Rethinking Sales Strategies

For over forty years the primary promotional activity for pharmaceutical products has been through field-based representatives. It has proven to be highly effective and delivered excellent returns. So why change now?

NHS changes over the last twenty years have ebbed and flowed with little impact on sales. The current focus on practice based commissioning is regularly dismissed as fundholding for the 21st century. However, even taking this most cynical view, there are three key drivers that suggest the time has come to see if there are better strategies.

Firstly, and most pressing, is an internal driver; that of reduced productivity, revenues and profit being generated. Secondly, an external driver; the customer base in the UK has changed significantly over the last 5 years, with clinical management and prescribing decisions being diluted from the doctor across a wider range of healthcare professionals. The third driver is also internal; the changing portfolio of companies.

In attempting to improve access to healthcare, a wider range of professionals have had their profiles raised and responsibilities widened. Nurses, pharmacists, chiropodists and physiotherapists are all able to prescribe independently of the physician. Walk-in centres, NHS Direct and the enhanced role of pharmacy mean the GP is no longer the sole provider of first port of call in primary care. Healthcare demand and administrative tasks have stretched physicians and eroded time for seeing representatives. Polling UK sales managers, IMS found that engaging with a new customer base was the most frequently stated driver, along with the consequence of needing to move to an account based approach.

CHANGE HAS STARTED

Share of voice is no longer a guarantee for meeting revenue targets so alternatives to established frequency and coverage models are being sought. IMS research across Europe has shown that many companies acknowledge the changing environment and are reacting by migrating to
new models. The role of the sales representative is already evolving to reflect the new definition of the customer, albeit to varying degrees. This is seen most dramatically in the UK where account-based models are rapidly being established, whereas in Italy a mass detailing model is only just moving towards a more targeted customer approach.

Focus has now moved from quantity to quality of activity. A precision sales and marketing model, customised by brand and even indication, is now required. Share of mind is more important than share of voice, creating the need for representatives to deliver services and value ahead of product features and marketing spin. Demonstrable health economic benefits must be proven ahead of product price comparisons. Customer needs and goals must be considered in addition to clinical benefits. All these require a different marketing approach as well as different sales strategies. Above all, excellent customer insight is essential.

NEW MODELS, NEW COMPETENCIES
Restructuring the sales model should start with the corporate and brand strategies in mind. The increasingly complex market environment impacts the full spectrum from brand planning to sales strategy and execution.

As the armies of sales representatives are refined into smaller teams, account teams or key account management structures, the expectations of the personnel change to match the new demands. Simply delivering a product benefit message does not resonate with many customers. Many GPs place little value on a visit from a medical representative as demonstrated by the limited access and time being given to seeing representatives by customers. Eager young graduates who will charge from surgery to surgery are being replaced with those more versed in NHS reforms, QOF metrics and practice management issues.

It is time for the industry to focus less on its products and more on what it can do to improve the management of the customers’ business. How can the organisation support a practice in developing its management of mental health patients, improving its QOF scores and managing its budget? Offering services has become commonplace,

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though many companies are still focused on driving prescribing. Some initiatives, such as nurse programmes, are falling foul of ABPI and ethical guidelines. As a consequence, customer cynicism increases and access further declines.

Perhaps a simple and effective route would be to copy the sales model used in secondary care and apply this to primary care sales teams. Hospital representatives in many companies and in specific disease areas, such as oncology and HIV, have excellent reputations with healthcare professionals and are seen to deliver considerable value. Account management skills and in-depth clinical knowledge are the key competencies that deliver customer value, company credibility and generate long lasting relationships.

The old adage of 'people buy people' is one that still holds true even in formulary and procurement-driven areas. Doctors value relationships and a build-up of trust between a brand or company and its customers is largely achieved through personal contacts.

BUILDING A NEW MODEL

When looking to review the size and structure of the sales force, a number of core tasks need to be carried out. Firstly the planning period should be defined. Typically this would be three to five years, balancing the need for stability and environmental change. Within this period, future product launches should be considered as these can radically change the portfolio. It is essential to account for all promoted brand and optimise at portfolio level.

A precise understanding of the current impact of the sales force allows for an accurate assessment of return on investment for each brand. This is done through generating activity response curves by product and customer segment. Quantification of the carryover impact of detailing is also important in determining the level of resource required behind each brand to maximise ROI. Once the baseline is formed, event-based forecasts should be developed for both revenues and costs to account for local environmental and market dynamics.

Outcomes from evaluating the individual brands then need to be pulled together for assessment at portfolio level. Even for people who have been through sales force optimisation processes before, today's new challenges require considerably more detailed understanding and assessment to generate a sales force for the future.

In primary care, it is important to include understanding the impact of detail position and multiple sales teams. Responsiveness should not only be looked at overall but also by target segments. These analyses can then be used to predict future sales by building the response analysis into the forecasting process. Event-based forecasts enable a more robust vision of future product performance. Factors by which known events have affected appropriate analogues can be applied to standard uptake curves. This recalibration can save companies significant expense due to over or under estimation of product potential.

Quantifying each element is critical so that precise models and outputs can be formed. However, there is also the need to feed in available market intelligence and strategy information along with any business constraints to revise forecasted revenues and costs.

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This will include how the competitive landscape might change and ensures outputs that are specific to the company and its markets. Several scenarios should therefore be tested before settling on a final model.

Optimising sales team structures in secondary care provides a whole range of different challenges. However, since the hospital as an account has many individual players that can influence the use of medicines, it still means good information about the customer is central to making the best decisions. This will include the influence the hospital and its doctors have over the local GPs. These data may come from in-house or agency sources but need modelling for wider impact and qualitative inputs to optimise the process.

Scenario testing is essential as links between activity and outcomes are less readily identified in secondary care. Tackling the situation from a number of different approaches can help identify a common solution. For example, approaching the project by looking at what number of territories makes sense geographically, how many people are needed to see each account enough times and what size team is needed to be competitive? The process and approach is just as important as the information for resource optimisation across the portfolio.

**ADDRESS THE CUSTOMER MIX**

What is becoming increasingly apparent is that there is no single, universally right model. Every company has a unique situation and portfolio of products and it is at a portfolio level that the sales model must be constructed. One key driver for sales model development is the mix in the customer base. Engaging with a wider customer base was highlighted as a major factor in revising sales models by all UK respondents to the IMS research.

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### 3. Impact of GPwSI on prescribing of anti-diabetics

*Oral Anti-Diabetic Prescribing Practices With and Without GPwSI*

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<th>Months (2004-2006)</th>
<th>Cash Sales (£)</th>
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</tr>
<tr>
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<td></td>
</tr>
<tr>
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**GPwSI**

**No GPwSI**
products across your portfolio. A clear definition of who is the customer and a deep understanding of their role, behaviours and attitudes will enable effective decisions built around the knowledge of who is important. This will involve gathering qualitative as well as quantitative information capture from a range of sources.

As an example of the range of professionals that might be considered, a non-exhaustive list is shown below split by primary and secondary care:

**PRIMARY CARE**
- GP
- Practice nurse
- District nurse
- Community psychiatric nurse
- Nurse practitioner
- Health visitors
- Primary Care Organisation
- Strategic Health Authority
- Practice managers
- PBC clusters
- Practices
- Practitioners with special interest
- Pharmacists

**SECONDARY CARE**
- Consultant
- Registrar
- Hospital pharmacist
- Hospital nurse
- Microbiologists
- Pathologists
- Hospital managers
- Matrons
- Physiotherapists
- D&T Committee
- Primary care liaison
- Primary care liaison pharmacist
- Hospital buying group

Of course these customer types do not operate in isolation and so it is important to consider the influences they have over each other. This should be quantified wherever possible to make sure objective decisions are made on the relative importance of prescribing. Diag 3 shows the impact GPs with a special interest in diabetes have on prescribing of oral anti-diabetics. These specialists are clearly a highly important group for anyone marketing treatments for this disease.

There are several documented case studies that illustrate the degree to which hospital endorsement can have an impact on sales and the varying effects of PCO prescribing directives on prescribing. Again this differs across therapy areas. Quantifying such inter-relationships can provide insights that further improve decision making on key customers types and, subsequently, the different team to include in the sales structure.

**PROFILING, SEGMENTATION AND TARGETING**

With a detailed understanding of the relative importance of customer types established, the next step is to evaluate these individual groups in detail. The benefits of targeting have been well established over the last five years, though its complexity is now greater than ever. Quantifying the number of each customer type that should be focused upon has a major influence on the sales force size and structure and ensures that resources are reallocated to more responsive, influential and profitable segments.

Segmenting and targeting customers using a two by two box grid that only focuses on prescribing attributes will lead to many missed opportunities. Placed alongside this important information should be quantified insights into environmental influences (e.g. PCTs and hospitals), customer attitudes and their level of influence. From this and qualitative customer research a clearer profile of individual customer needs and response to promotion can be formed.

An approach that looks across a wider range of profiling factors, specific to the product and market, is one that should be applied to all customer types. The same metrics may not be universally applicable but the need to have a more precise understanding of the customer is imperative if optimal targeting is to be achieved.

Many UK pharma affiliates are moving to an account management system with their sales teams. This has led to greater consideration of targeting practices rather than individual GPs and has been an area for much debate. Central to deciding on the route to take are the points

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noted above on influences, attitudes and prescribing drivers (including which customer groups) alongside the overall strategy decided upon for the sales model.

Certainly there is a lot that needs to be understood about the practice as an account, particularly under the current NHS reforms where QOF points translate into revenue for the practice. The objectives, needs and systems within the practice will also have an impact on prescribing, as will patient metrics. Practice based commissioning (PBC) also looks set to have a substantial influence in many practices. This is important environmental information that sits alongside knowledge of the individuals within the practice and their roles and importance in patient management and prescribing.

Within certain therapy areas a practice based approach can appear more attractive. However, prescribing decisions are largely made by the individual prescribers so, with a detailed understanding of each customer, identifying the best individuals to contact will offer the most efficient targeting. This is demonstrated in the earlier illustration showing the impact of GPwSI in diabetes on prescribing.

A product’s position in its lifecycle may also be worth consideration when targeting. The distribution of innovators, early adopters, early and late majority and laggards is well established across a number of areas and has been shown to apply to GPs. Although there is an innate belief in this theory few companies target customers using information on customers’ level of innovation. Diagram 4 shows the level to which prescribing varies according to GP innovation in prescribing for a cardiovascular product. The difference in uptake is dramatic enough in itself, though a bigger impact may be the influence of these early adopters over the majority, speeding up their uptake and volume of prescribing.

There is no one single solution to targeting and its importance should not be under-estimated. Having the right targets and their prescribing drivers is required before establishing the optimal sales size and structure.

**IMPLEMENTATION**

Delivering on a sales strategy is the main focus for sales managers and can have as significant an impact as finding the right strategy. Establishing the right people, systems and processes is key. The new sales models may call for new skills which can take time to develop or
acquire so any strategy must address such an issue.

Buy-in from the sales team into the new strategy must be gained and requires engagement and input from an early stage. Using feedback from the field and input from the most influential representatives and first line managers into the targeting process will not only improve the target list but forms champions of the new strategy in the field. These people can be used to overcome objectors and cynics during implementation.

As part of the implementation, a comprehensive call plan should be developed that is aligned with the sales strategy. Call planning co-ordinates the activities of the sales team ensuring best use of resources and detail slots within the structures and priorities. Assessment of call patterns of over 30 companies shows that there is a huge discrepancy between the desired calling activity and what is ideal (Diag 5).

Traditionally, call planning has been a rep planning process and has not allowed for true optimisation. It has been driven by software tools (CRM) mapping out activity for representatives and not making use of doctor level responsiveness. Precision call planning uses optimisation techniques along with rep verification and input. It optimises at territory level to maximise national frequency and coverage goals.

Incentives need to be set that motivate representatives to keep to the strategy. With more team-working and a holistic approach to driving prescribing, it may mean that more qualitative measures of performance need to be employed. For example, customer feedback on changes in attitude towards a brand, the relationship with the representative, the value of the representatives’ visits and subsequent use of the brand in the range of treatments available. This may mean a change in the mindset and behaviour of the sales teams, potentially requiring change management programmes to gain buy-in from the representatives.

Sales targets that reps will be measured against need to be seen as motivational and fair. Many companies struggle with developing achievable stretch targets as accurate forecasting of sales at a territory level is difficult to achieve. Again, smart analytics should be employed here along with sales management inputs to model likely outcomes and scenarios that look at alternative resourcing and promotional activity. Using a robust process like this ensures that representatives are rewarded appropriately as each has a fair chance of achieving their target.

**THE WAY FORWARD**

There has been talk of the need for dramatic change in sales models for some years. Though most have taken an evolutionary route, Takeda’s more revolutionary model has opened up the industry to consider more rapid and

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wider changes to their sales models. Portfolio changes from primary care to specialist products and massive changes in the NHS customer base have also been drivers for change.

Whichever route a company decides upon, it needs to carry out a rigorous process that takes account of the business situation. It also requires a detailed understanding of the customer, influence networks and prescribing drivers. With these insights, effective profiling and segmentation can be carried out to create target lists that do not simply rely on historical prescribing behaviour. Optimisation of resources using response curves and quantification of carryover ensures maximum ROI can be obtained. A holistic approach is required that addresses both planning and implementation elements.

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