



A fast-track strategy to enhance pharmaceutical sales force effectiveness

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A white paper from QlikView

Recent attempts to improve sales force effectiveness

Executives in the pharmaceutical industry have been exercised about sales force effectiveness over the last few years. There has been a growing awareness that while the size of the sales force has grown dramatically, rep productivity has taken a nosedive. Increasingly, prescribing centres and formulary decision makers have been choosing to limit face-to-face time and have been closing their doors to sales reps. This has become particularly acute in the UK, as PCTs began to assume the role of decision-making at the same time that a culture change in the NHS made traditional sales initiatives less acceptable.

A new initiative, known as Sales Force Effectiveness (SFE) began to gather ground. Essentially this recognised that prescribing centres were still open to visits from a selective group of sales reps – those who could develop a very different ‘trusted’ relationship. Working more in partnership, they were people able to add value by offering higher standards of evidence, analysis and fact-based insight. Rather than *quantity of contacts*, the focus became the *quality of relationships*.

Clearly, this meant a sea-change in the metrics used to monitor and manage sales activity. Instead of being weighted towards reach-and frequency, the model shifted to better segmentation – identifying formulary decision makers and the small percentage of prescribers who generate the vast majority of prescriptions, identifying the sub-messages relevant to each, and seeking feedback from each.

In his article *Finding the ‘right stuff’ to revitalize sales productivity (Pharma Marketing News)*, Jim Lenskold described the key drivers for productivity² as:

Right Customers – targeting the most appropriate prescribing centres for each product and prioritizing those with the highest potential

Right Frequency – the optimum frequency of contact, while using the right channel

Right Message – matching needs and desires of individual target prescribers/centres

Right Size – identifying the right number of sales reps

Right Deployment – setting territories appropriate for the sales model

Right Training – to shift focus from quantity of calls to quality of relationships

Right Tools – focusing the sales force on selling, rather than reporting

Right Motivation – setting metrics and sales compensation plans to support the desired behaviours among sales reps

The dilemma

Simple in concept, it has proved to be difficult to deploy. Implementing the whole process becomes a cross-functional endeavour, involving sales, marketing, training, IT, finance and human resources. It involves a major culture change and, often, a significant task integrating disparate IT systems. It requires access to good data that is incredibly difficult to attain in Europe. Payback may be significant, but typically after only a huge investment in time and a huge investment in effort.

How to eat an elephant

How *do* you eat a whole elephant? A bite at a time. And that's precisely the approach (sometimes taken strategically, sometimes pragmatically) by a number of pharma companies to the equally daunting prospect of implementing or improving SFE.

They have chosen to reject the 'big bang' approach and instead have taken an incremental strategy that allows the sales function to quickly develop a proof-of-concept, generate early wins and, thereby, a quicker buy-in across other functions. An approach that eliminates the expensive and complex IT

integration issues, it provides a journey where each company can set its own pace (and its own final destination).

The key elements

From our industry interviews with companies who have taken a fast-track, incremental strategy, they have:

“We already had all of the tools on the market for BI, but we needed to cut across data in ad hoc ways. We chose Qlickiew for the analytical power it could provide without having to reinvent our entire BI architecture”

Director of Information Management, an industry leading pharmaceutical company

1. Initially restricted the project to a single function (sales) or ideally two (sales & marketing) for speed of decision making, deployment and payback.
2. Alleviated the workload of in-house Business Intelligence (BI) systems in favour of a more agile BI solution that is capable of ‘mining’ in-house data sources such as Customer Relationship Management and marketing systems, as well as external data sources such as IMS or Kantar Health. A key element has been a choice of BI overlay that can be rapidly deployed within the department, managed and used using limited IT resource.
3. Recognised that, at the outset, they are unlikely to be able to anticipate clearly what information is going to be valuable. They have taken an iterative approach that allows users all along the chain – from marketing to district and area managers down to sales analysts and individual sales reps – to refine their own data requirements ‘on demand’. A number have extended the ‘on demand’ concept to mobile access for sales people.
4. Gone for the low lying fruit – changes capable of generating quick returns and quick buy-in.

Customers of all sizes have reported remarkably fast deployment and payback.

One very large pharmaceutical and biopharmaceutical customer initially deployed its BI system across 300 users in just eight weeks and now have several thousand users. Delivery time for monthly analysis updates to field sales were cut by 30%, business users were able to adopt a self-serve approach to ad hoc reports and cycle time for e-detailing was slashed by 70%. Annual IT cost savings alone now amount to \$1.2 million.

On a smaller scale, Merck Ltd Japan implemented a BI solution in the Asia Pacific region. They report increased sales performance within customer profiles and overall improvement to financial performance. A quick return on investment.

As to rapid buy-in, FFF Enterprises (a \$700 million revenue multidimensional healthcare company) implemented a pilot for sales analysis, a hot button with Patrik M Schmidt, FFF's President and CEO. Deployed in less than one month, the CEO was pulling out sales analyses himself and became an instant advocate for the system. Since then, the system has rapidly expanded to all facets of the business, including finance, sales & marketing, operations, IT and research.

Even those companies electing for a big bang strategy can benefit from points two to four above.

Lessons learned

"All divisions improved productivity. Managers are saving time and the investment has earned itself back over five times already."

Dick Notaert, BI Manager, B
Braun, Belgium

Don't be premature. Advocates of SFE are right in pointing out that existing metrics tend to focus on sales force efficiency rather than sales force effectiveness.

While their arguments for qualitative metrics are compelling it would, however, be naïve to dismiss existing metrics prematurely. Given the complexity and effort required to develop and enhance a full-scale SFE programme, many clients have found it a much better strategy in the early stages to make *more effective use of existing data* to achieve quick wins. By overlaying existing sales and marketing data with an agile BI solution, they have been able to identify trends, spot more valuable comparisons and make better decisions, while significantly reducing the time spent by managers building reports.

Dick Notaert, BI Manager at B Braun in Belgium describes quick wins from a solution they rapidly implemented: "All divisions improved their productivity thanks to the intuitive reporting and analysis capabilities QlikView offers. Managers in all divisions are saving time and the investment has earned itself back over five times already."

80/20 analysis. In measuring sales force efficiencies, many pharma companies are still focused on the number of sales calls each rep makes in a day. Inevitably, this results in sales people calling on easy access targets or 'possible' influencers, rather than high prescribers.

Even in the absence of the wealth of data available to US pharma operations, companies selling drugs in the UK can build up sufficient 'rough cut' data to conduct an 80/20 Pareto analysis, dropping lower volume centres for those with higher volumes.

At the very least, BI analysis can instantly identify the 'elasticity' of centres in terms of their proclivity to change prescribing behaviour after a sales call.

Business Discovery - keeping your options open.

The problem with many large projects, and this can be particularly true of SFE, is that there is no guaranteed route map. However much pre-planning or 'bench testing' is performed, it is impossible to anticipate exactly what data is needed, or by whom. The only guarantee is that whatever is first planned will need considerable revision as the project progresses.

This really underlines the point we made above. The successful implementations of SFE that we studied (whether big bang or incremental) have recognised the need to adopt BI solutions that can be adapted by users themselves. We call it 'business discovery'. Indeed, a major lever has been the use of associative searches, the ability of analysts to reference across or drill down drill into information as the need arises. Once an issue is identified, it is key to the project that analyst do not have to wait for conventional BI reports to be developed.

Business Discovery isn't about extending BI facilities down the chain. It is a completely new approach that puts end users – workgroups, departments and entire business units, in control, exploring and exploiting their data without any of the constraints of traditional BI applications.

Sales force rationalisation. Just about every company in the pharma sector is exercised over the scale of its sales force but most are still nervous of making major changes. Each adopting an 'after you' strategy.

Interviews with clients have revealed movements towards rationalisation, using BI techniques to make like-for-like comparisons. Typically, they are evaluating differences by territory and by treatment areas to review sales team size and deployment. All based on hard, factual data. Modern, agile BI solutions have

been used very effectively to serve everyone from top management, through sales managers and analysts to sales reps, all from a single application.

On the move

The pharmaceutical sector was the first to embrace Customer Relationship solutions and, early on, Forrester were reporting 74% of pharma companies applying CRM to sales functions and 68% to their marketing functions. A number of clients have recognised the role that mobile applications can play in leveraging CRM and SFE initiatives. It means that sales reps and field sales managers can participate in two-way communications, before or during the sales call. Mobility can aid territory management, compliance tracking and reporting, while access to BI data means that the sales rep is fully during a face-to-face detailing – informed discussion around drug performance, local area adoption, competitive comparisons and so on. One of the underlying principles of SFE is the ability to add value during the sales call. Certainly, we have found that many companies are considering deploying our own BI solutions onto tablets, iPhones and so on.

Close the loop. Because of the close alignment between sales and marketing, often including shared systems, Closed Loop Marketing provides an ideal starting point for SFE initiatives.

Closed Loop Marketing measures the effectiveness of the each message, each campaign and its supporting communications, by tracking targeted groups based on customer preferences. Importantly, the whole range of channels, from traditional sales rep calls to one-on-one live eDetailing to self-guided eDetailing portals may be incorporated, for analysis and comparison.

Clients found that by using feedback from each interaction, a cycle of continuous improvement became possible, refining the message to the target group. Campaigns were able to be adapted continuously, matching each group's wants and needs, creating true relationships. A secondary benefit came in the form of improved customer databases and refined segmentation that included behavioral characteristics.

- **Evaluate alternative communications channels.** As more sophisticated e-detailing methodologies come on board, they become an obvious

contender for a closed loop initiative to compare effectiveness and ROI against each other and against traditional face-to-face detailing.

An agile BI solution will enable you to explore such questions as:

- Do different channels perform differently by therapeutic area and, if so, how?
- How do they differ in the private and the public health sectors?
- Are there any discernable patterns or do preferences vary randomly by centre?
- What is the ROI of each?

Customers have commented that speedy analysis, as made possible by agile BI techniques, has reduced the cycle time needed for them to refine the message/collateral.

Others have also registered their surprise, when evaluating alternative communications channels, to learn the extent to which their previous perspectives had been very much subject to prejudice.

- **Rationalize discount structures.** It is not uncommon for pharma companies to employ Byzantine discount structures that have evolved over the years. Agile Business Intelligence techniques provide an opportunity to analyse the implications of rationalisation.

One of our clients – one of the world’s top five pharmaceutical companies – did exactly this and was able to build a sound business case for rationalisation. After removing whole discount bands, they were still able to achieve the same volumes, but with higher margins.

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A Cliview client- one of the world’s top five pharma companies

Selecting the right BI solution

Our motives in publishing this paper are not wholly altruistic. The common theme has been one of adopting agile BI solutions to identify trends, anomalies and to make comparisons – each capable of delivering quick wins.

Each example cited relates to pharma companies that have adopted the QlikView BI platform – often despite competitive BI solutions already being in place.

“In 2-3 days, we will build any company a working QlikView application using its own data”

QlikView promise

A key factor has been ‘time to value’, which has proven to be considerably faster using QlikView than any other BI solution. Ease-of-use is a second factor - QlikView performs data searching with Google-like ease. A third has been its ability to span a plethora of existing systems – particularly relevant in a climate of acquisitions. Finally, it is able to extract data easily from external systems such as IMS and then meld them effortlessly with data from internal CRM, sales and other in-house systems.

To find out how we could help your sales force effectiveness, do contact Garry Hobbs, Sector Manager – Life Sciences email: Garry.hobbs@qlikview.com
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