



Physician Relationship Management: Strategy & Implementation

How to get your organization from a product-centric sales and marketing approach to a customer-centric operation that costs less to operate and increases overall scripts

Given the impact of managed care on physician patient loads and mounting pressure from senior management to deliver more scripts per physician to keep share prices afloat, it's no wonder the pharmaceutical companies signed off on one of the largest sales force troop surges in industry history. But rather than winning the hearts and minds of physicians, this sales rep invasion was often met with frustration and resistance. Research shows that physicians felt badgered with product information without getting enough substance for their time. Further, the frequent interactions kept doctors from income-generating consultations. That is not good.



Every encounter with your company must leave physicians feeling that their time was well spent. For most pharmaceuticals, that means lowering sales call volume and increasing the value of customer interactions. And given different physician practices, specialties, psychographics and demographics, different types of doctors will have varying sales and marketing satisfaction requirements. In addition, pharmaceutical companies must place resource allocation caps on physician marketing so that they budget their promotional activity in line with assigned physician value and remain in compliance with regulatory limits.

With PRM, you can increase scripts while lowering operating costs. ROI jumps off the charts.

Physician marketers need to change the focus of the organization – move beyond the product-centric sales approach driven by physician prescribing behavior and sales force allocation to a more sophisticated, effective and less costly customer-centric sales and marketing approach – Physician Relationship Management (PRM)

So the important question for pharmaceuticals becomes what can they do to win over physicians so that doctors see a pharma company as a credible source of information, a partner in achieving their professional and even personal ambitions, and, most importantly, a company they trust and support with their scripts.

The limited success of the traditional push strategy in pharmaceutical sales and the ill-effects of a weak economy have caused many pharmaceuticals to take a second look at how they are driving sales through physicians. These new approaches generally involve changing the focus of the organization to move beyond the product-centric sales approach driven solely by physician prescribing behavior and sales force allocation to a more sophisticated, effective and less costly customer-centric sales and marketing approach – Physician Relationship Management (PRM).



Physician Relationship Management Framework

The new approach to PRM enables pharma companies to design sales and marketing programs for physicians based on what's important to the doctors – their time, the success of their practices, patient satisfaction, their influence in the medical industry, their professional interests and goals, their accomplishments, and of course product efficacy and safety. While this sounds like a very ambitious goal, many of the components needed typically already exist within your organization — the trick is integrating what's in place, inserting what is not, and demonstrating measurable value throughout.

The first step is to clearly define your objectives:

- Increase total number of scripts written
- Improve targeted marketing - better segmentation, better response rates
- Establish a process that reduces marketing error such that:
 - Physician channel communication preference is strictly followed
 - Physician marketing meets doc's specialty, practice and treatment interests across preferred channels
 - Physician is only contacted about issues that are relevant to him or her
- Improve pharmaceutical company and drug treatment brand image
- Align physician practice goals with pharmaceutical company goals such that doctors have a real stake in pharmaceutical company's marketing efforts as they genuinely support doctors' practices and interests
- Align physician and pharmaceutical company efforts to improve care and access to treatment in doctors' communities
- Improve influence and relationships with KOLs

Once fully implemented, a good PRM strategy and supporting tactics, like those developed by DB Marketing Technologies, should deliver the following results related to the above objectives:

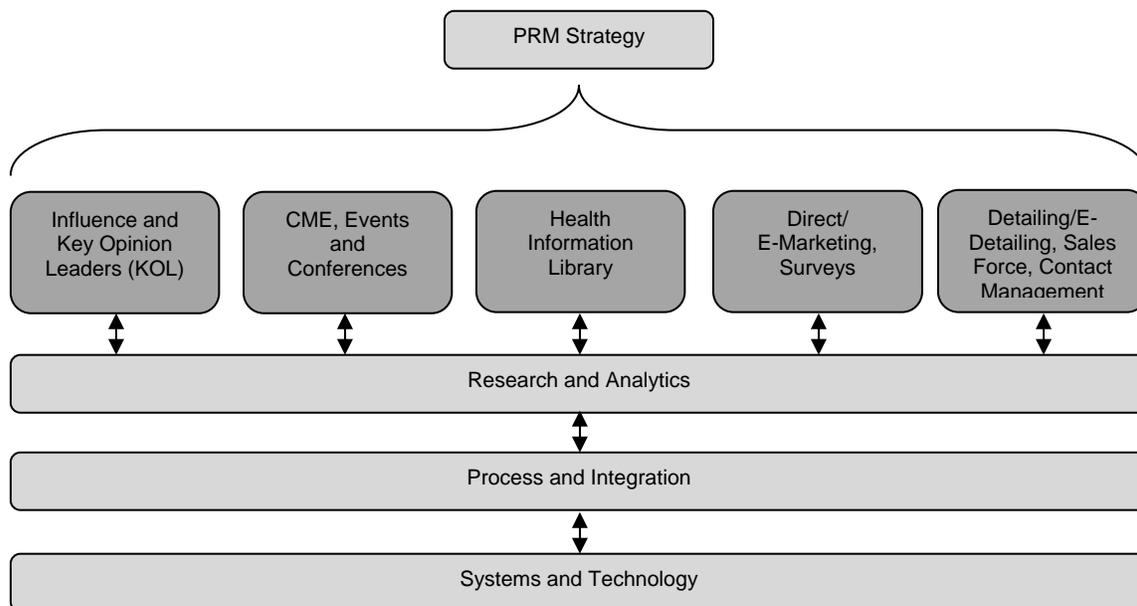
- Increased number of scripts written through optimized physician-driven communication and improved multi-channel marketing mix
- More accurate targeted marketing, increased response rates and lowered marketing communication costs, resulting from refined multi-channel marketing mix algorithm
- Established process that reduces marketing error such that
 - Physician channel communication preferences are strictly and consistently followed
 - Physician marketing meets doctor's specialty, practice and treatment interests across preferred channels
 - Physician is only contacted about issues that are relevant to him or her
- Reduced marketing spend to script ratio
- Improved pharmaceutical company and drug treatment brand image through targeted communication that speaks to what is important to the doctor, and supports doctors in achieving their professional and personal goals
- Alignment of physician professional goals with pharmaceutical company's goals:



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- Limits placed on time sales staff disrupts revenue-generating patient consultations, resulting in fewer sales calls but with positive impact on conversions
- Support/sponsor health organizations that valued groups of doctors support, communicating this activity to all interested physicians
- Sponsor research grants in areas of interest to valued groups of doctors, communicating this activity to all interested physicians
- Helping doctors run their practices more efficiently by sponsoring office management training seminars
- Alignment between physicians and pharmaceutical company to improve care and access in their communities by:
 - Sponsoring wellness events that introduce local doctors to large community patient pools
 - Supporting physician programs to help patients be compliant and adherent to their treatment
- Improved KOL relationships
 - Provision of a high-profile platform for KOLs to give pharmaceutical company feedback AND then have senior executive respond to KOLs when they do
 - Provision of speaking opportunities to KOLs before large employed groups, raising the profile of the pharmaceutical company /KOL and supporting KOL business development efforts.

Fully maximizing the value of a pharmaceutical company's relationships with physicians is only possible with a robust PRM strategy that integrates all aspects of a physician's direct and indirect relationships with the company. A PRM Strategy governs the design and deployment of five functional areas within pharmaceutical customer management:





Without PRM, the sales force component (through sales force automation) is over-relied upon as the primary driver of sales. Other functional areas, such as direct marketing and KOL are performed and managed separately leaving the view of the physician incomplete, siloed, and static. With PRM, knowledge is integrated across the enterprise. Physician data and analytics are optimized. Successful PRM requires a data and analytic architecture that continually maintains a complete view of the physician. That means the traditional physician master file datamart must be expanded to incorporate SFA, claims, KOL, event and CME data. Algorithms used to measure physician value are broadened as is the overall physician data management approach.

Sales and marketing must design programs that align physician professional and personal goals and preferences with pharmaceutical promotional objectives

Companies that practice PRM leverage all of their customer-facing channels in an integrated way, and actively develop relationship management strategies that fully govern the physician relationship. Such exponentially greater knowledge of and communication with the physician leads to much more effective and efficient marketing and sales programs.

Making PRM Work

DBMT knows what is needed to ensure success in PRM:

- **Improve Physician Data Management**
To achieve successful PRM through cost-effective programs that increase scripts written for your brand or brands, pharmaceuticals must aggregate their physician data – SFA, practice, psychographic, demographic, key opinion leader, and claims – to accurately segment and assign value to physicians so that sales and marketing can design promotional programs that best meet the needs of these doctors and generate an increase in scripts. To do this, PRM-related systems must be integrated to generate a complete view of the physician. That means physician master file, SFA, claims, KOL, event planning, etc, systems must be brought together in a datamart, where information can be aggregated and processed, where customer profiles can be developed and physicians can be segmented by value and promotional preferences. Even more, sales and marketing can then identify customer information they need to collect to more effectively profile physicians and promote their brands.
- **Align Physician Goals with Pharmaceutical Promotional and Sales Objectives**
Next, sales and all of marketing must design programs that align physician professional and personal goals and preferences with pharmaceutical promotional objectives. For example, a pharma sales force can provide more clinical information and consultative support to specialists prone to writing scripts for more complex drugs, showing that the pharma company understands their practice, the diseases they treat, and it is a resource for them. Pharma companies can also provide more general support and samples to primary care physicians, who value samples and distribute them properly and effectively. Further, pharma companies can demonstrate specific interest and support for key physician segments by sponsoring, say, a lecture series that puts certain valued



physicians – looking to increase practice size – in front of large employed populations.

Pharma companies can also support particular non-profit organizations that valued physicians support and communicate this activity back to them. Your company may already support these organizations, but no one has linked this activity back to the physicians so you are not realizing the relationship benefit from your sponsorships. Pharmaceuticals can even underwrite educational events like office management seminars that doctors and their office staff can attend to help physicians better run their practices. Even more, pharma companies can give particular physicians, like KOLs, a voice in the organization. Give them a hotline to senior management so that they can report their thoughts and opinions to someone who can directly respond. Then, communicate any changes that are made as a result of their input. This low-cost tactic gives a KOL a vested interest in the company and its activities. The ROI here can be off the charts.

In fact, the DB Marketing Technologies analytics team will develop algorithms that calculate optimal marketing and communications channel mix for each physician segment, enabling pharmaceuticals to optimize their spend and improve program effectiveness. Even more we will directly measure how physician attitudinal changes relate to number of scripts written, showing the direct impact of a company's PRM program on sales over time.

- **Measure Everything**

Speaking of ROI, with the adoption of a new strategy and new customer segmentation must come testing. Every program must be tested and designed for performance measurement from the start. Sample populations, key performance metrics all need to be in place before going live to ensure optimal return when you roll out.

The pharma companies that have the most complete customer profiles, most accurate segmentation models, and best tested programs will prove to be a trusted advisor and resource to physicians, win greater access to physicians, yield greater opportunity for sales, and will show greater return on their sales and marketing dollar. Considering that we've seen how high-volume, low-value interactions have a negligible effect on sales and negative effect on the physician relationship, it is time to adopt a PRM strategy that works, one that actually creates a positive and profitable relationship for all involved.

Project Framework: PRM FastTrack™

DBMT maximizes the use of the company's existing capabilities, data and resources to build a robust framework while minimizing cost and time. The PRM initiative is made up of three phases:

1. Assessment and Planning
2. Execution of Pilot PRM Programs
3. Full Implementation

Phase 1: Assessment and Planning

The purpose of this phase is to assess the current state of PRM at the pharmaceutical company, identify the enhancements needed to fully prepare for PRM implementation, and to plan the PRM pilots that will be implemented in Phase 2.



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- Review and assessment, including review of documents and interviews with key stakeholders in market research and analytics groups, professional marketing and IT
 - Determine the current state for each component of PRM
 - Organizational structure
 - Physician marketing plans
 - Marketing process integration
 - Channel management and data collection strategy
 - Data management
 - Reporting and analytics
 - Identify structure, process, tools and technology used to manage physician data centrally
 - Map system, tool and data integration across PRM components
- Develop Gap Analysis and Phased Recommendations
- Develop plan for pilot PRM programs and data integration
- Present findings and plan for Phase 2

A critical element of Phase 1 is a review of the customer masterfile and the processes that are used to keep it up to date.

The deliverable from this phase is a detailed assessment and recommendations for enhancements.

Phase 2: PRM Pilots and PRM Data Integration

Based on the findings from Phase 1, DBMT will design and manage PRM Pilots calculated to demonstrate the value of enterprise PRM activities and build consensus with a unified view of PRM within the company. The purpose of these pilots is not only to determine the best approach to managing physicians, but also to determine the best approach to transition company resources from product-focus to an integrated customer-focus.

DBMT will develop predictive models that calculate optimal marketing and communications channel mix for each physician segment, enabling pharmaceuticals to optimize their spend and improve program effectiveness.

To support these pilots and models, DBMT will work with IT to improve physician information management and integration across each of the functional areas.

Finally, DBMT will assess the success of the pilots and develop a recommendation and planning for the full implementation.

Phase 3: Implementation

Based on the findings from Phase 2, DBMT will refine and execute its plan to build full-scale PRM across the enterprise.

***Call DB Marketing Technologies today to schedule your PRM consultation
(212) 717-6000 x202***