

Specialty reps: the smaller, smarter sales force

Marketers must rethink their sales-force models as product portfolios become increasingly weighted toward specialty medicine.

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The pharmaceutical sales force is undergoing a dramatic evolution as the pharmaceutical industry shifts from primary-care drugs to biotechnology and specialist medicines. To effectively promote this changing product mix, marketers must adapt their sales and marketing models. In particular, marketers need sales representatives with more clinical knowledge, patient focus, managed-care fluency, and understanding of territories.

A number of restrictive factors are challenging traditional approaches to pharmaceutical marketing. Compliance regulation, payer and physician attitudes, and disintermediating technology such as e-prescribing and sampling technology have combined to make the expensive investment in a field sales force for a mixed portfolio far less effective than historically had been the case.

“What we are seeing is the advancement of product mix, whereas heretofore we had a fairly one-dimensional product portfolio relative to specialist versus primary-care treatments,” according to Todd Evans, director of **PricewaterhouseCoopers’** Pharmaceutical & Life Sciences Advisory practice (pwc.com). “That density of primary care

allowed us to design, develop, and deploy a fairly homogenous promotional mechanism that we were able to enjoy for decades and make highly efficient. It also allowed us to not necessarily tier or differentiate the human resource aspect in the talent we needed to recruit and manage.”

Companies making the transition from mass-market medicines to specialist medicines will face numerous marketing implications (see chart below). Specialist medicines treat rare diseases and specific disease subtypes, making for a much smaller target market. Thus, a much smaller sales force is required. Also, as they tend to be complex products, specialist medicines require more scientifically educated sales representatives to promote them.

“[Marketers] don’t need thousands and thousands of sales representatives to address these conditions because odds are they’re being driven by a very small handful of specialized specialty physicians that influence a very small community of specialty physicians nationally if not internationally,” Mr. Evans says. “That implies a very deep scientific and clinical expertise alongside the ability to humanistically influence thinking and decision making with that small cadre of specialty physicians in a given sub-disease area.”

Specialty-medicine sales representatives need to possess a deeper and broader education and an appreciation of the epidemiology of treatment options available. “The specialist representative is going to be far deeper trained, perhaps even degreed in the science and

Mass-market medicines versus specialist medicines

Specialist drugs require different marketing and sales models from those used for mass-market medicines

Mass-market medicines	Specialist medicines	Marketing implications
Treat common illnesses	Treat rare diseases and specific disease subtypes	A much smaller target market; must generally be used with a diagnostic, which adds to the overall cost but improves compliance
Relatively simple products	Very complex products	Require more scientifically educated sales representatives
Typically prescribed by general practitioners	Prescribed by specialists	Require a much smaller sales force
Low price per dose	Very high price per treatment	Require much more extensive proof of clinical efficacy; outcomes-based pricing
Usually oral formulations	Usually delivered by infusion or injection	Require intensive patient education and monitoring; costs may be spread across different payment centers and budgets with different reimbursement procedures
Relatively easy to manufacture	Difficult to manufacture	Less vulnerable to generic competition
Easy to transport	Require special distribution and storage facilities	More expensive to ship and store
Generally kept in stock	Often delivered to order	Must be supported by a much more flexible supply chain

Source: “Pharma 2020: Marketing the future” report by **PricewaterhouseCoopers** (pwc.com)

the clinical research and application of technologies and treatments than one would historically associate with a typical pharmaceutical sales-representative profile,” Mr. Evans says.

Because specialist medicines come at a higher price per treatment, they require much more extensive proof of clinical efficacy and outcomes-based pricing. These products also tend to be delivered by infusion or injection, thus requiring intensive patient education and monitoring. Costs may be spread across different payment centers and budgets with different reimbursement procedures.

“[Reps] need to understand, on some of these drugs, the physicians make 100% margins,” says Matt Wallach, VP, sales and marketing, **Veeva Systems** (veevasystems.com), formerly Verticals on Demand. “What does that mean if their nurses don’t administer it right? What does it mean if there is an adverse event that these physicians need to know about? Because these physicians make so much money from the drug, the dynamic is fundamentally changed.”

Specialty-drug reps must make more business-based decisions that require a business acumen that has not necessarily been tapped into before, according to Sandra Jennings, senior VP, **Ventiv Sales & Marketing Teams** (inventivhealth.com).

“With some organizations, if they’ve done a good job of developing their people and rotating them into internal positions and having them understand not just the messaging and the delivery of a message but the business acumen and the reasons behind why they do it, why they’ve decided to go with a particular strategy, those populations are going to be better prepared to make those types of business decisions,” Ms. Jennings says.

More patient focus

Working in the specialty-drug space requires a shift from a product-centric orientation to a healthcare and patient-centric orientation. “The implication to how pharma promotes and what pharma promotes is pretty dramatic, and it has a lot to do with networking in a lot of services that compliment and help drive better outcomes as regards the patient’s journey,” Mr. Evans says.

In the specialty-drug space, patient adherence and persistence is critical, but these products can have potentially rigorous side effects. A patient is not going to finish treatment and enjoy the outcome unless she understands with some degree of certainty what the prospects for side effects are going to be.

“Are we positioning the patient, the physician, and our promotional people to deploy and understand what the solutions to how the patient tolerates side effects are going to be, or do we blissfully pretend that that’s not any of our business and that we shouldn’t really be creating awareness around it?” Mr. Evans says. “This idea of deploying additional services and becoming much more involved in a healthcare mission beyond the product is having a re-casting effect on what we message, and it also implies a networked kind of model that envelops the product with lots of other therapeutically complementary services: home medical equipment, nurse specialists, home visits, lab value collection, diagnostic collection. Lots of things that are adjunct to the primary product we promote that in fact have a driving force on whether we succeed or fail patient by patient.”

Specialty reps have an opportunity to serve as a resource to and an advocate for patients. Effective specialty reps need to understand what it is like to walk in a patient’s shoes.

“They need to understand the patient pain point and what’s driv-

ing the patient decision making not only to initially seek treatment with the physicians, but to continue treatment once they’re on a drug therapy,” says Rayna Herman, principal and practice leader for specialty market, **Health Strategies Group** (healthstrategies.net). “Focus on helping the physician help and support their patient becomes an important patient dynamic, particularly as the regulatory and compliance concerns become an issue.”

Centric Health Resources – a nationwide organization serving the specialized needs of individuals with certain rare and chronic disorders – works with pharmaceutical manufacturers in the distribution of their products. “We work with the manufacturers’ field sales force, and what we have found is the more services we can wrap around that product, the more those sales reps could position themselves as resources and the more reasons they have to go talk to the doc,” says Craig Kephart, president and CEO of **Centric Health Resources** (centrichealthresources.com). “We’re fond of saying, sell a program, not a product. The specialty rep in our world can go in and talk about not only the product attributes but about how to access care, how to access reimbursement support for patients, support-group activities, and activities to identify more patients with specific illness.”

Centric Health Resources assists sales reps with their discussions around health-management programs. By focusing on educating patients, Mr. Kephart believes that reps can help the physician and the patient have better dialogue and make better decisions about that patient’s long-term health plan.

To better assist in the physician-patient dialogue, companies need to get a better sense of the types of conversations already taking place. **Verilogue** is a company that records and archives a nationwide database of in-office physician-patient dialogue. The company records conversations between physicians and patients directly in the physician’s exam room and then mines the conversational insight for pharmaceutical companies.

“The dialogue helps ground reps in the specific reality of the motivations, the fears, and the needs of those highly targeted patient populations,” says Jeff Kozloff, CEO, **Verilogue** (verilogue.com). “Oncology is the leading area where we have a lot of these targeted therapies. Just because there’s biomarkers on the market doesn’t mean that every physician tests for them. Or more pervasively, it doesn’t mean they know how to discuss the biomarkers in a language patients readily understand.”

Verilogue tracks more than 50 different therapeutic areas across 13 specialties nationwide. In the company’s oncology database, Mr. Kozloff sees very lopsided talk ratios in which physicians dominate the conversation. This suggests that patients are not comfortable engaging in a common two-way dialogue with their physicians.

“Marketers need to better understand the dialogue as more targeted personalized therapies come to market and help facilitate and shape that common understanding between both of their key customers, doctors and patients,” Mr. Kozloff told *Med Ad News*.

Managed-care fluency

Specialty-care reps require more awareness and integration of management protocol of the leading managed-care plans directing medical treatment. All payers possess differing priorities and prerogatives given the populations that they serve.

“There has been a significant shift over the last two decades in influence and authority over treatment choice between the provid-

er and payer community,” Mr. Evans says. “Without any question, payers have assumed far greater influence. Their access restrictions and structures have become very effective as compared to 15 or 20 years ago. As a result, we’re having to much more significantly integrate the interests of our managed-care force or our managed-market forces with our traditional sales field forces.”

Payers are increasingly shifting the cost of these specialty products to the patient. “We see that the injectable products are moving from the medical side of the benefit to the pharmacy side of the benefit, which means from a physician standpoint, there’s a different economic impact on the practice,” Ms. Herman says. “A lot of things are happening that are making that reimbursement environment more complex, and the representative needs to be able to help their customers navigate that.”

The growth of specialized medicine is shining a spotlight on the key role that third-party payers already play in pharma sales, says Brian Bamberger, VP, **TGaS Advisors** (tgas.com), Managed Markets Practice Leader.

“Although 95% of sales resources focus on physicians, these payers are the real influencers, impacting 95% of prescriptions,” according to Mr. Bamberger. “Senior-operations executives realize that proposal development, contracting, and analytics are the critical skills in this shifting landscape, while acknowledging that current business structures impede the necessary changes.”

Senior leaders from 28 large, mid-tier, and specialty companies identified managed markets as the most important focus for the industry this year, even ahead of the field force, in the **TGaS Advisors 2009 Annual State of Commercial Operations Benchmark**. Specialty companies ranked managed-markets higher than large or mid-tier, awarding it 2.3 on a scale of 1 to 10 with 1 the most important. When asked to rate the degree of integration among the field force, marketing, and managed markets sectors, benchmark participants ranked the industry at only 56 on a scale of 1 to 100.

“Even though the bulk of the spending continues to focus on physician and consumer activities, specialty pharma recognizes the critical value of managed markets operations in this new marketplace,” Mr. Bamberger says. “This sector allocated a larger percentage of the commercial operations spend to managed markets than did large-tier companies.”

According to Mr. Bamberger, the real challenge for the pharmaceutical industry is to develop a unified vision of managed markets, sales, and brand-team efforts. This would result in a consistent message to the field and mutually supporting sales incentives and controls for sales reps and account managers.

Understanding of territory

To be effective, specialty-care reps will need more intimate knowledge of their territories and customers. The majority of the effective specialty representatives in the industry are involved in organizations outside the physician’s office, according to Ms. Herman.

“Whether that’s a medical society or a patient-interest group, 83% of the effective ones are involved, and the reason for that is they recognize that they need to integrate themselves in the healthcare system in their territory to understand how those pieces influence each other,” Ms. Herman says.

To understand how the pieces fit together, reps will need much more sophisticated networking and negotiating skills.

Retrain versus recreate

With all the new skills and knowledge needed, marketers must determine whether to retrain their existing primary-care reps for new deployments in specialty medicines or build up the specialty sales force from scratch.

According to Mr. Wallach, the demands put on specialty sales representatives are very different than those placed on a primary-care rep. With many specialty drug products being delivered in-office, reps become more than just influencers.

“They may not actually take the order, but they are facilitating the orders, so a completely new skill set is required,” Mr. Wallach says. “Some good primary reps can be retrained. Many cannot. You’ll see over the next five years a sometimes gradual, sometimes stark change in the profile of a good rep. A good primary-care rep does not necessarily make a good specialty rep.”

Ms. Herman estimates that between 30% and 40% of current primary-care reps have the aptitude to be retrained. “If you look at the hiring profile 15 to 20 years ago, it was pharmacists, it was nurses, it was those with clinical backgrounds,” Ms. Herman says. “But our work shows it’s not so much the background that matters. It’s the aptitude to learn new things. Two-thirds of the individuals may not have the skills that are required to be successful in the role of a specialty representative. That being said, probably two-thirds of them probably aren’t effective in the roles they’re in now.”

The stakes are also much higher for specialty products because of the narrow base of prescribers. “If all of a sudden I’ve only got 300 people that really drive my marketplace and potentially I’m seeing them once a month at most, I don’t have the luxury of being ineffective when I’m in front of that customer,” Ms. Herman says.

Because the pool of physicians is much smaller, the sales force itself will tend to be much smaller than its primary-care counterpart as well. For those reps used to working in a team-selling dynamic, the new reality of potentially being solely responsible for a territory may come as a shock. Learning prioritization will be key.

“A lot of the coaching is going to be around identifying the right business opportunities on which to spend your time,” according to Ms. Herman.

As sales organizations change, developing career paths, job descriptions and training that match the new reality is essential, says Jeff Wojcik, VP, management advisor, and leader of the Sales Operations Practice at **TGaS**.

“We have seen a major evolution in sales operations,” Mr. Wojcik told *Med Ad News*. “In the past, people rotated from field to headquarters back to field. Today, with increasing levels of complexity such as you see in specialty pharma, people tend to stay in place as they become more proficient at their jobs.”

In putting together the company’s 2009 Organizational Career Guide Benchmark, **TGaS Advisors** analysts were surprised to learn how little formalized training has been instituted to help sales reps advance and learn new skills.

“This needs to be a priority on everyone’s agenda,” Mr. Wojcik says. “No one can afford to have people on staff without the right skill sets and experience needed for the job, yet we’re finding that our clients aren’t sure what ‘good’ looks like in this changing landscape.”

One option for companies looking to build up a specialty sales force quickly is to outsource. Specialty-pharmaceutical companies have long been turning to contract sales organizations such as **PDI**

Inc. to mitigate risk and to provide a wider range of types of rep.

“A lot of specialty-pharma companies, particularly if it’s their first drug being launched, are now looking much more seriously at using CSOs and not building internally,” says Nancy Lurker, CEO, PDI (pdi-inc.com). “With the increased regulatory risk around approval, you don’t know what your label is going to look like coming out of that process, which obviously impacts the uptake of the product in the marketplace. So using CSOs is a way to manage your risk.”

As major pharmaceutical companies re-evaluate how they deploy their sales forces, they are looking for more variable types of reps beyond the traditional primary-care/specialty-care/hospital rep. They are looking at customer service reps, established market reps, long-term care and hospital reps, and flex-time reps, as well as ways they can buy a detail without buying the full capacity.

“That’s probably the biggest change we are seeing,” Ms. Lurker told *Med Ad News*. “Flexibility is increasing, where instead of using three types of reps, they are using five or six different types of reps to meet the different geographic and product needs that exist.”

Performance measurement

Success is no longer defined by a one size fits all sales call or marketing message. Although traditional utilization metrics such as reach, frequency, share of voice, and message recall are still useful, they are not enough, according to Craig H. Scott, president and CEO, **TargetRx** (targetrx.com).

“Rather than focusing on how many calls, clients are focusing more on improving the quality of customer interactions, assessing things like product and disease-state knowledge instead of minutes per call,” Mr. Scott says. “Satisfying an expanding array of influential customer types, and successfully changing their prescribing behavior for the good of patients and the business, is the new name of the game.”

In this new specialty-drug model, incentives must additionally come under scrutiny. Most companies have a component of their performance measurement or incentive compensation tied to physician-level prescribing data. For many specialty and biotechnology products, however, companies are not able to get access to that information. As a result, Ms. Herman believes that market share cannot be the sole determinate or even a component of determining incentive compensation.

“One of the things we think is going to be there is a component tied to customer satisfaction,” Ms. Herman says. “If you’ve got a couple hundred customers that make the biggest difference to you, you can’t afford not to have those customers be satisfied with your business.”

Experts with sales performance management company **Callidus Software Inc.** agree that the model is moving toward one of quality of interaction over quantity of interactions with a physician. New commercial models are driving the need to have more flexible and innovative compensation plans that are as specialized as the physicians being seen by the sales representative, Callidus experts say. Most organizations are pushing more qualitative measures and management by objectives into the compensation plan structure in order to change the behavior of the sales representative in the field.

Within the specialty-medicine category, total prescriptions are as important, if not more significant, in determining the success as

new prescriptions.

“The reason for that is if the patient does not complete a full course of therapy, and particularly of these very expensive specialty therapies, it is viewed without question as a failure by the three most important stakeholders in the game: the payer, the physician, and the patient,” Mr. Evans says. “The traditional sales force has been in search of the new prescription, and the rest magically took care of itself or was handed off to a different part of the enterprise. That’s very different in a specialty model.”

Incentives must also be adjusted to account for the reps’ increased range of knowledge and activity. Companies will want to retain their more experienced and senior reps. Ms. Herman expects to see more career laddering as a result. “From the company standpoint, they’re going to want individuals who are looking at this as a career opportunity, and will create incentives to do that,” she says.

According to Mr. Bamberger, if managed-markets skill sets are viewed as the most significant for both the field force and product marketing, then both performance measurement and incentive systems must conform to this new priority. The new determinants of success are likely to have more to do with rigorous proposal development, contracting, and pull-through, as well as how closely the sales force and managed markets can work together in a closed-loop system that unifies the two areas.

“We’ve already seen companies begin to change to address an ‘account’ orientation (health plans, IDN, and group practices) in select geographies where these accounts are more influential than individual physicians,” according to Mr. Bamberger. “This new orientation creates selling teams of sales managers, account managers, and more traditional sales reps as a distinct sales force targeted at an account. The measures and incentives of this sales team will vary by account, creating more complexity as companies get closer to the customer.”

A blended approach

Even as companies shift to developing and marketing more specialty medicines, effective promotion of primary-care products remains significant. To handle a product mixture that includes primary-care products as well as specialty products, a blended sales approach is recommended by Rick Keefer, president and CEO of **Publicis Strategic Solutions Group** (psellingsolutions.com).

According to Mr. Keefer, companies are taking a strategic look at the country to determine where to put a full-time representative compared with a flex sales force working three days a week, an educational-based customer service associate, virtual reps coupled with inside sales representatives, or other varied forms of promotion.

“Publicis Strategic Solutions Group has combined all of its message-delivery businesses under one integrated structure, so we are able to sit down with our clients or potential clients and analyze the blended approach to determine the best way to market their product,” Mr. Keefer told *Med Ad News*. “We can do everything from various representatives to medical-science liaisons to nurse educators to virtual representatives to director practitioner and the whole array of interactions with the physician under one umbrella. That is going to be a trend in the industry, as no longer does one size fit all. Everybody is going to take a unique look at the market, and companies that are best positioned to address all those unique aspects will be valued partners moving forward.”

Patient advocates drive awareness

With the shift toward specialty medicines comes the need for pharmaceutical marketers to be more patient focused. An organization called Centric Health Resources takes that concept to its logical conclusion by putting actual patients on the marketer's team with a pilot program called patient advocates.

As a specialty pharmacy employing patient-centered health-management services, Centric works with patient-advocacy organizations, pharmaceutical and biotechnology companies, and managed-care organizations to deliver prescription drugs and specialized health services. The organization is providing **Talecris** Biotherapeutics (talecris.com) with a team of patient advocates in support of the biotechnology company's **Prolastin** brand. Prolastin is indicated as chronic replacement therapy for individuals with congenital alpha-1 antitrypsin deficiency with clinically demonstrable panacinar emphysema.

Dubbed AlphaNet, this team of patient advocates comprises individuals suffering from or caring for individuals with alpha-1 antitrypsin deficiency. AlphaNet (alphanet.org) develops and offers a range of specialized programs and services designed to prevent the development of disease, improve the quality of life, and efficiently manage health resources for individuals with the disease. In addition to providing support services directly to other patients, the organization provides specialty-approved education programs for nurses, physicians, and respiratory therapists.

"We employ [patient advocates] to go out and help anyone with the disorder in any way that they can," says Craig Kephart, president and CEO of Centric (centrichealthresources.com). "In doing so, they have become tremendous resources in their areas. And physicians will give them a ton of time. In fact, anecdotally, whereas the manufacturer's reps were maybe getting 8 to 10 minutes on a good day with a physician, we're seeing that the patient advocates get upwards of 45 minutes because the physician is learning from the patient what it's like to live with this disorder, how long it took to be diagnosed, and what kind of imposition receiving some of these high-cost, high-test therapies is in their lives."

According to Mr. Kephart, patient advocates are an effective way to drive awareness around a particular disorder. "Their mission is not to sell a drug," he says. "That mission remains in the purview of the manufacturer's rep. We team them up, and the manufacturer's reps would tell you that having a patient advocate available to work with them in their area is

seen as a tremendous resource."

One of the challenges that manufacturers face is how to grow a market when dealing with a rare genetic illness that can take years to properly diagnose. Here, patient advocates can help by telling physicians a personal story about the importance of being diagnosed early.

"That has really helped to drive awareness," Mr. Kephart told *Med Ad News*. "It's a win-win for everybody. Because the sooner these patients are identified and treated appropriately, the better their lives are, the lower the mortality and morbidity rates are, and the lower their overall cost of care is because they're not being treated for something they don't have or not treated at all because physicians can't figure out what they have."

Mr. Kephart does not see patient advocates ever replacing pharmaceutical reps. Rather, he sees patient advocates as a multiplier that can augment the important work reps do.

"In the pharma industry, everybody has used medical-science liaisons in the past," Mr. Kephart says. "Those are specialists who have knowledge and can come in and be a resource for physicians. I would suggest that patients may offer their own unique resource to physicians and to the manufacturers, particularly in these spaces where there is an orphan drug and only one therapy available."

Centric finds candidates for patient advocacy by approaching patient communities already involved in the particular disease category. "We reach out and develop relationships with those organizations," Mr. Kephart says. "Many times it's through attending and supporting their local support-group meetings or national meetings. Then we meet quality individuals who would be interested in that sort of an advocacy role. To be honest, we don't have to look very far. We'll talk about our model and our patients-first approach. We have patients actually contact us and solicit us, asking 'Is there a role for somebody like me?'"



The AlphaNet team consists of individuals personally affected by alpha-1 antitrypsin deficiency, including Sandra Cook, Len Geiger, Lindsay Megenhardt, Mary Pierce, and Traci Fulford.