do it. Although in many cases this might appear to be straightforward, in practice it is always a challenge. For instance, you may simply be asking sales reps to gather certain information from prescribers through their sales force automation system to aid your new targeting programme. It seems easy enough to you, but the reps will need to understand exactly when in the visit you expect this to be done, exactly what questions to ask, and how to interpret the myriad of responses you never really foresaw. Needless to say, if the proposed changes are more extensive – involving systems, structures, and the underlying principles of the job itself – then you will find that the same skills and competencies that led to success in the past may be entirely unsuited in the future.

**WILLINGNESS**

But being able to do something is not enough – there has to be a willingness to do it; will is motivation, the desire to do something. In other words, I may know these new behaviours, I may understand what needs to be done and I may master all the necessary skills, but I may still not want to do it.

Why not?

**BREAKING THROUGH THE COMFORT ZONES**

We all have our comfort zones – sets of behaviour and parameters within which we feel secure. Just about anything we are regularly involved with has an associated comfort zone. The moment we move outside it our discomfort increases, and the greater the effort we must make to adjust to the new boundaries. This is easily seen with children – if a young child is used to going to bed in a certain room, with a certain level of light and in a particular bed, look what happens when he goes to visit his grandparents and for the first time is faced with a different room. Even if he is completely at ease with his grandparents, the fact that the light isn’t quite the same, that his pyjamas aren’t in the same drawer, and the sounds outside the window are different might well make him intensely uncomfortable.

There are different degrees, of course. One child may start crying and refuse to go to bed in his grandparents’ house, while another will consider it a great adventure and relish the thrill represented by the change in the environment. Even at a young age we can observe that different people display a different tolerance for change. One person’s comfort zone may be very narrow, indicating a limited set of behaviours with which they are comfortable, whereas their colleague may have a very wide comfort zone, even craving and thriving on change. In the first case, it is clearly going to be difficult to motivate the individual to adopt new behaviour, whereas in the second case, it will be much easier.

Back to the sales force – there’s bad news: most people have pretty narrow comfort zones, particularly when it comes to their job. This means that you will have to expend a lot of energy getting them to change, and the greater the changes you are proposing, the stronger the resistance you will meet.

Consider the case of a sales force that has only ever visited specialists. Now you’ve decided you’ll ask them to visit GPs as well. How many do you think will jump at the chance? Of course, many will already have been GP reps, but they may resent it, see it as a step down. Either way, they have created their routines, their relationships, their mannerisms with specialists. Asking them to cover GPs as well represents...
a significant change and you’ll be lucky if more than 10 per cent are motivated enough to do it effectively, no matter how well they understand what is necessary.

But that is not the end of it...

How, then, can you create the desire to change? What eventually will convince someone to adopt new behaviours? There are three key influences:

• **Top management conviction and support**
• **Personal incentives**
• **Peer influence**

Let us consider each of these elements...

**Top management conviction and support**
Change begins at the top. Just about any change management expert in the world will start there. Top management must be convinced of the need for change, must adopt it, demonstrate it, and over communicate it. You can’t just say it once, but again and again, in memos and posters and speeches and just about any medium available. Consider the kind of frequency you need on a doctor to bring about a change in his prescription habits. Well you’ll need more than that to get your sales force to change its behaviour. Top management must be visible and vocal and get the same message across repeatedly... change is coming, and we believe in it.

**Personal incentives**
It may seem pretty obvious, but your incentive and compensation policy has to represent the new behaviour. It is surprising how often sales forces are asked to operate in an entirely new way, yet are incentivised in an entirely old way. The most obvious example, but one that is still widespread, is the sales force that moves from a pure volume approach to a strict targeting approach, yet continues to include an imperative for calls per day and includes any call, even to a non-target doctor. It should be obvious that reps are not going to be overly worried about visiting target doctors if they are incentivised to visit non-target doctors. Any change at all must be accompanied by a review of the incentive and compensation system – including not only questions of bonuses, but also of performance reviews and any non-monetary incentives as well.

**Peer influence**
In the end, most people accept change not because they’ve been convinced by their bosses or even by their paycheques, but rather because they have observed their peers changing. If we think back to the child in his grandparent’s house – his parents have come to reassure him, they’ve offered an incentive of a trip to the beach tomorrow morning if he goes to sleep... but in the end, it’s not his parents who convince him, nor does the incentive trip to the beach do the trick – he finally calms down because his brother whispers from across the room: “isn’t it cool sleeping at Grandma’s?” ... and suddenly, it is.
THE PROBLEM WITH SALES FORCES
So it is easy after all. All you need to do is to identify those people with wide comfort zones – the innovators who crave change – and concentrate on them. After a while, the others will follow suit, because they’ll observe their colleagues changing and then appropriate the new behaviour (assuming, once again, that you have provided them with the capability to do so). True.

So, what is the difficulty with a sales force, and particularly a pharmaceutical sales force? That’s right, they are very rarely in a position to observe their colleagues working. Reps invariably operate in isolation, and when they are not doing so they are probably working with their bosses, not with their peers. How often do two of your reps actually go out together to make a dual call?

This means that those innovators, those with the wide comfort zone, people who are called ‘change champions’ in the change management literature, have very little chance to influence their peers in a pharmaceutical sales force.

A huge problem.
As a result of this phenomenon, the diffusion of change in a pharmaceutical sales force can be a long, arduous process, one that takes far longer than a similar degree of change in an office environment. Given the incredibly rapid rate of change in pharmaceutical sales (remember the beginning of this article?) we have a potentially catastrophic situation, one that is probably already striking a chord, especially if you have recently been through a major change, such as a CRM initiative.

THE SILVER BULLET
Luckily, there are ways of dealing with this. There is, of course, adherence to the three principles cited above: paying attention to senior management conviction, reviewing the incentive and compensation system, and promoting peer communication to accentuate the influence of change champions.

But there is also a silver bullet – simulation.
Business simulations geared for the sales force provide a solution to both sides of the equation – they can help people to learn the skills and capabilities necessary to succeed in the new, changed environment; but they can also greatly enhance their motivation, and provide the will to change. How? By allowing participants to observe their peers in a simulated setting.

The first phenomenon is widely accepted. Simulation-based training generates much higher retention than traditional classroom training. The renowned educational theorist Edgar Dale wrote that simulation-based learning can generate two-week retention rates of 90 per cent, while listening to an educator only generates 20-30 per cent. The first computerised business simulations appeared
in the 1970s and they have since become indispensable tools in just about every MBA curriculum in the world.

The second phenomenon – that of fostering acceptance of change – depends on the way the simulation is designed and used. If simulations are used via a distance learning approach, for instance, this can be entirely absent. IMS’s Learning Solutions and Change Management (LS&CM) practice uses sophisticated, computerised business simulations that put participants into virtual universes where they are asked to make decisions very close to those that they are asked to make in real life. The key to the behavioural change element of these simulations is that the participants do not undertake the simulation exercise in isolation, but rather in teams, usually of three. This allows them to observe each other, and crucially, allows those innovative change champions to be observed in operation by their peers.

The impact is enormous. These kinds of initiatives are often undertaken in the case of new targeting approaches. Companies that decide to institute a new way to profile and target doctors, or who simply change their target lists need a way of convincing their sales force to adopt the new implied behaviour. A simple one-day seminar, during which reps are asked to build a target list from a selection of virtual doctors, can cause enormous shifts in behaviour. Why? There is, of course, a training element – specific skills in areas like profiling and access can be taught, but the real shift is purely behavioural, and is due to the peer effect. The seminar allows participants to observe the change champions among them as they actually make decisions. The discussion among the teams typically ranges far beyond the simulation itself, to real life, prompting questions such as ‘you really do that?’

THE ROLE OF THE TRAINER

The trainer – ostensibly there to present the skills and capabilities, to explain the reasoning behind the changes – is a catalyst. However, he is also there to present the ‘simulation debrief’. During this typically last phase of

Simulation-based training generates higher retention than traditional classroom approaches
the event, the trainer will compare the results of the different teams to the entire assembly, congratulating the winners but more importantly, demonstrating how their appropriate behaviour led to better results in the simulated world, and asking them to comment on what they feel is the application of these principles to the real world.

**USING SIMULATION TO AFFECT CHANGE**

There are different behaviours, different strategic imperatives, different hierarchical levels, different countries, cultures and company directions. As such, there is no one simulation and no one domain in which to use them. LS&CM regularly works at the level of the field, as well as at the very top level of sales force management – with different simulations and different approaches. Of course, the balance between the transference of knowledge and emphasis of behavioural modification shifts depending on the target audience. At senior levels, simulation-based events are heavily slanted toward experimentation with new techniques – they are more akin to flight simulators or learning laboratories. At the representative level, the acceleration of change acceptance is generally paramount, and at the middle management level the two are often balanced.

Cultural differences must be addressed through a careful adaptation of the simulation-based initiative. First of all, sales forces in most countries tend to have a less developed level of English than is often the case with more senior management, or even with marketing personnel. These initiatives must therefore be held in the local language – the more the simulation experience differs from the participants’ day-to-day experience, the less the effect.

“Participants undertake simulations in small teams, usually of three. This allows the innovative change champions to be observed in operation by their peers”
Once a local adaptation has been carried out, adjusting the event for company and national differences, it needs to be rolled out from the top down. Because of the importance of senior management conviction, it is imperative that senior management is known to have participated in the simulation just as the sales force will have done. Furthermore, this allows for refinement to the adaptation.

SUMMARY
Simulation-based training addresses both sides of the change management equation: it provides both the competencies and the will necessary for change to take place, skirting the problem that arises due to pharmaceutical sales representatives working in isolation. That’s not all, though – just like a flight simulator, it allows participants to try out their new behaviours in a controlled environment, therefore raising issues and difficulties in a manageable context as opposed to out in the field where help is far away and where the temptation to simply continue doing things the old, ‘comfortable’ way is strong. Simulation-based workshops can’t do everything, but they do represent a somewhat magical tool for sales force managers who have change to put into place – and these days, that includes most sales force managers.

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Simulation programmes can yield clear behavioural shifts

Call frequency versus physician potential – an illustrative example of positive post-programme behavioural shifts

- Average frequency
- Programme-led shift
- Decile potential

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Programme-led shift

Decile potential

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Average frequency

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Simulation-based training – the catalyst to driving behavioural change