

# a matter of trust

TargetRx capitalizes on relationship marketing

By Jacqueline Durett



Mike Luby, president of TargetRx

**K**nowing your customer: It's what TargetRx built a company around. The pharmaceutical sales and marketing effectiveness company has made a home in Horsham, Pa., and has found a niche in advising top pharmaceutical companies.

As president and CEO of TargetRx, Mike Luby knows a lot about how to get inside doctors' heads. He spent a decade rising through the marketing ranks at Merck & Co., and decided to start his own company in 1999—one that was founded on the ability to research and evaluate doctors' prescribing behaviors.

The main problem that TargetRx aims to address—determining what sales and marketing methods are working—isn't specific to the pharmaceutical industry. One of the company's priorities has been establishing marketing metrics in an industry where once there were only sales analytics. Putting numbers to marketing means figuring out not only what is and isn't effective, but also why.

"The pharmaceutical industry has had very bad information on what works and what drives prescribing, and what doesn't," Luby says. "Most companies haven't had information to quantify the [marketing] impact, so they don't measure it, and so then

they can't really manage it. The joke has always been, 'Well, marketing is always right,' because no one can tell them with a lot of confidence that the message isn't working."

TargetRx helps pharmaceutical companies get the message to work. Luby says with recent layoffs at major drug companies, firms are more open now to changing the game. "We never had good insight into [marketing effectiveness]," Luby says. "We had very little insight to know, 'Is my message working? Are the reps delivering it? What do I need to do to improve our share? What can sales do? What can marketing do? How are we doing relative to competition?'"

## Prescription for Better Sales

Two strategies TargetRx advocates—predictive modeling and what it calls "painting a patient picture"—combine the hard numbers with the soft sell. Predictive modeling means following up with doctors to find out what they prescribed and why, and determining the likelihood of future prescriptions based on those results. Painting a patient picture is what the sales rep needs to do with the doctor to drive home a detailed model of the type of patient who should be taking a given drug.

These methods, Luby says, are the future of pharmaceutical sales and marketing, because they tap into the relationship between sales rep and doctor. The way to drive sales, Luby says, is neither by adding sales reps nor by launching fancy marketing campaigns. It's building and capitalizing on the level of trust between the doctor and the sales rep.

A lot of the sales strategies Luby describes are seemingly

# Wyeth's New Model



**At the Pharma-Force 2006 conference held in Princeton, N.J., last fall, Geno Germano, executive vice president and general manager of the pharma-**

**ceutical business unit for Wyeth, presented a new business model the company was adopting to stay competitive in the marketplace. S&MM asked him some questions, too.**

**Q. How do you define the new business method/model that Wyeth is adopting?**

**A.** Wyeth refers to it internally as the new Commercial Model, which falls under a broader company initiative called "Commercial Excellence." The objective of the Commercial Excellence initiative is to create a sustainable competitive advantage within sales, marketing and operations.

The new Commercial Model, which has been in place for a year, was designed with a focus on sales to:

- Meet the needs of the market, our customers and shareholders
- Increase effectiveness by improving access and interaction with physicians
- Recognize alternative methods to deliver product messages to physicians, payers and consumers
- Re-establish our sales representative value proposition

Wyeth introduced this new commercial model in recognition of the fact that the pharmaceutical market has changed significantly and that for Wyeth to continue its success it would mean breaking from the past and creating a new company-wide model—one that recognizes the need for more positive interactions with physicians, and respects their limited time and revenue pressures.

**Q. You have said that Wyeth, prior to this new initiative, was a "multiple**

**identity sales force." How did that work and how is it changing?**

**A.** Over the years, Wyeth adopted a practice, which is now very common in the industry, of establishing overlapping primary care sales forces, with each sales force having a unique identity. For Wyeth, these sales forces were named Ayerst, Wyeth, Lederle, Pharma and Robins. Members of these sales forces would each call on many of the same physicians in an attempt to increase the overall number of sales calls for the company as a whole. This practice is now so widespread that it has become a source of irritation to physicians, and a burden on their time.

We changed our approach to one where all primary care representatives are now referred to as either Wyeth representatives or Wyeth Women's Health representatives, and the duplication of call activity has been reduced substantially. The focus now for our representatives is to meet the needs of the physician and their office staff, as opposed to simply getting into the office more times with more representatives. —J.D.

common sense and definitely cross-industry. For example, one of the most important qualities a rep can have—according to the numbers—is knowledge; in this case good product and disease knowledge. That builds the foundation for a doctor to trust a rep and prescribe his drug. If reps don't know what they're talking about, they're never going to get in the door, Luby stresses. "Sales reps perceived as having good product knowledge are going to outperform others perceived as not having good knowledge every day of the week," Luby says, adding that doctors have to feel they got some value out of the rep's visit.

Likewise, confidence is a huge factor, he adds, especially in the seemingly unbalanced relationship of green rep and seasoned specialist. Luby says reps often go in afraid to do their jobs, and instead tell themselves: "Here I am, a sales rep a couple years out of college, and I'm going to push this physician to try my drug. Boy, if I have to go toe-to-toe with this guy on my product, he probably knows everything about it." Since the problem, as Luby outlines, is that reps are intimidated by specialists because of the depth of their knowledge, it makes sense that knowledge would be sales power for the rep.

## Right Rep, Right Relationship

But a rep can be the smartest, most confident spokesman in the world for a drug and still fail in the long run. Why? Because, as Luby says, she may not have a good connection with a given doctor. Reps need to be matched to doctors they interact well with. Relationships between reps and doctors are vital to doctors seeing reps as valuable medical resources, not as just one

of five coworkers looking to make the same sale.

Luby says TargetRx has proprietary methods to determine which doctors would interact well with which reps, and those in charge of hiring reps should definitely take into account which doctors would be on their routes. Furthermore, reps who are struggling should consider swapping with coworkers. It's key not to take a shaky connection as a personal failing, Luby notes. "Even the best reps out there have some doctors who they don't connect with," he says. "Understand where you have good relationships and build on those."

Once the personalities are in alignment, Luby says, reps need to know the right marketing buttons to push with the doctors.

Detail, Luby stresses, is important, explaining that some brands have no specific target patient—and that's a soft-sell problem that has hard effects on the bottom line. Reps, he says, also have to know what marketing pieces to use when meeting with doctors, noting that visuals are two-and-a-half times more likely to be remembered than verbal sales pitches alone.

So the key, according to Luby, is having the right reps in the right place with the right knowledge. That may sound simple, but experience shows that it's not easy. "You see a lot of companies moving toward fewer reps," Luby says—and that's good. "That does a couple things. It allows you to establish better relationships, which is a huge driver of prescribing. But," he adds, "then it also allows you to bring a better level of accountability and measurement to the reps you do have. If you don't perform well, that's going to be clear."

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