L-R: Chris Gish, VP of Latuda sales, and Rick Russell, EVP, chief commercial officer, Sunovion

A WALK ON THE $ALES SIDE

Lifecycle ought to dictate sales approach. So why are mature brands still detailing like it's 2005? Undercover research shows this is a big source of doctor angst. **Marc Iskowitz** reports

PHOTO: ROBERT SCHOEN

The trigger for the massive pharma sales force cuts seen over the last few years—the patent cliff—also was a catalyst for firms to consider changing the way they detail. With a lull in the cliff until the next $30 billion worth of blockbusters goes overboard in 2014-2015, and with yearly rep cuts finally showing signs of stabilizing, it's as good a time as any to scorecard just how well industry's commercial rethink is going.

The verdict, after much analysis of the interactions PCPs and specialists are having with sales reps, is that personal selling remains a vital part of pharma's commercial engine, yet one that isn't always being used as efficiently as it could be, especially on older brands where a service-intensive approach, vs. an educational one, would be more appealing to customers, not to mention more cost-effective.

"The irony to me is, so many companies are talking now about doing customer-driven marketing…and then they go and engage in behaviors that are frustrating and not helpful," says Mike Luby, of consultancy BioPharma Advisors. "The biggest problem pharma has is admitting they have nothing new and adjusting their approach."

That was the windup from part two of a secret-shopper style study, begun in 2012 with PCPs and continuing this year with in-office observation and surveys of 200 specialists, including 100 cardiologists and 100 psychiatrists. Undercover former drug reps, dressed as office staff, were sent into specialist offices. They observed over 350 rep visits and sat in on rep lunches and breakfasts in 82 of those offices. Upon leaving, doctors were asked to respond to some questions. Among the findings: contact with the PCP or specialist occurred in 87% of calls; average length of calls with PCP/specialist were 6 minutes/9.3 minutes; 90% and 63% of calls, respectively, occurred standing up; and 47% and 61% of calls, respectively, featured a sales aid.

83% of specialists look to reps for expertise on new brands, vs. 76% for mature ones

Source: BioPharma Alliance 2013

The researchers also found that the desired role for reps changes depending on the lifecycle of the product. Among PCPs, 87% look to reps to be an expert on the product when the drug is new, falling to 74% when it's mature. Specialists' desire for expertise on brand product also declines over time, from 83% (new) to 76% (established). Both groups, however, placed a

very high premium on getting samples and co-pay cards.

Enough of the survey data stack up to show that this is what specialist and PCP doctors want for mature products: co-pay cards, samples, formulary information. And there's a steep drop-off. So why are many firms sending a $200,000-a-year, fully loaded, college-educated and trained person to do that? It's become physicians' number-one source of ire with reps.

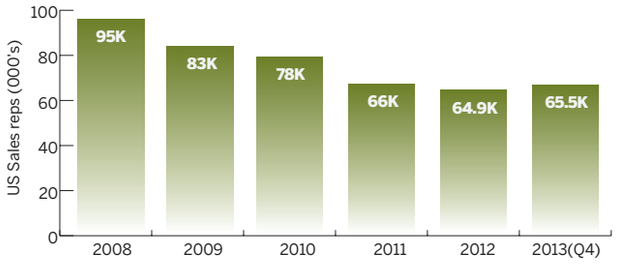
"When we ask doctors to tell us what frustrates them with reps, 'no new information' tops the list across specialties," says Luby. "This is coded from open-end responses, so you would not put percentages to it. It is pretty consistent across specialties, running alongside 'too pushy/too aggressive.'"

Thus, despite all the talk of customer-centricity and "the new sales model," he adds, most use clever opening hooks to navigate toward a conversation about their brand's now all-too-familiar features and benefits, even though it's really a service-intensive brand. Companies are spawning the life sciences version of shooting themselves in the foot; by treating all reps same, they're watering down the reps who actually do have new information.

Again, describes Luby: "Consider the doctor who sees the rep waiting for them at the sample closet. They don't know if it is new information, good science, a valued medical update waiting for them, or someone waiting to tackle them and pretend that they have something new on an old brand that hasn't had any new information in years. So it burns doctors out. It also drags all reps down, because as a doctor, you don't know until you are in the conversation, when you've invested time you will never get back."

US sales forces plateau

US sales force size may have finally stabilized after years of cuts, including this year's sales/marketing layoffs by Eli Lilly (1,624), AstraZeneca (1,200) and AbbVie (in the hundreds).



Source: PharmaForce International Deployment Analyzer

Doctors can't keep track of what a rep is about to talk to them about anymore, agrees Chris Wright, CEO of ZS Associates. "Imagine if all junk mail came in a brown envelope…eventually you'd adopt a policy of throwing away [all brown envelopes]. Some doctors have so many pharma reps coming, they just adopt a policy toward them. So the fact that you're different and bringing something new, you don't get a chance to express that."

Does having a new product help at all? "We do see a short-lived window," says Wright. "It's usually less than six months when somebody has a new product that the doc is more forgiving about gaining access. It wears off very fast."

Reexamining the sales approach for brands that have a service-intensive need requires marketers to admit that they have nothing new, which is very hard for them to do, says Luby, and then to approach it from what the customer would value.

In the BioPharma Alliance study, physicians—both those who see reps and so-called "no-see" docs—seemed to value pharma offerings comparably and highly, mostly for samples and co-pay programs. "In many cases, leaving a sample, co-pay card, and formulary reminder would bring the value that a fully trained, highly educated rep would deliver," says Luby.

"The biggest problem pharma has is admitting they have nothing new"

— Mike Luby, BioPharma Alliance

Fusion force

Mid-sized specialty pharma company Sunovion is one firm that doesn't sell all brands the same way. Its product line contains a mix of the old, like insomnia drug Lunesta, and the new, such as atypical antipsychotic Latuda. This past June, Latuda picked up a second indication, for treating symptoms of bipolar depression in adults, both as monotherapy and as adjunctive therapy. It's the first drug approved by FDA for both.

In telling that unique story to doctors, "Certainly the sales force will be front and center," says Rick Russell, EVP, chief commercial officer at Sunovion. "That team has been thoroughly trained in bipolar disorder and in the data we have in the label."

MM&M caught up with Russell and a couple of colleagues shortly after a launch meeting at which the Latuda sales team was introduced to a new interactive visual aid (IVA) for the iPad. From a promotional mix perspective, Sunovion does a lot more rep-driven detailing to doctors in the launch phase to educate and help create awareness.

For brands on the other end of the lifecycle, it places a heavier emphasis on service. Until relatively recently, the few examples of brands that had made that big drawdown in spending in the later years of patent life seemed to come solely from primary care, like Bristol-Myers Squibb's Pravachol and AstraZeneca's Nexium, both of which slashed sales support without sacrificing market share.

Now, Sunovion's Lunesta has joined the list of case studies. Popular but showing its age, the drug's LOE is coming up next year. US sales fell 5% in 2012 to about $779 million, according to IMS Health. But Lunesta's share of the sleep-cessation market has been on the rise, from 50% in 2011 to 55% in 2012. Its closest competitor has been generic Ambien, which claims a 22% share.

"Lunesta's a household name," says Russell. "Doctors know how to treat sleep. Prescribers have used it for years. There's no new technical information to share." That situation, he adds, dictates a different model. "We actually stripped out the sales force on [Lunesta] earlier this year. We're doing some merchandising with a CSO [contract sales organization] and some non-personal promotion work."

Advertising has done the heavy lifting, in this case with a 15-second, unbranded TV spot showing only the brand's mascot, the Luna moth. According to the company, the spot was part of a broadcast and digital campaign, dubbed Project Luna, designed to leverage brand equity. The programs, which Sunovion claims were the industry's

first, resulted in the highest-ever unaided awareness among target consumers, with significantly lower overall promotional expense.

With Lunesta, says Chris Gish, VP of Latuda sales for Sunovion, "it made sense to have a customer service associate going and dropping samples. It's a new type of tool but at a lower price point than a full-on detail rep because it's late life cycle."

This speaks to Sunovion's customer-centric mindset, which the executives say enables their company to effectively sell and market CNS and respiratory brands against companies that are much bigger. "First and foremost, we take a very serious approach to the customer and wanting to understand what the needs are," says Russell.

Supporting that are "home-grown" commercial analytics and a central reprints repository designed to get actionable information to reps, plus a tool that reduces the time it takes reps to learn the yearly business plan. Both let them spend more time with the customer.

On the front end, Sunovion fields a fusion approach, mixing non-personal, relationship marketing in all stages of the lifecycle together with face-to-face details. It uses this mix on Latuda, where a new DTC campaign is also forthcoming, as well as on its respiratory franchise, which includes Brovana for COPD and Xopenex and Alvesco for asthma—mature brands that nevertheless require face time with docs due to the complex nature of their disease state. "We've dedicated significant resources in the company toward reaching the customer… with the sales force and non-personal levers," says Russell.

Many companies look at those two things as separate silos, says Gish. "Here, we integrate them to create a circle around the customer. Our sales force program allows the rep to see all things going to the customer, and it's appropriate for them to say, 'I see you made a request through non-personal [promotion]; did you get the information you wanted?'"

39% of specialty sales calls involved office staff other than the physician, also known as a "total office call"

Source: BioPharma Alliance 2013

Sunovion has made a bet that its mix of the personal and non-personal will score with doctors. "When we understand what those customer needs are and we act on them, you tend to win in any environment, especially a competitive environment," says Russell, "so that's exactly why we're doing what we're doing."

Part of that is a function of the specialty markets Sunovion competes in. "We deal with COPD, and it's a progressive disease," explains Jack Maroney, Sunovion VP of respiratory sales, "so unless we engage with physicians to find out the philosophy of when do they move from one medicine to another, you can't go in and deliver a canned message."

But the higher investment is not always justified. As to why the rest of pharma doesn't seem to have gotten the hybrid memo, "Maybe for some larger pharmas, it's just taken time," speculates Russell, who earlier in his career led sales efforts for Plavix, the blood thinner that went off-patent in 2012. "I know having worked on larger brands, some people were afraid to be the first to pull back on sales force in a hypercompetitive environment because there was a feeling that if you did, you'd lose that share of voice or you might lose some [market] share."

BioPharma Alliance's Luby offers another reason. One of the findings from the observational portion of his study was that discussions involving more than one brand happen very rarely, about 33% of the time, and when they do, a rich discussion occurs only 2% of the time.

As to why pharma companies feel like they have to field a sales force with an established brand—"It's because they know that in second position, they won't get any attention," posits Luby, referring to how some CSOs offer older brands the chance to hitch a ride, in second position, with another product on a sales call.

A new equilibrium

Back in 2007, right before he left Sanofi, Russell recalls, the growing influence of the payer was disrupting the correlation between number of details and Rx unit volume. Sanofi's peers throughout pharma noticed, too, and those diminishing returns perhaps had as much to do with the ensuing reduction in reps across the industry—from 100,000 to 65,000 at the end of 2012—as did gargantuan patent losses like those of Plavix and Pfizer's Lipitor.

Now, those epic sales-force reductions show signs of ending. As of Oct. 1, the total rep number stood at 65,555 in the US, according to ZS Associates, about even with last year's total. "I think it's stabilizing," says ZS Associates' Wright. "We predicted about eight years ago that it would come to this point, so we'll see if it flattens out."

Doctors still do lunch, and surprisingly often

They've been criticized for unduly influencing physicians, not to mention scaling back due to pharma budget cuts and new transparency guidelines. Yet through it all, pharma lunches remain a staple of doctors' information diet, and that goes for both PCPs and specialists, research shows.

According to the 2013 study by BioPharma Alliance, 41% of the 200 specialist visits (including cardiology and psychiatry) clandestinely watched by observers had food provided by a pharma company on the day of observation. In a previous iteration of the study focusing on PCPs, about 49% of 219 office visits featured food.

That follows closely with the value physicians assign lunches: When asked to rate which pharma programs they participate in at least three times per month, specialists who see reps scored lunches highest (45%) in terms of frequency, the surveyors found. Among PCPs who see reps, the percentage was even higher, 76%.

Many doctors, says Mike Luby of consultancy BioPharma Alliance, have lowered the time they spend with reps but still value the interaction. They use lunches several times a week to learn and stay plugged in.

"There's this whole image of the industry rep running around throwing tchotchkes…but this isn't just throwing pizzas on a table," says Luby. "It looks like it's ultimately serving patients well because doctors are participating, having rich discussions. And to the marketer, it looks to be a great spend in terms of length, interactivity and the value you can get out of it, for PCP and specialist alike."

By and large, these are high-quality interactions. Explains Luby, "We sat in on a lot of lunches. We know how long the discussion around products was, as opposed to football or family."

What's contributing to the new equilibrium, he says, is an upward force of more products coming to market (smaller ones), offset by a downward force that's not so much having to do with efficiency, which is what drove most of the layoffs to this point (think multiple reps each carrying single products in their bags that physicians didn't want to prescribe anyway because they had higher co-pays), as it is about HCPs' increasing openness to digital.

To be sure, digital channels have been around for a while. Yet, "There's been a really important learning recently," says Wright. "What companies have learned is if they use the sales [force] to introduce the channel…that's the evolution that's happening. It's changing the engagement rates from 3% to [open rates of] 30%… to watch a video, sign up for a program, come to a virtual meeting."

That's a very promising development, he adds, because it makes the rep's job bigger, more complete. "'Instead of this narrow job that I do, I can introduce something'…20 years ago, it was a much richer job for a sales person. This is an avenue back to that."

In other respects, you'd be hard-pressed to find any clinician who longs for the old days—think multiple reps sharing the same geography, calling on the same doctors—especially as physicians have become more time-starved.

"It used to be a circus in HCP offices," recalled Amy Ashley, a former big pharma sales rep who's now a marketing manager for device firm ApniCure. "When I was a rep I'd be sitting in a chair with 10 other reps waiting to see a doctor, and 20 patients in the waiting room. We would just throw money at doctors."

4.6%
of second-position specialist sales calls were rich product discussions

Source: BioPharma Alliance 2013

Now, the goal is optimizing a smaller sales force. Where reps may have lost credibility with doctors because they have nothing new to say on a mature brand, industry is now "keen to switch those doctors into a different digital engagement model," adds Wright. "Years ago, there was a lot of skepticism of whether this was good."

Doctors, thanks to the increasingly multi-channel sales model, are more open to it. "What we're seeing," says Wright, "is a work style in which…'I [the doctor] am still in touch, but it doesn't take the same labor force of manpower to come and visit me.'"

The reps aren't going away, just switching to a once-per-month schedule, or a once-per-quarter schedule, says Wright. "This won't be a problem. This will be good for everyone." It parallels another shift Wright has observed, away from the model of multiple teams dedicated to promoting the same handful of products to different specialists, traveling in the exact same physical space.

"Now companies are saying, 'Can't we put these [teams] together? Can't one salesman know the difference between being with a neurologist and with a dermatologist? So instead of having two guys with gigantic territories, wasting all this time driving around, why don't we have one guy and give him two half jobs?'"

Waiting rooms crammed with patients alongside multiple sales reps may be fading into pharma history, but as sales forces shrink, how far will the trend go—might we see a day when reps could disappear, in favor of sophisticated methods for reaching audiences? "I feel very strongly that a digital interface can never replace the value of a face-to-face interaction," said Ashley, who sat on a panel at ExL Pharma's Digital Pharma East conference in Philadelphia in October, debating the current state of physician messaging preferences.

Data across specialties in the BioPharma Alliance study point to reps as being the most utilized, and among the most trusted, sources of information. But there's a rear guard to worry about: 20% of PCPs are no-sees. Of those, 16% are "no see no choice" because their group or practice or institution imposed that status on them,

"The fact that your drug is different… you don't get a chance to express that"
— Chris Wright, ZS Associates

and 4% are "no see by choice." The percentages vary somewhat by specialty, but the trend is similar across groups, says Luby, who expects growth in the pharma-friendly "no choice" segment.

For PCPs and specialists in this last group, there is considerable interest in seeing reps if the decision were reversed, and it's higher for specialists—72% vs. 54%—although the aforementioned problem of physician burn-out is doing nothing to reduce the number of physicians who restrict access.

The observational portion of BioPharma Alliance's study points to other opportunities to improve. Of 600 PCP encounters, less than 50% were considered a meaningful discussion, and only 39% were considered total office calls—that is, when reps engage with office staff to the point where they actually talk products and resources.

"The office staff," says Luby, "is increasingly involved in the decisions about products because the doctors are stretched, they're not spending as much time, and nurses are the front line on things like co-pay card programs, handing out samples… and still 60% of the time, reps aren't detailing them."

As specialty drug launches grow, reps are still being called on to connect clinicians to resources they value, but in less personal ways, with less frequency. Promotional blending, Sunovion-style, is by no means the industry norm, but it's a trend that's starting to catch hold.

There's more evidence firms are abandoning the standard approach for launches. "In the past, rarely if ever would you see a manufacturer go to a [CSO] to launch a brand," says Frank Arena, SVP, sales & client services, for PDI, the commercial outsourcing firm. "In the last year, we were invited and won the opportunity to launch two [brands, one in the pediatric psychiatric space and the other in the metabolic area] as the exclusive sales provider… That's a big change."

By the same token, it seems reasonable to assume more companies are getting used to using "merchanding reps" and non-personal promotion. At the very least, says Gish, "Ten to 15 years ago, companies were detailing up to exclusivity. You're not seeing that any more."

"What people are realizing is that the effect of having that sales force in the eyes of the doctor might not be so great because maybe the value proposition isn't so high," adds Sunovion's Russell. "I think you will continue to see this evolution within our own organization and it is happening at other companies."

For the same reason, Gish says the situation has to change. "You'll see more and more brand leaders will be asked the question when they're ready to go to market, 'What is it that you want to tell the doctor?' And if it is something you've been telling the doctor for a long time…there are other tools that can probably drive the business in a more efficient way." ■