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The Forgotten Sales Force

By Steven Niles

As contracted sales account for an ever higher percentage of brand dollars, companies are looking for ways to make their managed-care sales forces more effective through improved resources and integration.

The importance of contracted sales to a brand's success is growing, but this importance has not translated to the managed-market teams themselves. Although contracted sales comprise about 90% of all brand dollars, the relatively small managed-markets sales-force teams have been overlooked in the general physician-detailing sales force and they often do not receive the support and resources they need to be most effective. To be successful, these account-management teams must also become more closely integrated with sales and marketing functions to ensure successful pull through once formulary contracts are secured.

The attitudes toward managed markets are changing, however. Even companies that are scaling back their prescriber sales forces tend to keep their managed-markets sales forces disproportionately higher. Recognizing the importance of account management to the bottom line, companies are beginning to budget more to get information and data for analytic purposes to better determine prices, discount levels, and the level of organizational and informational support that is needed.

"They're taking a look at the size of the line item on their balance sheet, and they're saying this is something I should make sure is fine-tuned," according to Chris Blenk, senior principal of **IMS Consulting** (imshealth.com). "It's becoming so important and driving overall revenue, so as they look to become more effective in that area, they're looking for additional support from consulting organizations."

Workload and complexity

The workload for account managers is considerable. Unlike a typical sales rep who may need to detail one or two products to physicians, managed-care account managers are frequently responsible for much more of a company's portfolio.

According to research by **SDI** (sdihealth.com), of 39 companies surveyed, 36% said their managed-care account personnel are responsible for three to four key products, and 40% of companies said their long-term care account personnel are responsible for three key products. In both categories, several companies indicated that although account personnel have a primary responsibility, they are ultimately responsible for the entire product line.

The number of products managed-care account managers handle is only the beginning of the complexity they face. The data they must manage is substantial, including account contacts, product information, pricing and discount levels, account feedback, and targeting data, while at the same time tracking and coordinating with the efforts of the sales and marketing team.

The introduction of the Medicare Part D prescription drug benefit has made the job even more complicated. "There was an increase in the workload as you have to call on two different groups at the same company to contract for Part D," Mr. Blenk says. "There’s additional attention that’s required to sort out the different companies and their markets and the impact that’s had and the visibility that’s been provided into pricing and rebates."

Earlier in the decade, the focus of contracting efforts was on disease management as a way of avoiding the commoditization of drugs. Account management has undergone a shift in recent years, however, to focus more on discounting. Although this has simplified the account managers’ task in some ways, the result is managed-care organizations pitting competing pharmaceutical companies against each other.

"There was a lot of creativity previously, but the response from managed care was they want the product at a favorable price," says Michael J. Luby, co-founder, **TargetRx** (targetrx.com). "To the extent companies can bring other services to the table, that’s great, but managed care doesn’t want to cloud its contracting discussions with that."

An inherent potential conflict of objectives exists between manufacturers and managed-care organizations. Pharmaceutical companies are interested in selling more of their products, however, managed-care organizations are focused on balancing quality of care, outcomes, and costs. Account managers need to carefully balance these conflicting objectives when interacting with and attempting to positively influence managed-care accounts.

"Managed-care decision makers tell us all the time during conversations we have with them that a key differentiator for those pharma companies that are successful in promoting to managed care is that those companies ‘get it,’" says Kevin Barnett, senior VP, **Campbell Alliance** (campbellalliance.com). "That is, they understand managed care’s perspective, they take a corresponding approach during interactions with health plans, and they are not perceived as being solely focused on selling more drugs."

Staffing and outsourcing

When staffing an account-management team, companies should look for candidates with a strong business acumen as well as strong negotiation, networking, and relationship-building skills. Although companies will hire account managers from outside the organization, frequently account-manager positions are filled by promoting successful sales representatives from within the organization. The candidates who rise to this more prestigious position are frequently the best of the best.

"If you think about it as a funnel, there are hundreds of thousands of sales representatives, but only two or three of them will make it to the bottom of the funnel and out the other end," says Suzanne Burrell, VP, operations, **Total Learning Concepts** (tlconline.com). "It truly is a strategic position that requires someone who has a strong understanding from a business perspective what the brand and the organization is trying to do with that product and how they’re trying to make it successful."

According to Ms. Burrell, the sales reps who are able to climb through the ranks to become account managers are those who are able to demonstrate a level of strategic thinking. These reps do so by looking at the brand from a corporate and strategic focus rather than just from the perspective of their own territory.

Publicis Managed Markets, an outsourcer of account-management teams, looks for customer-focused people possessing persuasiveness, conceptual thinking, and analytical-thought skills beyond those of typical sales reps.

"We look for more of an entrepreneurial or a killer instinct to make the deal happen," says Steve Hanceford, national director, managed markets, Publicis Managed Markets (publicismm.com). "When I hire, I look for different competencies than when I was a regional business area director hiring sales reps. It's a completely different model. I was looking for people with teamwork. People who could give a good presentation. Quick on their feet. But the account manager is really focused on those conceptual and analytical skills and competencies."

Outsourcing could be a good option for companies of all sizes looking to expand their account-management teams. A major advantage of outsourcing is the fact that a single outsourced account manager can represent non-competing products on behalf of multiple clients, thus spreading costs across two or more pharmaceutical marketers.

"These are not like pharmaceutical sales calls where you get three minutes at the most with physicians," Mr. Hanceford says. "We can sit down for an hour with them and negotiate, and we can talk about three or four different products from three or four different companies. Especially for smaller companies, it saves tremendous amounts of money over the course of a year or two years."

Pull through and integration

Establishing a formulary position is only half the battle. A good pull-through strategy is just as important, and this is where careful integration with sales and marketing is critical.

"This is where the big rub is right now in many companies around the industry," Mr. Luby told *Med Ad News*. "A lot of companies still treat managed care as its own silo. We have sales, we have marketing, and over there we have managed care. With the way the payer market has evolved in the United States, sales and marketing *is* managed care. You can't avoid it."

Mr. Luby has seen a willful under-appreciation at many companies for the role the physician plays in the managed-care sales process. Even in the tightly controlled and regulated managed-care system, the physician remains the arbiter of market-share success.

"The physician more often than not has choices, so you've got to make sure that physicians understand your formulary position and availability," Mr. Luby told *Med Ad News*. "A lot of the blocking and tackling of good sales execution applies."

In formulary pull through, good patient identification is just as critical as in a more traditional sales and marketing situation. Managed-care sales forces need to understand what motivates the physician and make sure they are appealing to the right hot buttons to create a good case for why the physician should choose the drug.

"It gets down to the principles of good marketing and good sales execution," Mr. Luby says. "Be very targeted, understand your target, have good messaging, and then especially in a situation like this, help the physician identify the patient for whom your drug has a unique value. In the discussion of managed care, these sorts of fundamentals get overlooked because of this disconnect that you see in most companies."

Pull through and e-promotion

Every pharmaceutical company is aware of the increasing difficulty any sales force has in getting face time with physicians. Managed-care sales teams, meanwhile, have always had less interaction with physicians than traditional sales forces to begin with, so they face a far greater challenge to do more with less.

One solution to the problem of physician access may be e-promotion, according to Quang X. Pham, founder and CEO, **Lathian** Systems Inc. (lathian.com). "What we've found is that e-promotion can not only help managed-care sales forces reach hard-to-see prescribers, but also ensure pull through with tools that move away from a one-directional approach to those that engage physicians in two-way dialogue," Mr. Pham says.

Lathian offers a product called Virtual Detail, which can show formulary status by plan and geographic region, so physicians can easily discern the formulary status of the promoted product. The implication is that when prescribers can confirm that his or her patients have formulary coverage, physicians are more inclined to write the prescription.

"Our strategy also involves a decentralization of e-promotion – giving more control to the local field rep or manager, rather than the home office – so that they can engage physicians beyond the traditional nine-to-five working hours," Mr. Pham told *Med Ad News*. "This is especially effective for managed-care sales forces who are sometimes working with as few as three to five reps in any given area."