

## REVITALIZING PHARMACEUTICAL SALES: TAKING A "CUSTOMER-CENTRIC" APPROACH

Creating a Single View of Each Physician Enables  
Pharmaceutical Companies to Track Outreach, Increase Sales  
Effectiveness, and Improve Customer Satisfaction

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## EVOLUTION OF PHARMACEUTICAL SALES

Pharmaceutical companies rely on a well-known equation: Meet with physicians, detail new medicines, and encourage production adoption. As access to physicians increases, so does influence, and thus revenue. What happens to earnings, however, when the face time that physicians allot to in-person meetings declines sharply — as is the case today? The answer: Pharmaceutical companies must find new ways to stimulate sales.

Previously, physicians' time was not such a scarce commodity. In 1982, for example, pharmaceutical representatives consulted with physicians regularly and for an average of 12 minutes per visit. Now, however, more than one-third of physicians meet with sales representatives fewer than seven times per year — if at all — and these interactions last, on average, just three minutes. As a result, according to the Health Strategies Group, while sales representatives conduct about 41 physician calls per week, and 42 additional calls on staff, they spend only 127 minutes per week detailing products.

## MULTIPLE INDUSTRY CHALLENGES

Declining face time is only one factor challenging pharmaceutical sales today. The information environment is also extremely saturated. A typical primary care physician interacts with 31 representatives weekly, leaving little time for substantive discussions. Indeed, one-third of interactions involve a samples sign-off, with no product discussion. Predictably, sales force morale suffers. Likewise, new regulations — both federal and state — plus many individual hospitals' restrictions, have curtailed sales activities and sample distribution. As a result of these challenges, pharmaceutical companies struggle to increase brand awareness, maintain high levels of sales force morale and productivity, and exert the influence required to increase sales.

## RETHINKING PHARMACEUTICAL SALES

How can pharmaceutical companies revitalize their sales model and regain their consultative status and influential role in physician's choice of medicines? They must undertake multiple strategies, starting with centrally tracking information related to each individual physician — including contact details, needs, preferences, and prescription criteria. Companies must then put this information and supporting tools at sales representatives' fingertips, virtually extend a sales representative's interactions with physicians, coordinate sales and marketing campaigns and information delivery, and design more customer-centric territories.

By pursuing these strategies, Innoveer has found that companies will realize multiple benefits. Principally, pharmaceutical companies will increase physicians' awareness and utilization of

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their products. In addition, giving sales representatives the right information at the right time — whether it is the relevant contact at a health facility or a detailed pharmacological question — increases sales efficiency and productivity. Finally, creating a better prepared, equipped, and motivated sales force improves not just representative morale, but also their effectiveness, and thus the bottom line.

## DEFINING THE "CUSTOMER- CENTRIC" APPROACH

To make pharmaceutical sales more customer-centric, Innoveer has identified five best practices which companies must pursue:

### 1) Understand Physicians' Needs

Pharmaceutical companies typically track many physician-related data points, from their daily schedule and gatekeepers, to their specialties and prescription-writing habits. To improve interactions, however, companies must better apply this knowledge for long-term benefits. For example, one Innoveer client's European-based sales representatives use PDA-based CRM software to quickly rate physicians' levels of product awareness, and record contact preferences, prescription criteria, plus their schedules. Sales and marketing managers then use this information to segment physicians and pharmacists based on their interests, plan sales activities, and design more relevant campaigns. In addition, by creating a single view of each physician in its CRM system, this pharmaceutical company has enabled its sales force to track and target each individual physician's product knowledge, leading to increased physician satisfaction with the company's sales representatives, as well as improved awareness of the company's products and brands.

### 2) Put Information at Sales Representatives' Fingertips

According to numerous physician surveys, medical professionals want to work with sales representatives who have thorough product knowledge, a clinical understanding, and ready access to supplemental information. Even better, representatives should know local hospital and pharmacy formularies, make balanced product comparisons, and respond quickly to requests for more information or samples.

Accordingly, one Innoveer pharmaceutical client now equips its sales representatives with easy access to the information within its CRM system. Sales representatives prepare for meetings by planning routes and accessing a multi-dimensional view of contacts and related gatekeepers to understand "who knows who" within a given facility, as well as previous interactions,

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products detailed, and FAQs for each product. During a meeting, they access relevant product details, and after a meeting, they use drop-down lists in the CRM application to quickly record notes about the meeting, adjust contact information, or e-mail requested data or research to a physician.

By enabling sales representatives to remain productive outside of the two hours spent detailing products weekly, this pharmaceutical company has dramatically increased sales force efficiency. In addition, because the CRM system “gives back” to sales representatives by improving route planning and centralizing contact information, they regularly use it, which has led to a dramatic improvement in CRM data quality and an even more efficient sales and marketing process. Finally, by providing easy access to required information, this company has narrowed the gap between its best- and worst-performing sales representatives.

### 3) Improve and Extend Interactions

As mentioned, physicians expect sales representatives to rapidly respond to requests for additional samples or information. Accordingly, one U.S.-based pharmaceutical company turned to Innoveer to help provide its sales representatives with a PDA which runs e-mail, CRM, and sample tracking applications, and contains the latest pharmacological information and related research, organized by product. This pharmaceutical company has found that having sales representatives respond quickly to physicians’ queries via e-mail fosters stronger physician-representative ties, and leads to higher levels of product utilization and sales growth. While using e-mail in this manner may not seem revolutionary, for many sales cultures — trained on maximizing only in-person interactions — the benefits are substantial, especially because more physicians now rely on online channels to deliver the bulk of their product information.

### 4) Coordinate Sales and Marketing Activities

This U.S.-based company also needed to improve coordination between its marketing and sales groups. Too often, physicians ask sales representatives specific questions based on research they have already received from the marketing department. Sales representatives, however, often do not have easy access to the same information. To address this issue, Innoveer helped this company plan all sales and marketing campaigns within its CRM system, and coordinate outreach efforts.

Today, the CRM system tracks all emails, whether sent by marketing or traveling between physicians and sales representatives. Thanks to this sales and marketing feedback loop, sales

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representatives — before a call — review which information a physician may have already received. Meanwhile, sales managers study these e-mails to improve physician segmentation by product knowledge, monitor each representative's sales activity volume (physical and virtual), and schedule additional site visits. Finally, the marketing department monitors product feedback, gauges which medicines are popular or poorly understood, commissions required research, and then measures and refines the effectiveness of each marketing campaign.

#### 5) Align Territories with Customer Needs

Maintaining a single customer profile with in-depth information on physicians within the CRM system enables pharmaceutical companies to build more balanced, effective, and customer-centric territories. For example, after automating territory creation within the CRM system, sales managers at one Innoveer client reduced the number of sales representatives who must coordinate on a given territory, ensured customer turnover remained at less than 33 percent per year, and created more accessible territories. By automating territory planning, physicians are able to receive sufficient attention, and can establish relationships with specific representatives, which increases their satisfaction. Also, salespeople are able to have a more balanced workload and acceptable travel time, which increases morale. Finally, sales managers are able to decrease corporate operating costs, while ensuring high levels of sales staff motivation and retention, as well as revenue growth.

### MAKE PHARMACEUTICAL SALES MORE SCIENTIFIC

Selling is an art, and pharmaceutical sales representatives remain most effective when practicing this art of arming doctors with practical-level knowledge, such as indications, treatments, known side effects, supporting clinical data, and relevant studies. To cope with today's oversaturated sales environment, however, pharmaceutical companies must also maintain a single, centralized view — spanning data feeds, segments, and territories — of each physician, and then apply this information to design more relevant communications.

Simply put, the pharmaceutical sales process must become more scientific, to ensure physicians receive the information they need, when they need it, and in the appropriate format. This more customer-centric approach enables sales representatives to become trusted consultants, which increases their influence, not to mention job satisfaction. Furthermore, enhancing sales representative efficiency allows them to increase their number of physician calls, improve their motivation and productivity, and create an overall greater awareness of their company's products and brands, leading to increased uptake of medicines and higher sales growth levels.

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## ABOUT INNOVEER

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore Methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.

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