

Sales and Marketing

By Med Ad News staff

Local market strategy design and pull-through via an integrated approach

By Howard Brock

Every market is unique, making national commercial or regional strategies less than optimal. Instead, companies would benefit from a local market strategy that ensures customer-facing teams have the right framework, messages, tools, and training that make sense for their markets.

Through our work across the industry, Campbell Alliance and our colleagues across the InVentiv Health organization have determined that applying a local market strategy requires an integrated approach across the organization that addresses all of the unique functional needs of the different customers and influencers.

Local market strategy defined

Across the United States, many different healthcare dynamics can be found, including the high provider and payer concentration in cities like Pittsburgh, the influential academic medical centers in cities like Boston, the more active role of employers in managing their healthcare costs in cities like Seattle, and the strict restrictions on pharmaceutical promotions found in markets like Minneapolis.

A local market is a geographic area in which market drivers combine to produce a common business environment that affects patient care, prescribing behaviors, and reimbursement. A local market could be a city, a region, or a state, or it could be the sphere of influence of an organized customer.

A wide range of drivers and influencers exist, making each market unique. For example, markets experience varying levels of provider consolidation, while some markets may have more complex organized customers than others, including institutions, integrated delivery networks (IDNs) and health systems, physician groups, payers, and Accountable Care Organizations (ACOs). The expectations and demands of patients and the influence of government—such as Affordable Care Act (ACA) compliance or state promotional regulations—can also vary from market to market.

Finding manageable ways to address local market differences can be challenging. We have addressed this challenge by setting up local market archetypes that simplify the alignment of the different customer needs. One market, for example, may possess a high concentration of academic medical centers that exert a great deal of influence and control over the provider community, whereas another may have multiple academic centers that are influential but do not exert control. Another market may be influenced by the presence of ACOs or (or ACO-like) organizations, which, given their focus on quality metrics and controlling costs, will have an impact on the way physicians and hospitals operate and get reimbursed. As the industry shifts toward personalized medicine, targeted therapies could be relevant

to a patient demographic common to a particular geographic market.

Boston, Minnesota, the Northwest, and Pittsburgh represent examples of markets that have more influential payers. Boston, Cleveland, and New York, meanwhile, can be characterized as markets with more influential academic medical centers. Miami, Atlanta, and Tampa are markets where physicians have had more decision-making power and organized customers are more open to partnerships. Archetypes like these, combined with additional market considerations and account, physician, and patient segmentations, form the basis for execution of strategies and tactics.

Application of local market strategy

Implementing a successful local market strategy requires companies to make changes across the organization. The customer model must establish partnerships with key customers and other influencers within the ecosystem of a local market. Roles, messages, tools, and digital solutions—as well as product access strategies and tactics—must be adapted for each market environment. And patient support and adherence solutions need to be aligned to local patient demographics and needs. Pulling all of this through requires companies to reconsider how they allocate resources and coordinate and train teams.

Establishment of customer partnerships

The ACA and the shift in payment models has increased the burden on providers, organized customers, and payers to manage challenging patient populations. As more and more institutions and health systems shift to pay-for-performance models, they are increasingly worried about patient populations for which they lack a solution to manage them.

Many of these providers, organized customers, and payers are increasing their openness to partnerships with pharmaceutical manufacturers to help develop solutions. Such solutions include a combination of quality programs, data generation partnerships, shared investments in patient support and adherence, and increased awareness and advocacy to improve public perception.

The issue of patient compliance will only grow in importance because adherence is critical to meeting outcomes metrics. Local markets that have an ACO (or an ACO-like) system or institution will likely be more open to creating partnerships to address challenging patient populations, such as diabetes patients. Creative patient adherence partnerships or solutions can be used to help manage these patients.

For instance, recognizing that health outcomes are affected not only by biological factors, but also by social risk factors and environmental settings, a pharmaceutical company could do a public-private partnership to identify at the community level those who are vulnerable to

certain chronic illnesses. As the vulnerable populations are identified—based on local social, cultural, and economic determinants—preventive measures could be put in place or access to treatment provided to those who need it most.

Smaller ACOs and IDNs might be willing to partner with pharma companies to address adherence issues based on the unique market demographics. Areas with lower socio-economic levels, for example, tend to see higher non-adherence rates because people may not be able to afford their medicine. Resources may also be focused on areas with higher elderly populations. Demographics related to racial background are also important, as some conditions are more prevalent in individuals of a particular race.

Adherence strategies must be personalized, coordinated, and optimized. Pharmaceutical companies cannot afford to simply throw money into every available adherence program to see what works. Instead, an integrated adherence solution should be based on data and segmentation to personalize it to the patient. The outreach effort then needs to be coordinated to avoid overwhelming individual patients. With the full range of channels at a manufacturer's disposal today—including digital messages, mail messages, pharmacy messages, etc.—the danger exists of creating a white noise effect. Finally, the effort needs to be optimized by tracking the data to see what works and what doesn't work in a given market or patient segment and efforts redirected accordingly.

Flexibility of customer-facing roles

Typically, companies will resource uniformly across the US, deploying the same amount of resources in Seattle as in Pittsburgh or Oklahoma City relative to some scale, such as market volume or market potential, number of prescriptions, number of doctors, or number of patients. In a local market strategy model, pharma companies need flexibility to be able to adjust their customer facing roles to a constantly changing marketplace.

With differential resourcing, the archetypes serve as a starting point that can then be customized through local market knowledge and planning. In a geography that is payer dominated, where doctors do not drive decision making, it would make sense to deploy fewer personal, customer-facing resources than in a market where prescribers are still the dominant decision makers.

Commercial outsourcing can facilitate differential resourcing by allowing pharma companies to easily on-board different customer-facing resource profiles that align to a particular market archetype. The ability to quickly scale up or down with the right resources provides an organization the flexibility to take advantage of a particular opportunity or mitigate the risk of a negative event. For these reasons, commercial outsourcing is thought of in much broader and often strategic terms.

Customization of marketing messages and tools

When implementing a local market strategy, tools and messages will need to be customized based on the dynamics in the local market. Messages in markets with tighter reimbursement, for example, might be more reimbursement focused, while in areas where physicians can make clinical decisions, the messages will be more focused on clinical information. Patient support messages will be applicable in markets where limited patient support has been established.

Innovative new technologies and digital channels are opening the door to new forms of customization and outreach. Consider a market archetype in which an organized customer has a treatment protocol over a set of affiliated physician offices to which a pharma manufacturer does not have access. In this instance, media opportunities as well as peer-to-peer communications could offer a solution.

From a media standpoint, improved targeting technologies are able to identify likely physicians by their geography so that when a physician is engaged in healthcare information in the New York Times, for example, it is possible to identify the individual as a physician and serve up an ad property or marketing content that might be relevant in that moment.

Alternatively, as physician-centric social media networks grow in popularity, it is possible to identify local market influencers within those online communities. It may be possible to identify individuals by specialty or patient type who are truly influencing their peers in those affiliated organizations online, opening the possibility of creating digital ad boards or feeding content via the emerging thought leaders.

Another market archetype may be characterized by a fragmented patient base, such as Miami, where the large Hispanic patient base receives fragmented services. A potential innovative solution may be to offer an opt-in text messaging services providing health education specific to an individual's needs. This information can fuel improved conversations between doctors and patients, helping patients better understand the elements of their own care and improve their overall outcomes.

While we have observed many companies execute portions of the integrated local market strategy, examples of companies that have optimized their innovation through a fully integrated strategy are rare. By designing a local market strategy and pulling it through via an integrated approach, companies can establish trusted partnerships that change their perception within key customers, patients, and other stakeholders. [medadnews](#)

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A tale of two continents

How Europe is turning transparency reporting from business constraint into commercial advantage

By Tim Slevin and Guillaume Roussel

Dedicated to saving lives and improving human health, both drug makers' and physicians' ability to heal relies on public trust. To that end, the global pharmaceutical industry faces a stringent new regulatory landscape. On both sides of the pond, life sciences companies are now required to report virtually all "transfer of value" transactions or payments made to physicians not only to ensure ethical practice in the promotion of new therapies but to also demonstrate that they are a valid, vital resource to the healthcare industry. Two years into the implementation of the federally mandated Physician Payments Sunshine Act in the United States, many life sciences companies are struggling to find the value hidden among cost and labor-intensive new reporting that puts pressure on legacy data storage and management systems.

In Europe, however, the overarching new transparency guidelines are mostly voluntary. This means that while life sciences companies are still working to overcome the technical and cultural challenges with full disclosure, the industry recognizes transparency reporting is now a part of doing business today. Forward-thinking firms are finding ways to turn spend reporting into competitive advantage. Veeva Systems recently held a summit in Barcelona, Spain where Europe's leading industry data experts shared their vision for the continent's response to the incoming transparency codes. Even though the U.S. Sunshine Act came into effect a full 18 months before European regulation, some European drug makers are a step ahead in their efforts to create a culture of compliance amongst the sales force, and finding ways to use the insights gained from spend reporting to transform sales strategy and drive profits.

The European Federation of Pharmaceutical Industries and Associations (EFPIA) Disclosure Code came into effect this year, requiring pharmaceutical companies in 33 European member states to keep records of every speaker fee, travel expense, and sponsorship paid to a healthcare organization or provider (HCO or HCP). By 2016, companies must publish these records, either on their own web sites or on a centralized database. The Physician Payments Sunshine Act was first introduced in 2007 and signed into law on March 23, 2010 as part of the Patient Protection and Affordable Care Act. Pharmaceutical and Medical Device manufacturers with U.S. operations were mandated to begin data capture in 2013 and report to the Centers for Medicare and Medicaid Services (CMS) just last year. Having now experienced two years of annual reporting, many U.S. life sciences companies are calling for simplification or elimination of federal and state statutes, which they say are an unnecessary burden and call into question their customers' data security.

While both EFPIA guidelines and Sunshine Act regulations are likely to remain a moving target, U.S. drug makers can learn from the proactive approach being adopted by some of leading life sciences companies operating in Europe – many of which are global organizations.

Harmonizing transparency reporting

While differences between EFPIA guidelines and the Sunshine Act are significant and span areas like language, culture, local data privacy regula-

tion, and even alphabet ... both put new demands on the IT infrastructure supporting data collection and reporting. In Europe, those companies still operating disparate and legacy systems across their local businesses are struggling to streamline payment-tracking processes and deliver accurate reporting. For instance, reporting and storing of data on cross-border speaking fees require interoperability between local databases to meet the regulatory expectation that a drug maker should record and report total payments made to an HCP. To solve these challenges, some companies are adopting cloud-based data management solutions across the continent. Life sciences organizations are migrating to the cloud to store, integrate, and manage their disparate payment data in a single centralized system that's easily accessible by all. New cloud master data management solutions are enabling cross-border companies to capture large, complex volumes of HCP and HCO expenditure data across multiple-source systems and countries.

But integrating payment data for record keeping is just the first step. Both European and U.S. life sciences companies must also manage the additional challenge of state or country-specific transparency reporting guidelines, which require different levels of data capture and have different reporting formats and timelines. To manage the EFPIA's 33 sets of transparency rules, European drug makers are focusing their spend on data quality initiatives and sophisticated reporting software tools that guarantee full spend compliance by working with multiple national data platforms to produce country-specific compliance reports. The need for a central reporting engine that allows regulatory affairs managers to produce and send tailored spend reports to multiple recipients based on local disclosure requirements is of critical importance. Integrating cloud-based master customer data and a central compliance solution is key to enabling European drug makers to seamlessly exchange information between the field, corporate headquarters, and national and EU-wide regulatory bodies. As U.S. manufacturers reconcile the federal Sunshine Act with various state transparency statutes, cloud-based data storage and reporting systems will ensure accurate and consistent reporting in every U.S. state and territory.

Redefining the sales rep-to-physician relationship

As the industry works to rebuild public confidence while bringing life-saving drugs to market with fewer opportunities to meet face-to-face with physicians, European drug makers are using transparency reporting to improve customer relationships. In countries like Spain, physicians are just as much in the spotlight as drug makers, meaning many European HCPs are also sensitive to how their relationships with drug makers are being documented for public consumption. Rals Amils, a Barcelona-based life sciences lawyer, says, "Because the Farmindustria code implementing the EFPIA code is voluntary in nature, data privacy regulations are especially important, and prevail over the voluntary code. The implication is that life sciences companies will have to request express consent from doctors for data disclosure, and it is likely that, at first, doctors will be reluctant to consent the disclosure of personal data."

Meanwhile in the United States, physicians do not have the same right of refusal, so trust between the sales representative and HCP is critical to ensuring spend reporting is accurate and representative. A physician in the United States does have the opportunity to review and challenge spend disclosures before they are made public. In Europe, forward-thinking sales strategists are using payment reporting to encourage more relevant and frequent communication between the physician and the brand.

For instance, continued medical education (CME) programs forge critical partnerships between doctors and drug makers around the world, and in the U.S. drug and device companies sponsor nearly a third of this medical training. Such education programs keep the medical community abreast of emerging research, and ultimately save lives. Under EFPIA guidelines, industry-funded courses and seminars must be reported, leaving physicians nervous that meeting their CME requirements could affect perceptions. European life sciences companies are addressing this concern by creating an opportunity to gain physician trust and loyalty by clearly outlining how specific CME programs offered to the physician will be reported. By training their sales force in each country to have open and ongoing conversations with customers about how and when their data will be shared with the public, drug makers on the continent are using transparency reporting as a launch pad from which to rebuild declining face-to-face relationships with physicians. Despite the efforts from the industry to educate physicians on transparency – broader communication programs need to be developed to inform the public of the importance of a tight collaboration between HCPs and industry to move research forward – then all spend related to CME will become understandable and accepted.

A new era in customer data analytics

Long before transparency reporting, Europe and the United States have seen a persistent decline in the number of physicians accepting in-person sales representative visits. As a result, life sciences companies have developed alternative channels of communication. For example, eDetailing offers a self-directed way for physicians to educate themselves on their own time. Email has also been used to inform no-see or low-see physicians or as a follow-up to a visit, but it has always come with the risk of non-compliance.

Now that every physician interaction with a drug maker can be easily and meticulously recorded and accessed, European and U.S. marketers are digging into these new data sources to better understand customer preferences, and drive more effective digital communication. Some are investing in interoperable master data management and cloud-based customer

relationship management (CRM) solutions that contribute to customer profiles which empower the field force with the right information when interacting with customers. Integrating customer payment data with a compliant multichannel CRM application and content allows sales reps to maintain up-to-date and accurate customer contact information, channel preferences, and other data. With better customer insight, marketers too can orchestrate HCP communications to take physician preferences into account throughout the customer journey.

At a regional level across Europe, sales strategists are also using central storage of payment data to take a macro view of what types of customer interactions are creating value, and which payments made to HCPs are less effective at building long-term customer relationships. For the first time ever, marketers have a full view of a physician's education habits and relationships with drug makers, including whether they are receiving payments from other brands. This information avalanche will usher in new approaches to brand marketing that take into account what journals physicians read, their patients' needs, and their relationships with the pharmaceutical industry.

Adopting a value-driven approach to transparency reporting

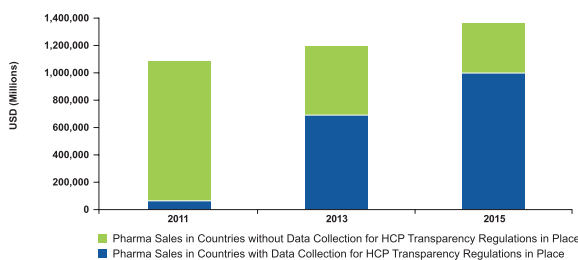
At Veeva's Barcelona summit, IT experts and drug makers agreed that France's legally binding transparency regulation has helped the industry rebuild its reputation and modernize its sales model. The same can be true for more U.S. companies as they enter the third year of Sunshine Act reporting.

Alexandre Regnault, partner and French life sciences lawyer at Simmons & Simmons LLP, observed how Europe's approach to transparency regulation can help the U.S. life sciences industry generate value from the new regulatory burden: "Here in France everybody accepts that there is no going back. Life sciences companies have to live with the new rules, and must learn to make the most of them. That includes seeing it as an opportunity to understand their business and relationships better, and using it as a means of competitive advantage."

While there remain mixed opinions toward transparency reporting amongst U.S. drug makers, there is evidence both locally and in Europe that these new regulations have the potential to generate major innovations to the sales model. Companies can choose to either see transparency as a threat, or to embrace it and use payment reporting as a trigger to improve compliance and transform customer engagement. [medadnews](#)

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By 2015, over 70% of pharmaceutical sales will occur in countries with HCP Transparency regulations



Source: 2012 The Economist Intelligence Unit
2011: US States only: CA, MA, MN, WV, VT
2013: Japan, UK, France, Australia, Croatia, Slovakia, US (anticipated), France (anticipated)
2015: 2013 countries plus EFPIA (anticipated)