Pharmaceutical Executive

the BEST-SELLERS LIST

The 2007 Sales and Marketing Quality Ranking scores the most effective sales forces in the industry. Find out how you rate—and where you need to work harder.

The industry knows it needs a new commercial model. Companies are downsizing field forces, reorganizing existing ones, and desperately piloting projects in order to crack the code on sales and marketing effectiveness.

But many are making these moves blind. They just don't know what truly drives doctors to prescribe a brand. It's like that joke: Two pharma CEOs were discussing their sales and marketing budgets, and both had the same complaint: Half of the budget was working and half wasn't. The problem? Neither knew which half was which.

With shareholders and industry leaders calling for a transformation of the sales force, that's no longer acceptable. Pharma executives need to understand how their efforts and expenditure translate to the bottom line. The industry can no longer rely on readily available metrics like share of voice, physician reach, and call frequency. These metrics only track the amount of effort expended, not the effectiveness of the sales force in moving market share.

The first annual Sales and Marketing Quality (SMQ) Ranking, created and compiled by TargetRx, offers a new way of understanding which sales efforts are most effective. It offers a paradigm by which companies can measure, monitor, and manage all the critical levers that drive effective sales and marketing and result in market share performance.

Sales and Marketing Effectiveness: Overall Company Rankings

Rank	Primary-care physicians	Specialist physicians
1	Boehringer Ingelheim	Bristol-Myers Squibb
2	Novartis	Abbott
3	Schering-Plough	Novartis
4	Abbott	Amgen
5	Novo Nordisk	Boehringer Ingelheim
6	Eli Lilly	AstraZeneca
7	Johnson & Johnson	Roche
8	Sanofi-Aventis	Pfizer
9	GlaxoSmithKline	GlaxoSmithKline
10	Takeda	Eli Lilly
11	Merck	Sanofi-Aventis
12	Pfizer	Schering-Plough
13	Bristol-Myers Squibb	Wyeth
14	Wyeth	Johnson & Johnson
15	AstraZeneca	Novo Nordisk
16	Forest	Forest
17		Takeda
18		Merck

The 2007 Sales and Marketing Quality Ranking offers a snapshot of whose sales forces are the most effective at influencing brand prescribing.

Methodology

The SMQ Rankings are the product of more than seven years of research. The process began with exploratory research with primary-care physicians and specialists; we asked how they were being detailed, how they interacted with reps, and what they valued—or *would* value—in these interactions. Then we compared physicians' answers with their prescribing behavior, refined our questions, and continuously repeated the cycle. After fielding 250 million questions to more than 70,000 US physicians, we identified a set of questions that truly predicted how physicians would prescribe.

In 2006, we fielded these questions to physicians, who provided answers on about 100,000 interactions with reps detailing more than 100 brands in diverse therapeutic categories. We converted physicians' answers into a single metric, called the Sales and Marketing Quality (SMQ) score, which represents the impact of sales and marketing activities on physician prescribing, isolated from other influences such as managed-care coverage, patient requests, and the underlying features of the drug itself. Higher SMQ scores generally result in a greater increase in new-prescription market share in the month following an interaction with a sales rep.

What works on primary care physicians doesn't necessarily work on specialists, and vice versa. Therefore, we analyzed the data in two groups: the primary care category, with 16 companies, and the specialty category, with 18. (Amgen and Roche are listed only in specialty.)

Companies have been included in the rankings if at least two of their brands were tracked in the TargetRx database in 2006. As a result, not all brands are included for each company, and there is also a range of two to 14 brands tracked for each company. Each product is weighted equally in calculating company totals.

Tactics That Count

In nearly every disease category, specialty, and market situation, there are six critical drivers of sales and marketing quality.

For those who have grown up in the industry, there is probably nothing surprising about these drivers. But what is new is the idea that executives can increase market share by managing reps' performance in these areas.

The drivers are categorized into two groups: *execution* and *foundation*. The execution drivers reflect actions taking place—and the marketing content used—during a sales call. They include:

Detail piece: This metric measures the quality of the detail piece, and the fre-

Which company has the most effective detail piece?

Among primary-care physicians:

1	Bristol-Myers Squibb
2	Novo Nordisk
3	Forest
4	Takeda
5	Abbott
6	Eli Lilly
7	Boehringer Ingelheim
8	Merck
9	GlaxoSmithKline
10	Johnson & Johnson
11	Schering-Plough
12	Wyeth
13	Sanofi-Aventis
14	Pfizer
15	AstraZeneca
16	Novartis

Among specialist physicians:

1	Forest
2	Novartis
3	Bristol-Myers Squibb
4	Schering-Plough
5	Sanofi-Aventis
6	Pfizer
7	Boehringer Ingelheim
8	Eli Lilly
9	Johnson & Johnson
10	Wyeth
11	AstraZeneca
12	GlaxoSmithKline
13	Amgen
14	Abbott
15	Merck
16	Takeda
17	Novo Nordisk
18	Roche

BMS, Novo Nordisk, Forest, and Novartis show the best use of the detail piece. Here's data worth remembering: Docs recall reps using a detail piece in only one-third of all sales calls last year. But managers should first check the quality of the sales aid—telling reps to use an ineffective piece erodes credibility.

quency with which reps use it.

Patient identification: This execution tactic accounts for how well and often sales reps "paint a patient picture"—that is, help physicians understand the patient types that will benefit most from the drug.

Closing: Every sales rep is trained to "close" and ask physicians to prescribe the product. This category measures how often and how compellingly reps ask physicians for the business.

The second group of drivers relate to the quality of the core foundation of a successful call. The foundation drivers include:

Message: This measures how compelling a brand's message is and how often reps' details are on message. (This article does not include rankings in this category: Messaging is so specific to each brand and disease category that it can't be aggregated and reflected at the corporate level.)

Product and disease knowledge: This category measures the effectiveness with which reps establish themselves as knowledgeable sources of information about the product they sell, the disease it treats, and the relevant competitors.

Physician-rep relationship: The biggest influencer in the entire detail equation, this metric quantifies how doctors view reps on a variety of factors including trustworthiness, effective use of time, and positive attitude.

There are synergies between some drivers. For example, reps who offer adequate patient identification *and* ask for the business are more effective than reps who use those tactics in isolation. Similarly, the likelihood of prescribing more than doubles when reps with strong foundation skills paint a patient picture and close, compared to detailing in which the same tactics are executed by reps with weaker foundation skills.

Company Competencies

The SMQ Ranking tells the story of an industry in flux, with each firm executing wildly different sales strategies. Here, we examine a few individual pharmaceutical organizations.

Primary-care powerhouse: Boehringer Ingelheim When it comes to moving PCPs to prescribe its brands, BI outshines its competitors. Though the company doesn't achieve top ranking in any single category, it is a consistent performer, notable for its excellence across drivers. In particular, the company excels in closing, where it ranks second. It also scores above average in detail-piece effectiveness, product and disease knowledge, and physician-rep relationships.

The only area where BI scores below average is in patient identification, where it ranks 15th of 16 companies—demonstrating that even top companies can find opportunities for improvement.

Savvy specialists: Bristol-Myers Squibb These days, many pharmas are quick to call themselves specialty companies. But in this category, it is BMS that has earned its stripes. The company's specialty selling formula differs from BI's success strategy with PCPs: Rather than delivering consistent performance across all drivers, BMS dominates on execution tactics. It ranks number one in the specialty pool on all three effectiveness metrics: patient identification, detail piece, and closing.

But when it comes to rep foundation scores with specialists, BMS doesn't perform nearly as well. It places 10th in product and disease knowledge and 14th in physician-rep relationship quality. To improve, BMS would benefit from ongoing product training and by rethinking the way it manages physi-

Patient IDs Push Doc's Pen: BMS, Lilly

When it comes to "painting a patient picture," companies' execution fall all over the map. While most pharmas train their reps on patient identification, few firms measure its use and success adequately. BMS and Lilly stand out for doing patient ID often and well. These reps frequently discuss specific patient types and help docs connect the information to the prescribing experience. BMS ranks first among PCPs and fourth among specialists in patient ID, while Lilly ranks fourth with PCPs and second with specialists. Drilling down deeper, BMS and Lilly each score very well on this driver across brands, showing that it is a true corporate-wide competency.

Which company is the most effective at identifying appropriate patients?

Among primary-care physicians:

1	Bristol-Myers Squibb
2	Schering-Plough
3	Novo Nordisk
4	Eli Lilly
5	Takeda
6	AstraZeneca
7	Johnson & Johnson
8	Pfizer
9	Abbott
10	Sanofi-Aventis
11	Forest
12	GlaxoSmithKline
13	Novartis
14	Merck
15	Boehringer Ingelheim
16	Wyeth

Among specialist physicians:

1	AstraZeneca
2	Eli Lilly
3	Abbott
4	Bristol-Myers Squibb
5	Johnson & Johnson
6	Pfizer
7	Forest
8	Pfizer
9	Wyeth
10	Takeda
11	Novartis
12	Sanofi-Aventis
13	Schering-Plough
14	Roche
15	Boehringer Ingelheim
16	GlaxoSmithKline
17	Amgen
18	Novo Nordisk

Brands positioned for everyone are often prescribed to no one. One big problem spot for pharma: using language that resonates with physicians rather than the company's homegrown marketing lingo. Here, BMS and Lilly shine among both physician groups.

cian-rep relationships.

All-around all-star: Novartis When it comes to the quality of interactions with both primary-care and specialty physicians, Novartis ranks higher overall than any other company, placing second in primary care and third in specialty.

Novartis reps rank consistently high in both execution and foundation skills. In primary care, for example, Novartis gains the highest score in the physician-rep relationship, the biggest driver of prescribing, and ranks second in product and disease knowledge. Among specialists, Novartis ranks a respectable fifth in product and disease knowledge and sixth in physician-rep relationship.

While the company's performance is strong, it falls down in patient identification, placing 13th out of 16 with PCPs, and 10th of 18 among specialists.

Not An All-Star Year: Merck Merck's sales performance is consistently below average. Overall, it ranks 11th of 16 companies with PCPs and 18th of 18 with specialists.

Merck does not rank in the top third of companies on any single measure. Its brightest areas of performance place it squarely in the middle of the pack: eighth among PCPs and seventh among specialists for product and disease knowledge, and eighth with PCPs and 15th with specialists in detail piece effectiveness (although it is only 15th with specialists).

Firm foundation: Pfizer Pfizer scores middle to bottom of the pack in both primary care and specialist rankings. Despite that, the company shows strong competency in foundation skills—no doubt due to its rigorous training programs. Pfizer ranks fourth among PCPs in both product and disease knowledge and physician-rep relationships, and fifth and sixth on these measures with specialists.

Not quite ready: Takeda Takeda's rankings are similar to Merck's, although the path to get there is very different. The company ranks 10th among PCPs and 17th among specialists compared to Merck's rankings of 11 and 18, respectively. Takeda's rep foundation weighs down its performance: The firm ranks last on both foundation metrics among specialists and near last among PCPs. Its

Which company has the most effective close?

Among primary-care physicians:

1	Bristol-Myers Squibb
2	Boehringer Ingelheim
3	Novo Nordisk
4	Novartis
5	Wyeth
6	AstraZeneca
7	Eli Lilly
8	Sanofi-Aventis
9	Merck
10	GlaxoSmithKline
11	Abbott
12	Takeda
13	Johnson & Johnson
14	Pfizer
15	Forest
16	Schering-Plough

Among specialist physicians:

1	Bristol-Myers Squibb
2	AstraZeneca
3	Wyeth
4	Sanofi-Aventis
5	Amgen
6	Takeda
7	Pfizer
8	Forest
9	Novartis
10	Abbott
11	Eli Lilly
12	Johnson & Johnson
13	Schering-Plough
14	Merck
15	GlaxoSmithKline
16	Boehringer Ingelheim
17	Novo Nordisk
18	Roche

It's not always appropriate for reps to ask docs to prescribe their product—but reps should be upping their current closing rates. Data show reps seal the deal only half of the time—and are more often to do so with PCPs than specialists. In closing, BMS takes the top slot among both physician groups.

Which company has the most product and disease knowledge?

Among primary-care physicians:

1	Schering-Plough
2	Novartis
3	Abbott
4	Pfizer
5	Boehringer Ingelheim
6	Wyeth
7	Sanofi-Aventis
8	Merck
9	GlaxoSmithKline
10	Forest
11	Johnson & Johnson
12	Eli Lilly
13	Novo Nordisk
14	Bristol-Myers Squibb
15	Takeda
16	AstraZeneca

Among specialist physicians:

1	Novo Nordisk
2	Schering-Plough
3	Boehringer Ingelheim
4	Amgen
5	Pfizer
6	Novartis
7	Merck
8	Abbott
9	Eli Lilly
10	Bristol-Myers Squibb
11	Johnson & Johnson
12	Forest
13	GlaxoSmithKline
14	Wyeth
15	Roche
16	AstraZeneca
17	Sanofi-Aventis
18	Takeda

Product and disease smarts can be viewed as a negative driver—reps are more likely to lose share for not knowing answers to doctors' questions than gain share for answering on the spot. Schering-Plough, BI, and Pfizer get this, and win top ranking in this important driver of sales.

execution performance isn't stellar, but it is better. It scores in the top third of companies for detail piece and patient ID effectiveness with PCPs and closing effectiveness with specialists.

Looking Ahead

Many companies fight the urge to re-align sales forces, arguing that continuity of the physician-rep relationship is critical to success. But quality metrics present companies the opportunity to rethink how they manage the sales force—and, therefore, how they approach physician targeting, sales-force sizing, territory alignment, call planning, and even hiring of new reps.

With an understanding of high- and low-quality physician-rep relationships, for example, companies can optimize their "portfolio" of rep relationships. Productivity analysis can identify doctors who are non-responsive to representatives, and groups of these physicians could be swapped among reps within the same territory. If physicians didn't respond to the first rep, it is unlikely that a switch would cause sales to decline. More than likely, some reps would do better, so the switch would have a net positive on market share.

In addition, companies that measure quality can react more quickly when tactics aren't working. For example, it's common for marketing teams to update detail pieces only two or three times a year. Quality measures can identify almost immediately if the piece is working, and track when its effectiveness begins to decline, enabling marketing teams to more quickly replace it. What's more, firms that understand message quality can coach more effective use of the current detail piece while a new one is being developed.

With the ability to measure the drivers of sales and marketing quality, management is better armed to assess performance and drive improvement on the measures that will have an impact on success. This enables executives in pharmaceutical companies to manage with greater focus and lead with greater confidence, and helps to align the sales rep on the ground with the CEO—and everyone in between. PE

Which company has the most effective relationships?

Among primary-care physicians:

1	Novartis
2	Abbott
3	Schering-Plough
4	Pfizer
5	Boehringer Ingelheim
6	Forest
7	Wyeth
8	Sanofi-Aventis
9	GlaxoSmithKline
10	Merck
11	Eli Lilly
12	Johnson & Johnson
13	Takeda
14	Novo Nordisk
15	Bristol-Myers Squibb
16	AstraZeneca

Among specialist physicians:

1	Novo Nordisk
2	Boehringer Ingelheim
3	Schering-Plough
4	Amgen
5	Novartis
6	Pfizer
7	Abbott
8	Forest
9	Wyeth
10	Johnson & Johnson
11	Eli Lilly
12	GlaxoSmithKline
13	Merck
14	Bristol-Myers Squibb
15	AstraZeneca
16	Sanofi-Aventis
17	Roche
18	Takeda

In this single-most important driver of market share, Schering-Plough ranks high, placing third on both lists, while Novo Nordisk shines among specialists, and Novartis tops the PCP chart. Winning kudos here reflects the fact that docs feel the rep provides value, fair balance, and makes good use of their time.