Redefining the relationship with physicians, patients & payers

7th annual Global pharma SFE forum

Mohamed Khater, Feb. 2012
Today agenda

1. Customer-centric model – case study
   KAM: a proper way to redefine relationship with physicians, patients and payers

2. Regionalisation: moving towards a customers-centric organization

3. New roles & competencies and tasks of sales reps in the new model

4. Integrated CRM system, a key word to maximize synergy between Sales & Marketing

5. Sales tool to achieve better cost efficiency & greater responsiveness

6. Metrics & reports
A New Phenomenon?

Article covers growth in number of sales representatives, access to doctors, quality of representatives and “over promotion” of products

New York Times
Oct 1960
Different time, same issue?
What we do, adding value?

Performance: Product A Market Share

Source: IMS Retail territory data, Client call database (35,958 Details), Doctor universa list (37,318 doctors)

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Rep productivity – which means for the customer……..
The facts: the rules of the game are ever changing.

Pharma Stakeholders

Providers
- Hospitals
- Wholesalers
- Integrated Delivery Networks
- Pharmacies

Payors
- Government (National and Regional)
- Employees
- Employer Groups
- Health Plans

Patients
- Consumers of drugs, devices, and medical services
- Increasingly driving their own health care

Life Sciences
- Pharmaceutical
- Biotech
- Medical Devices
- Scientific Research

Government & Multilateral
- Policy/Regulatory
- Associations
- Global Health Organizations

How can we effectively & efficiently manage the complex stakeholders network?
The rules of the game are ever changing

New power for new stakeholders

Modify approach to improve impact

Invest heavily in stakeholders

Evaluate future influence

Pharmacos ability to impact

Low

Pharmacos ability to impact

High

Influence decreasing or remaining the same

Influence increasing due to treatment standardization

Influence increasing due to cost focus

3-5 year future trend

Source: Datamonitor, 2007; EyeforPharma Sales force effectiveness, 2006; BCG analysis

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Behaviors of customers are ever changing

You could not guarantee customers loyalty?
Obstacles were nearly the same in Mature & Emerging markets

- Regional customers demanding one approach
- Increasingly complex decision-making processes
- New purchasing practices
- Growth opportunity requires prioritization of resources
- No competitive advantage by products alone
- High influence of non-prescribers stakeholders
- Facing tough competition with certain strategic products
- Huge territories with different maturity level
Complex Landscape Requires A New Approach!
Operational excellence & adoption of relevant innovative Business model and People are the three main directions for our new strategy.
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KAM objectives
Scaling new heights in securing intelligent growth and redefining relationship between physicians, patients and payers
Implementing our action plans has had measurable & high impact on our clients’ sales performance

Our experience and credentials

Client Revenue Gains by Country Through Selected Sales Force Effectiveness Drivers *

*Revenue gains are by country. Percentages are based on experiences gained in more than 50 sales force projects conducted in more than 12 countries
KAM is the key for sustainable improvement

Revenue gains are by country.
Percentages are based on experiences gained in more than 50 sales force projects conducted in more than 12 countries.
What do we mean by KAM

- Resource deployment
- Focusing resources
- Account segmentation
- People
- Team
- Small number
- Understanding Opportunities
- Value proposition
- Message impact
- Feedback
Approach To Implementing KAM

- Account Prioritisation
- Stakeholder Management
- Account Level ROI
- Geo Deployment
- Multi Channel Marketing
- Key Account Management
- Competency Framework
- Compensaton Alignment
- Account Planning
- Account level Sales
- Account level Activity KPIs

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New roles & tasks of sales reps in the new model

- **Key Account Manager**

- **Sales Representatives**
  - High Market Access: E-Detailing
  - Low Market Access: Sales Representatives

- **Market Access Managers**
  - High Sales Potential

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Organizational & Operational Model

Can be summarized in 6 points:

- Increase Sales
- Negotiate Agreements
- Improving Profitability
- Manage Resources
- Search for Opportunities
- Customer Loyalty

Major functions of a KAM
IT & Infrastructure & Challenges

Overall Process & System Scope – Overview

CRM System (Siebel)
- Account Information
- Account Planning
- Tenders Information
- Account Interaction Management
- Expense Management & Info.
- Managed Care
- State debt Information
- Clinical Trial Expense Information
- Team Based Selling

Segmentation & Targeting Tool
- Account Segmentation

Siebel Analytics
- Reports & Analytics

ERP
- Tenders
- State Debt
- Clin.Trial Exp.
- Donations to Foundations

ERP
- Direct Sales: Gross sales, Discounts, Net, Costs
- Disposable material

Targeting Sheet
- Account Targeting
Customer-centric model – case study
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Metrics & reports
There is not a single model to face the changes in the environment. However, we can identify different approaches in the adjustment of the models depending on the situation of the laboratory.

**VoM*-Focused**
- Value-of-medicine related functions still held at head office, but separated teams focusing on different stakeholders
- Functions pro-actively and directly engaging with the new stakeholders (no longer back-office)

**Regionalized Business Management**
- VoM-functions still centralized but there are regional owners with P/L responsibility

**Balanced Evolution**
- Certain degree of regionalization, but no full P/L accountability
- VoM still centralized, but some regions getting critical mass and building regional VoM teams

**Extreme Regionalization**
- Regional owners with full P/L responsibility
- VoM-functions, possibly Marketing regionalized
- Each region operates in a fairly independent fashion

* VoM = Value of medicine (includes functions as HEOR, Medical, Market Access)
** Considers the management of tailor-made marketing and resource allocation plans as well as full business accountability
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New competencies for the Sales reps

Simpact Detailing can be implemented in a learning initiative to optimize the call process on your products

1. Pre evaluation
2. Territory planning simulation – Phase 1
3. Territory planning (concepts)
4. Territory planning simulation – Phase 2
5. Profiling Segmentation & Targeting simulation – Phase 1
6. Profiling Segmentation & Targeting
7. Profiling Segmentation & Targeting simulation – Phase 2
8. Call planning
9. Differentiated messaging
10. Simpact Detailing
11. Post-evaluation

Legend:
- Knowledge level evaluation module
- Interactive simulation module
- Conceptual knowledge module
- Subject related tool (MS office based)
- In-class learning event
New era in reps detailing

**Simpact Detailing Simulation Online**

**PERFECT THE PRINCIPLES OF MESSAGE DIFFERENTIATION USING AUTOMISED ROLE PLAYS**

- How can I build strong relationships with key customers and **effectively** communicate my message?
- How can I effectively **build long term relationships** with customers?
- How can I make each interaction more **impactful**?
- How can I really **add value** to my customers?

**ADAPTATION**

- This module can be **adapted** to each market and deliver **in local languages**
Adapting the new approach to the seg. & targ. method

Simpact Detailing is fully adapted to your products and profiles

1. Simulation is customized to your scenarios:
   - Pharmacy level
   - Physician level
   - Hospital level

2. Simulation is customized to your products:
   - Diovan
   - Visudyne
   - Xolair, etc...

3. Simulation is customized to profiles:
   - High potential physician
   - Pharmacist head
   - KOL, etc...

4. Simulation is customized to your key messages for each profile:
   - Call process (from Opening to Closing)
   - Product Launch situation (1st call, 2nd call and 3rd call)

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Choose the customer profile

**Activity (YTD)**
- Calls: 2
- Congress/Symposia invitation: 0
- PR event: 1
- eDetail: 3

**Segmentation**
- Potential: High
- Adoption: Low
- Number of patients in the class: High
- Hospital activity: No

**Profiling**
- Price sensitivity: High
- Switch: Medium
- Behaviours: Innovator
- Access: Average

**General comments**
- Call report 1: Prefers the previous class as it is less expensive

Before starting the call, the user analyse the customer profile. Content is adapted to information available in your CRM or other ETMS system.
All call steps are simulated
Track the result for each call step

At the end of the call, the user can analyse his/her results
Full view of all team members in one chart

A more sophisticated reporting tool is provided to Managers to track completion and progress of each participant.
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Advanced CRM maturity driving customer focus & orientation requires an integrated approach between all customer facing units and CRM processes.

- Increased Customer Insight
- Effective Customer Evaluation & Targeting
- Effective Sales Management
- Improved Service to Customers
- Improved Key Account & Opinion Leader Management
- Enhanced Marketing Effectiveness

Key CRM Objectives

- Improved Marketing Programs
- E-Marketing Offerings
- Multi Channel Management
- Touch Points
- Customers

Closed loop of marketing, sales and service

Service Centre
Sales Force
Marketing Programs
E-Marketing Offerings

Physicians
Pharmacists
Hospitals
Associations
Wholesalers
Patients
Nurses

Telephone
e-mail
Face to Face
Mail
Events
Web
Mobile
Facsimile

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Full range of tools to support complex sales force analysis & profit maximization

- Reallocation of FTEs per brand
- Carry-over and sales response analysis
- Long-term promotional ROI optimized

- Segment customer by potential / sales performance
- Define optimized number of details per brand/customer

- Distribute products amongst teams
- Optimize sales territory
- Weight on workload (# of details required) and sales potential

- Call Planning
- Reporting
- Customer Data capture

- Territory performance management
- Brand market share analysis per sales territory
- Tracking of customer interactions and sales

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Business Process: Plan Do Check Adjust is a fundamental business process

- Define Outcomes: Sales Target
- Business Drivers Dictate: Action Plans
- Implement Steps: Sales Management
- Measure Performance: KPI Tracking
- Adjust: Performance Management

Regardless of Country, Business Unit or Products, the plan do check and adjust concept will exist at some level of maturity!

KPI’s = Performance Measurement
Performance Measurement ALLOWS Performance Management
Overall Direction: business analytics will allow timely performance management

<table>
<thead>
<tr>
<th>SE Inputs</th>
<th>Support Tools</th>
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<tbody>
<tr>
<td>Quantitative</td>
<td>ETMS /CRM</td>
</tr>
<tr>
<td>Customer</td>
<td>Action</td>
</tr>
<tr>
<td>Product</td>
<td>Time</td>
</tr>
<tr>
<td>Qualitative</td>
<td>Knowledge</td>
</tr>
<tr>
<td>Skills</td>
<td>E Coach</td>
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</table>

Dashboard is a useful tool to track performance

Field Force Optimisation
 Territory Size and Structure

Performance Analytics

<table>
<thead>
<tr>
<th>Lucky?</th>
<th>Smart?</th>
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</thead>
<tbody>
<tr>
<td>Aligned</td>
<td></td>
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</tbody>
</table>

Low Performance
Manage?

Skills?
Or Quality?

Dashboard

<table>
<thead>
<tr>
<th>% Sales</th>
<th>% Activity</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Training Needs Summary Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Codes: 23-Oct-99</td>
</tr>
<tr>
<td>End Dates: 23-Oct-99</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Manager</th>
<th>Area Covered</th>
<th>Area Code</th>
<th>SKL</th>
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</thead>
<tbody>
<tr>
<td>Brendan Chavanot</td>
<td>T119</td>
<td>Product Knowledge</td>
<td>4</td>
</tr>
<tr>
<td>Dean Gregson</td>
<td>T231</td>
<td>Product Knowledge</td>
<td>3</td>
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<tr>
<td>Dan ON</td>
<td>T211</td>
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<td>3</td>
</tr>
<tr>
<td>Doug Ratz</td>
<td>T314</td>
<td>Product Knowledge</td>
<td>3</td>
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## How we are going there

**The magic word: Innovation**

### innovative models adopted

<table>
<thead>
<tr>
<th>Model</th>
<th>Description of approach &amp; TA focus</th>
</tr>
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<tbody>
<tr>
<td><strong>Closed loop marketing</strong></td>
<td>Integrated system on tablet PC / iPads enables individualized presentations/ detailing, captures physicians interests, positions Bayer as innovative, allows full access to clinical data during call and very flexible detailing</td>
</tr>
<tr>
<td><strong>KAM / KOLs management</strong></td>
<td>KAM: are we seeing the right key account with right resources, delivering the Rt value propositions with talented team. Are we able to identify the stakeholders network within each account and strengthen our relations with KOLs to maximize ROI from key accounts</td>
</tr>
<tr>
<td><strong>Behavioral segmentation</strong></td>
<td>Analyzing and defining behavior/responsiveness to specific messages allows FF to tailor future messaging according to physician segment. Behavior may be defined e.g. considering attitude towards rep visits, clinical trial participation etc.</td>
</tr>
<tr>
<td><strong>E-detailing</strong></td>
<td>Via internet dashboard physician can access range of product-related service offerings (e.g. patient education materials, physician research, clinical trials, eCME). In addition: live, scheduled and interactive video details with sales consultants or specialists</td>
</tr>
<tr>
<td><strong>KPIs identification</strong></td>
<td>Identify proper KPIs per BU / country to allow proper performance tracking</td>
</tr>
</tbody>
</table>
Summary: Key success factors

- adoption of full KAM approach
- different degree of regionalisation
- up skilling the organisation’s sales force
- fully integrated CRM system which allow better communication
- identifying better sales tools which maximize business profitability
- usage of proper metrics & tools to measure business efficiency
- innovation is the magic word for success
Thank you for your attention!