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AFTER THREE SUCCESSFUL years in the USA, GSK is now rolling out its Patient First sales programme worldwide. The bold move – which will be fully implemented by 2015 – will see all GSK’s sales staff rewarded not on sales targets but on their consultative abilities, scientific and product knowledge, patient focus, understanding their customer and problem solving. Although its fieldforce will still visit doctors and discuss clinical data and safety information, their sales effectiveness will now be linked to ensuring patients are treated appropriately.

“Sales are important to us, but our value metrics are central to our long-term growth, and we hope this will help restore trust in our company and our industry,” says Deirdre Connelly, GSK’s president of North America pharmaceuticals. So far it seems to be working – the positive response has been phenomenal, the firm says. “Our customer satisfaction surveys show we have outperformed both our best competitor and the competitor average on delivering value to our customers,” a spokesman told *PharmaTimes Magazine*.

But although GSK has forged ahead with a groundbreaking sales model in which sales representatives are rewarded for their knowledge of the medicines they provide and the quality of the service they deliver to healthcare professionals, to date, no other pharma firms have taken up the mantle. So while industry experts continue to deliberate over the relative merits

WHAT’S YOUR FIELDFORCE RATED ON?

GlaxoSmithKline turned heads in 2011 when it embarked on a novel way to compensate its US salesforce. Sales targets were out and qualitative measures such as customer satisfaction came in. The move raised eyebrows at the time, but can a model focused on outcomes pay off and should other companies follow suit?

and successes of the scheme, the debate continues over whether an outcomes-based model for sales assessment is the way forward for pharma.

At the moment, there are few companies dabbling in non-sales objectives, says Jason Bryant, commercial effectiveness director at Data Intelligence. But interest is growing and several organisations are considering shifting their sales incentive schemes to customer-call outcomes metrics, such as voice of customer, and away from market growth models. “It’s early days,” he says, “but definitely the trend is towards externally captured and validated metrics such as healthcare professional feedback.”

Patient-centricity at the heart

At the heart of this shift are two main driving forces: industry’s desire to become more patient-centric, and the rise of more complex and expensive drugs. >

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GSK on its new sales model

We have had successful product launches using this new selling model, including Tivicay (dolutegravir) – one of the best product launches in HIV – and oncology launches, where in the case of the BRAF inhibitor we have taken almost a 70% prescription share in the first 12 months. Overall our new product portfolio is ahead of plan.

Our best performing representatives in the old system are the best performing in the new system, which we think shows the changes we've made have strengthened and evolved our relationships with key customers. Our research shows we have outperformed both our best competitor, and the competitor average, on being of value to our customers. Specifically, high satisfaction rates among our customers increased 6% in 2013.

Our sales teams are measured on three areas: sales competency – how well they know their products and give reliable information about their properties and applications; customer satisfaction – what doctors say about their interactions with the sales rep; and business unit performance – how the sales rep's regional group or other business unit do in overall financial performance. So we've removed the link between individual sales representatives and prescribing behaviour.

It would be disingenuous to say this wasn't a challenging thing to do in the first year or so but we think we're making good progress, and have seen few people leave the company because of it. We know you get the behaviour you reward. Instead of specific prescriptions sold, we are rewarding our representatives for their patient focus, understanding their customer, problem solving, and level of scientific knowledge as measured by tests and other assessments. Our sales teams are more knowledgeable than ever before because it's what our customers expect. Our new incentive compensation programme rewards that knowledge of our medicines and the quality of the service they deliver to healthcare professionals to support improved patient care.

Many healthcare providers who previously wouldn't see GSK sales professionals have resumed meeting with them. Times have changed and they demand we take a more patient-centric approach, which involves listening to the needs and priorities of healthcare professionals, and then, and only then, acting if we have a solution to meet that need. We are seeing a new level of trust and engagement building.

GSK spokesperson

- › Enda Scott, managing director at Ashfield Healthcare UK, says there is a general consensus within pharma to become more patient-centric and to focus more on patient outcomes. "Patient-centric services have moved beyond being a marketing buzzword," he says. "This drives greater focus on the need for value-added conversations between pharmaceutical representatives and physicians. And changing the way sales teams operate and are incentivised is an element of that mindset shift."

Moreover, Antonio Pregueiro, head of business operations and implementation, Europe and Canada, at Takeda, says it's a no-brainer that part of a sales person's performance assessment should be based on outcomes. "The business of medicines can't stop at the point of sale. If you want your innovation to be recognised and paid for, you have to show where and when that innovation provides a superior outcome." The best way to do this, he points out, is to find the patients who will most benefit from the drug and to look more closely at treatment outcomes. "And it's almost impossible to do this properly without partnering with healthcare providers." If salesforces are responsible for assisting healthcare professionals and helping to maximise the level of patient care, then they have a direct impact on outcomes, he adds. So part of their performance assessment should undoubtedly be based on outcomes.



Simon Brander, founder and director of CSL, goes one step further in saying that once the health service becomes fully outcomes driven, pharma will itself be forced to include such metrics – particularly if revenue flows are also based on outcomes.

Indeed, David Mason, business unit leader, GIL University, Frost & Sullivan, believes healthcare systems will naturally look to partner more with organisations that can deliver better outcomes. "I expect other pharma companies to follow otherwise they may find they will not be invited to play as much of a role as they have done previously."

Can we drop sales targets altogether?

But can a company afford to drop the sales target completely? "At the end of the day sales are essential to any business and will always be the unambiguous measure of success," says Brander.

The very fact that sales are measurable is the key point, says Bryant, and they have to be part of a sales person's

incentive package. “You can compare and contrast performance with it. You can promote people based on it. With health outcomes, the variability involved makes a consistent measurement approach more of a challenge – outcomes vary by demographics, socio-economic factors, lifestyle, geography, patient compliance, HCP attitudes and so on.”

Likewise, Keith Buckby, head of operations at Ashfield, believes true sales people wouldn't want to work without targets. Plus, he adds, “the stakes are much higher in an outcomes-based environment because it doesn't pay off if you end up with a demotivated salesforce”.

Of course this muddies the water with key account managers – who tend to be assessed on indicators other than direct sales – but Mason believes instead they could be measured on commercial output while members of the fieldforce could be measured on a metric related to their contributory activity, such as customer education.

Interestingly, a move to an outcomes approach wouldn't equate to a drop in sales. In fact, Bryant says changing to an outcomes focus would

drive sales upwards. This is echoed by Roy Carlisle, managing director of PharmaSolutions, who believes “a more focused, stakeholder-aligned outcomes approach would, on the balance of probabilities, be more likely to grow your business than cause a decline”.

The real challenge though is in finding the right metrics and defining the outcomes (*see sidebox p32*), and Scott believes the industry is still trying to figure that out. “The traditional quantitative method of measuring sales or call rate still has a place in the market but industry must find a way to measure qualitative outcomes too,” he says. “Future key performance indicators must measure sales but also the quality of engagement with physicians – developing and navigating complex relationships that produce quantifiable outcomes such as sales and also improve patient engagement.”

Ultimately, an outcomes model requires organisations to work differently, says Mason. “An outcomes-based approach requires more than just a salesforce to adapt. The whole organisation needs to understand what is required to

Outcomes in other sectors

- Carphone Warehouse – bonus structure based on customer service and retention
- Ofgem – regulations brought in with fines for “mis-selling” energy to customers
- Banking and insurance – compensation based on customer satisfaction and clarity
- Private healthcare providers – focus on patient journey not sales contracts

Source: Data Intelligence

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> deliver this approach and their role in it.” For Pregueiro it’s not just about changing job descriptions and incentive schemes but also changing mindsets. “It is a different approach but making the change isn’t unrealistic, as long as you are realistic about the impact you can expect to have.”

Pharma’s survival rests on achieving the perfect balance of generating profits to fund future research and delivering value to patients. “Customers in every sector are changing their buying behaviour,” says Mason. “And any sales model that doesn’t put its customer at the heart of the relationship is outdated.”

So GSK has taken a lead in successfully shifting its sales focus from generating prescription sales to concentrating on customer need. But with other companies looking to take a more outcomes-based approach to sales, it seems the jury is still out on just what this approach would involve and, more to the point, what type of outcomes to include. ■

What the HCP thinks

Luke Koupparis, part-time GP in Bristol and medical editor at OnMedica

Pharmaceutical sales representatives have traditionally been monitored on the numbers of drugs that are sold. However, there are moves by some companies to start looking at new outcome measures, such as clinician feedback. This could lead to a system where they are monitored on clinical outcome measures or, in other words, whether the drug has actually achieved the required target. In addition, there may be an outcome measure based on cost-effectiveness, with a closer working relationship with prescribers struggling to fall within allocated prescribing budgets.

Looking at individual practice data on clinical outcomes, for example a drop in blood pressure to target, will prove labour intensive in terms of performing searches and audits on groups of patients taking a particular class of drug. There are also issues of patient confidentiality that will prevent this level of analysis.

There may be an opportunity to work with more generic data on the wider health community to improve population health. For example, lowering amputation rates in patients with diabetes across a locality or a reduction in numbers of strokes in patients taking a specific blood pressure or statin medication. However, accessing this level of granularity on population data is doubtful.

Working to outcome measure targets in reality is likely to be unworkable for pharmaceutical salesforces. Incorporating clinician feedback measures is eminently more achievable.

Sales outcome metrics

- Profitability / P&L
- Voice of customer
- Customer satisfaction
- Achievement of specific objectives
- Identification of new target patient groups
- Inclusion of brand in medicines guidelines, formulary, patient pathways etc.
- Service re-design, new service configuration
- Increased compliance
- Demonstrate change in policy or stakeholder opinion
- Linking metrics/KPIs with real-world data

Sourced from interviews

Outcomes-based approach puts the customer first

Committing to a long-term marketing strategy that cannot be measured immediately based purely on sales performance is challenging. However, trust and reputation take time to build – and damaged reputations even longer to mend.

If GSK can focus on building trust with HCPs and delivering value to them and patients, as well as increasing sales, then its outcomes-based strategy will not only lead to higher sales in the long term, it will also enable GSK to put its CSR objectives at the heart of its business planning and give customers the power to help shape and direct its future.

M3 is very excited that a small but growing number of its clients are open to ‘Customer Value’ strategies rather than pure push marketing tactics. Our membership of 2.5 million doctors wants pharma to deliver real value – not just marketing content but education, products and services that they truly need, and will use, and that will help foster better, closer relationships, trust and even advocacy between doctors and pharma.

For more information on M3, the global provider of technology services in healthcare and its European Division which includes www.doctors.net.uk, www.mdlinx.com, and www.networksinhealth.com, please call Jenny Cowderoy on +44 (0)1235 828400, or email Jenny.Cowderoy@eu.m3.com

