

Saving Sales

As the sales force shrinks, the pressure on reps increases. How do you combine new technologies with old-fashioned face time to maximize sales?

If there exists a magical cure for the concerns plaguing the ever-shrinking pharma sales force today, no one seems to have found it. According to Mike Luby, cofounder of sales consultancy TargetRx, there are creative solutions to these problems, but a multifaceted approach is necessary.

Is pharma's sales force too bloated? How did we get where we are right now?

I think the industry's been a victim of its success. Think about the incredible drug discoveries and medical breakthroughs in the eighties and nineties.

According to the numbers I've seen, there were about 40,000 reps on the

the total market for treatment of cholesterol was probably \$50 million at the time. And what is it now? \$20 billion? So over that period of time, everybody who's launched a product has essentially made money. Today the market's a little bit more penetrated. There are many more options out there. Some of the really good drugs have gone generic. There's just a really different market situation now. There's a different level of competitive-

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ground in 1993 or 1994. In 2006, there were over 100,000. With the pace of medical innovation in the eighties and nineties, it just seemed like it was a good idea to invest in more sales and marketing. These medical breakthroughs radically changed the course of treatment of a lot of diseases. What was getting hidden along the way was that sales and marketing wasn't as effective or as efficient as maybe everybody thought it was.

Cholesterol drugs are a good example. Mevacor was the first statin, and

ness. And I think the people who now sit in the executive suite are realizing that a lot of the things they used to do don't work anymore.

Is the recent flurry of restructuring a good thing?

Absolutely. I think companies are realizing the current sales structure isn't particularly effective or efficient. They've also found that it can be frustrating to doctors. And yet, we know physicians still really value reps. They see it as a great way to get information about



Mike Luby is the cofounder of Target Rx, Inc. He can be reached at mluby@targetrx.com.



drugs. There's just a huge need to make this work more effectively, I think.

What kind of company do you think is in a precarious situation?

I think, categorically, all of the big ones have some degree of challenges. Some are reporting nice earnings, but the reality for all of them is that the environment is tougher. I don't think any are immune.

Where do specialty companies stand?

The specialty companies don't have a \$50 billion base to grow every year, so there's a more narrow focus on what they need to do to be successful. When it comes to sales and marketing, though, I think their challenges are the same. They don't have quite the size of infrastructure, but they still have to break out of the models and the molds here that are deeply entrenched and highly ineffective.

Do you feel that the current sales model is broken?

Yes. I think the industry's sort of stuck in 1985. There's just a huge need and opportunity to profile physicians and target them more effectively. The prescriber who's much more concerned generally about safety should get engaged differently than the one who's re-

ally concerned about efficacy. You'll be appealing to more of their needs. And that's what I think physicians are really calling for. They don't want to be treated like a number—they want to be engaged with stuff, with information and resources that are going to be relevant to them. So the targeting is broken.

Does pharma need to rethink the whole strategy of selling or do they just need to fine-tune it?

Rethink the whole strategy. The model has been: More resources, more reps. The analogy I use is: If you don't speak English, does it help if I talk louder?

What way can it be changed to improve the reps' methods of selling?

We're big proponents of more systematic understanding of what will drive and appeal to physicians. There are a lot of people that grew up in the industry and have a lot of experience. The old model worked for them in the 1980s. Now they're general managers and senior managers and they're judging messaging and sales aids and sort of subjectively saying, "I think this is a winner."

Can you give me some examples of what's being done or what could be done?

First, we're seeing a movement to a much more metric-driven approach, a more systematic measurement of execution with more proof of what's effective with physicians. Now there's

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greater pressure on ROI, and that means you have to measure and you have to be systematic about evaluating what's working or not and making adjustments.

The other movement we've seen pretty consistently is the trend toward fewer reps promoting any given brand to any given doctor. I think Pfizer started that a few years ago when they said they'd have no more than two Pfizer reps promoting any single drug to any single doctor. And a number of other companies have followed suit.

Where does the Web fit into the grand scheme of things?

The jury's still out, but I think there's some promising things happening. When you look at WebMD, they've got a lot of physicians interacting. If you look at their press materials, they've got more than a million physicians visiting a month. And they're doing various services, like e-detailing. It looks like they're starting to crack the code on how to use the Web channel. I think the final pieces of code need to be cracked to find out how to do it more effectively.

How can sales reps maximize the amount of face time they have with doctors?

Be really well prepared. Physicians' calls are longer, and doctors are much more likely to prescribe when they believe a rep has good product and disease knowledge, when they believe a rep is well prepared for the discussion, and when they feel that a rep has listened to what they've said and built on it in future calls.

In addition, we know that helping the physician understand the right patient type for a drug is a huge driver of satisfaction and utilization. It's a way to help physicians get value and use from that information and translate it back into their practices. One of the things doctors are really concerned about is staying current with all the advances in medicine. And to see a rep, all they have to do is break stride in the hallway. They don't have to plan for it, and if they don't want to do it they can keep walking. But when they stop for maybe two or three minutes, they can get good perspective.

Finally, where do you see industry going? Do you see more layoffs in the near future?

Using rough math to tally it up, you're probably talking more than 95,000 reps even after the layoffs. We think that's still significantly overweight. I think it's going to continue as people get comfortable and they see that those who have made the reductions have not gotten crushed in the marketplace. So you'll continue to see the sales force sizes come down a little bit, which I think would be a good thing for the industry. **PE**

People Cerimon Pharmaceuticals named **Matthew J. Meyer** general counsel and vice president, business development and licensing.



Matthew J. Meyer

// Roche named **Steven Sembler** vice president of commercial operations. // Wyeth promoted

Wendy Kouba to vice president, corporate communications. She had previously served as Wyeth's vice president, communications, technical operations and product supply. // Romark Laboratories named **Emmet B. Keefe** vice president and chief medical officer. // **William R. Ringo** joined Hyperion's board of directors as chairman. // Mersana Therapeutics appointed **John H. van Duzer** vice president, manufacturing and pharmaceutical sciences.