



Sales Force of the Future

Transform your sales force to improve stakeholder intimacy and interactions

Numerous challenges are causing pharmaceutical companies to reassess their commercial operations. Profit margins are under pressure from multiple factors—from increased regulatory requirements with higher costs for compliance to more complex channel structures with increased costs of access. A backlash against the industry's sales force model has resulted in decreased time with physicians, while payers and patients now have greater influence on the products used.

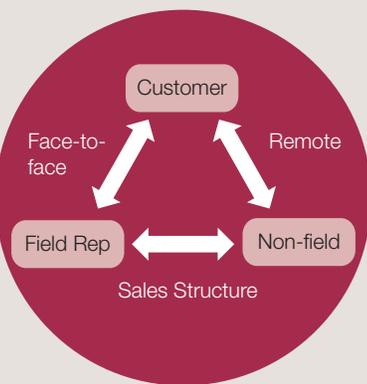
Alongside the current challenges, the industry is witnessing a dramatic increase in specialty-driven products

and markets—yet another change to which the sales force model must adapt. Specialized products tend to be more complex to administer or use and are often prescribed by specialists for harder-to-treat conditions. Examples of specialized products are biologics, such as virums, serums, toxins or analogous products.

Specialist-driven markets are forecasted to grow dramatically in the next decade. In 2009, specialty pharma stock price was up



Figure 1: Key Stakeholder Interactions



64.2 percent, outperforming a 23.5 percent increase in the S&P 500 index, and signaling investors' confidence in the sub-sector's future growth¹. Today, an estimated two-thirds of pharma pipeline is concentrated on specialty products². As a result, smaller and more specialized markets will require sales forces to follow suit and become more specialized and educational.

The traditional sales force model is not equipped to meet developing industry complexities. The traditional approach is rigid and reach- and frequency-dependent. A "one message fits all" approach, on a national scale, is pushed onto the customers. The sales force has been almost the only method of message delivery, while alternative channels have been fragmented. As a result, the sales force skill set has been of a generic nature, focused on paper details with little to no message adjustment flexibility. Therefore, shifting the sales force model is a key lever in overcoming the industry's pressures and competitive challenges.

New Model for the Sales Force of the Future

The definition of the customer is widening from purely focused on physicians to include a whole range of stakeholders not previously considered, such as KOLs, physician assistants, nurses, office managers, managed care officials, payers, patients and advocacy groups. With the expanding definition, improved stakeholder intimacy underpins any future design of the sales force model.

The Sales Force of the Future (SFF) is designed around critical stakeholder interactions and key elements of

customer-centricity, including a deeper understanding of customer needs, flexible regional structures and broad skill sets, and an optimized mix of channels and technology enablers.

In this future state model, each key interaction has its own set of high-impact strategies (see Figure 1).

- Field Rep to Customer: Consultative relationship, responsive nature (i.e., as-needed and on-demand)
- Non-field to Customer: E-detailing, call centers, direct mail and web interfaces
- Field Rep to Non-field: Regional structure, localize intelligence, account management focused

The SFF model is designed by selecting the most appropriate combination of the three approaches: Consultative, Localization and Adaptive (see Figure 2). These three approaches are not mutually exclusive and can be deployed in various combinations.

Consultative Approach

A consultative approach is a structure that fosters a trusted advisor relationship between the sales rep and the physician and/or practice. Under this approach, the sales rep will have:

- An increased understanding of customer and needs through broader experience
- A single point of contact to the customer, selling a portfolio of products
- The ability to identify customer issues and propose solutions
- Access to knowledge (e.g., specialists' leading practices) with formalized knowledge management structure, processes and tools

Under the consultative approach, the evolved sales force focuses on account (or practice) selling and is comprised of small, highly qualified medical marketing teams. It actively manages the profitability of the account by owning a P&L as well as having a larger portfolio under its belt.

Localization Approach

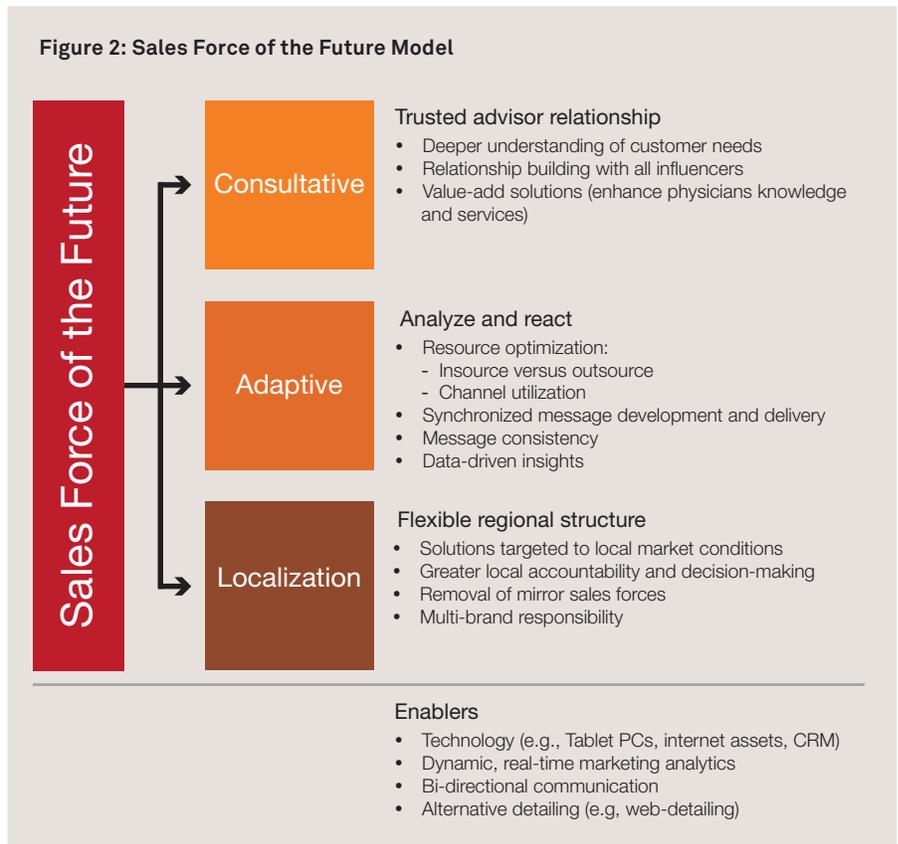
A localization approach is a flexible, regional structure that facilitates more ownership down the chain and provides for a more intimate understanding of the customer. Such a structure will foster:

- Go-to-market approaches tailored to the local environment
- Decentralized decision-making based on local trends (e.g., demographic, therapeutic)
- Greater regional responsibility and support of multi-brand selling

Under this model, the sales force is evolving from a headquarters-focused to a regional-focused model, increasing the local accountability of the sales force on multiple fronts. Regional sales forces are accountable for a P&L, have a multi-brand strategy to tailor to their specific area's needs, and have only one sales force per territory. With this accountability, the regions are also granted more flexibility to choose the messaging most relevant for their stakeholders.

Adaptive Approach

The adaptive approach focuses on the in-house ability to analyze the effectiveness of campaigns and messaging and react swiftly and proactively on a local and national level. This approach will require:



- Superior, results-oriented analytics capabilities that utilize real-time data and advanced segmentations that go beyond deciling (e.g., behavioral, attitudinal)
- Flexible campaigns that integrate a variety of channels and respond quickly to analytic insights
- Ability and willingness of the sales rep to include different go-to-market approaches
- Leverage of the sales force as a high-impact, high-cost channel for high-value targets or specific situations (e.g., new product launch)



All three approaches are supported by a set of enablers that are inherent within the model:

- Advanced and dynamic technology (e.g., CRM systems, field tools, enhanced sales presentations)
- Bi-directional communication
- Integrated message development and delivery
- Dynamic, real-time marketing analytics and customer segmentation strategies
- Alternative detailing, such as web-detailing, social networking
- Knowledge management

In implementing a Sales Force of the Future model there are several strategies that must be implemented to meet the overall objectives.

- Maintain a balance between increasing decision making, accountability, and ownership down the chain with a national marketing approach
- Shift accountability and decision making to regional sales managers to promote stronger relationships with customers
- Clearly define objectives and metrics to help align regional managers with increased responsibilities
- Effectively train, recruit and communicate between regions and headquarters
- Leverage change management to uplift sales force morale in an environment of deep cost cutting

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¹ Buck, David. "Health Care: Potent Pipelines." Compiled Janet Levaux. Research Magazine. 1 Mar. 2010. Accessed 17 April 2010. <http://www.researchmag.com/Issues/2010/March-1-2010/Pages/Health-Care-Potent-Pipelines.aspx>.

² Looney, William. "The Case for Specialty Medicines: Is Industry Credible, or Culpable?" Pharma Exec Blog. Pharmexec.com, 11 Nov. 2009. Retrieved 17 April 2010. <http://blog.pharmexec.com/2009/11/11/the-case-for-specialty-medicines-is-industry-credible-or-culpable/>.