

MARKET INSIGHTS

Beyond 2018

Sales Force Scale-Up Options in Pharma



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Pharmaceutical sales forces are often one of the biggest expenses on your profit and loss statement. As the pharmaceutical landscape evolves so has the need for sales forces to adapt to the VUCA world we live in. VUCA (Volatile, Uncertain, Complex or Ambiguous) is a model that came out of the military and is now being adopted by businesses.¹ As marketers, we can do our best to anticipate scenarios and forecasts, but at the end of the day, it is estimated that as much as 60% of pharmaceutical forecasts are either over- or underestimated.² With so much uncertainty it is best to be flexible and to experiment with your biggest expense.¹

The following is a high-level overview of some options for scaling up sales forces that give more flexibility and allow you to pilot some of your assumptions and test the market.

Contract Sales Organizations (CSO's)

At a very simple level, contract sales organizations can either be syndicated or dedicated. Syndicated sales forces are a team of professionals that support several products from different companies or divisions. The benefit of syndicated teams is that you are only paying for your 'share of voice,' but getting the benefit of the reach. Dedicated sales teams are just that; dedicated to your products or company. Dedicated sales teams are a great solution when you want to run sales as a line item on your advertising and promotions budget or when you are waiting for headcount (or proving you need it!). In addition, dedicated CSO's are great for start-up companies entering the market that may not have the full operations to support a team (HR, CRM, fleet etc.). Different reporting structures can exist, i.e. direct reporting to the pharmaceutical company or reporting into the CSO.

Broker Sales Organizations

Broker sales organizations have existed for decades in the front shop of pharmacy, grocery and mass merchandisers. They ensure your product is properly placed and stocked and that managers are fully aware of all new products and promotions. As pharmacy evolves (and where pharmacies exist), there has been a movement with traditional retail brokers to have a portion of their teams dedicated to educating pharmacy and staff about products that are Rx (prescription), BTC (behind the counter), OTC (over the counter) or NHP (natural health products). Broker teams can run long or short programs that focus on simple key messages. Utilizing broker sales forces in product launches, new indications or reimbursement coverage is a quick way to get the message to pharmacy and staff and to ensure the product is flowing through wholesale.

Lead (Demand) Generation Companies

Over the years there have been a growing number of lead generation/telesales companies that support many different industries. Traditionally, the role of lead generation companies has been to help their client companies provide a pool of new or qualified prospective accounts or targets.³ There can be a place in the pharmaceutical world for this type of company if you want to have some blue ocean thinking.⁴ Think of lead generation companies as your inside sales reps that help you reach targets in remote regions or get a message out to a mass number of HCPs (Health Care Professionals) in a short period of time.

Rethinking the Sales Rep Model

What do you do with customers in remote regions within big geographical spreads? We typically forget about them. Before you write off a region due to logistical issues, you may want to consider an inside sales rep for this opportunity or dedicating a portion of your field reps' time to educating HCPs by phone/webinar. Remote HCPs are often open to scheduling time to discuss products and disease knowledge with companies as they are not overwhelmed with 10-20 reps in their office per week. This is another service that CSO's are set up to carry out with great success for many of their clients.

Many scenarios can exist for managing sales force scale-up if companies are willing to try alternatives to the traditional model. Companies must be willing to trust the alternatives and to also readjust to get the correct fit. This requires staying close to your front line.

1. https://medium.com/@isnapshot_SalesPerformance/have-you-thought-about-how-to-sell-in-a-vuca-world-57f981fe2736
2. <https://www.crystalra.com/blog/bid/319747/Is-Pharma-Forecasting-No-Longer-to-be-Trusted-McKinsey-Co-says-Yes>
3. https://en.wikipedia.org/wiki/Lead_generation
4. <https://www.blueoceanstrategy.com/book/>

CPM

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