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CORPORATE STRATEGY

Entering the niche market

MEDICAL EDUCATION

Addressing 'culturally bound' prescribing

A Two-Way Process

Nigel Brooksby, president designate of ABPI, on unifying industry and government

Rethinking SFE

Understanding the implications of an increasingly networked healthcare environment will help pharmaceutical companies to achieve their sales targets.

Over the last few years, pharmaceutical companies across Europe have been going through their sales force effectiveness (SFE) toolboxes, looking for the right device to beat the competition with: reshuffling territories, resizing the field force, benchmarking activity metrics across European subsidiaries, tweaking compensation schemes. Unfortunately, the resulting competitive advantage is mostly short-lived, as competitors rapidly emulate the incremental gains generated by such initiatives.

However, fundamental forces are now reshaping the European healthcare market. One of the key aspects of this change is the increasingly networked nature of the healthcare environment. More players are actively involved in the actual prescribing process, and the degree of collaboration between all stakeholders is on the increase.

Take patient compliance as an example. There is currently no clear and integrated communication to patients on the long-term benefits of compliance. Doctors may not be fully informed or trained on how to communicate the importance of compliance; healthcare insurers only incorporate compliance rules in the reimbursement plans to a limited extent; and pharmaceutical companies face hurdles in effectively educating patients about their products. The collaboration of the relevant stakeholders to develop an integrated communication strategy on the topic of compliance will be critical in generating the required patient understanding and envisioned cost savings.

Another example of increased networking is the establishment of Diagnosis Related Groups (DRGs) in various countries across the European Union. In Germany, a number of DRG pilots are demonstrating a significant impact on hospitals, such as an increase in specialization, the shortening of hospital stays and the implementation of process-oriented standards. These developments are driving a more integrated web of professional services, as patients are treated by a tighter network of GPs, hospitals and pharmacies. In one case in

Stuttgart, Baden Wuerttemberg high street pharmacists are working closely with the hospital to establish proper medication dosages. The pharmacist can then act as a primary contact point for patients after they leave the hospital, answering questions about the medication and reducing the hospital return rate. The network enables an improvement in patient care quality and an overall reduction of healthcare cost.

Understanding the network

An increasingly networked environment is an evolution that has critical implications for pharmaceutical companies. Representatives can no longer focus on single customer groups. They need to develop an understanding of the overall customer network and visualize the influence of an individual customer within that network.

A useful concept to evaluate this influence is to identify the different, but often simultaneous, roles customers play within the network: they can advise, educate, diagnose, prescribe and dispense, to name but a few. The more roles a customer performs, the more influence they are likely to exert. A company that identifies these roles can help customers better do their job within the network. The field force provides the easiest way to collect that proprietary information.

Aligning the organization

Once the customer context has been identified, innovative solutions that will support customers perform their different roles better can be developed. This will require a change in the profile and activities of the typical representative. Representatives will need to become 'network consultants' as opposed to product-focused specialists. Rather than sell, they will have to listen to and identify customer needs, and they will require the creativity and management skill to address those needs. For example, they may need to introduce the patient compliance approach that is best suited to the local healthcare network, or bring in the right specialist in the area to support the DRG. Ultimately, network consultants should have financial accountability for their local healthcare network.

Conclusion

Pharmaceutical companies concerned with the effectiveness of their sales forces should now be clarifying the future role of the field force. They should ask themselves which of their current representatives have what it takes to become network consultants. What training, tools and support will they need to be effective in that new function? What metrics will drive performance at a network level? Transforming the sales force to integrate the networked environment will drive true competitive advantage, not squeezing out that extra call a day!

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