

Mark Hollyoake puts some fmcg thinking into pharmaceutical sales and says simply applying shoe leather in the surgery will no longer deliver the required returns.

## Speak the fmcg language

As the National Health Service continues to evolve, so does its procurement processes, with a move away from the individual towards the group. We see this in the transition of buying from the individual general practitioner to the primary care trust or organisation. We also see it within hospitals and in the grouping of hospitals to manage procurement. At the same time, more people are getting involved in prescribing drugs, including consultants, therapists, nurses and pharmacists.

In the NHS, this is largely driven by a new set of priorities. Uppermost is the need to generate cost savings, be it to hit a budget objective or to achieve profit stability under the new government contracts. Then there are specific tactical goals for chronic diseases, such as diabetes, as well as overarching strategic imperatives to do with the long-term aims of the NHS and central government.

The bottom line is that the business has moved on from a one-to-one relationship between healthcare professionals and pharmaceutical representatives, in which the primary objective is 'selling my cure as the best'. In the new structure, the focus is on commercial account management, alongside healthcare solutions and strong business cases for choosing one drug over another.

### Presenting the commercial benefits

In this respect, the art of pharmaceutical sales is coming closer to the model that operates in the fast-moving consumer goods sector. There the salesperson normally does business with a professional buyer and focuses on the commercial benefits of the brand to the retailer. The buyer's job is to grow the profitability of a given product category by negotiating favourable prices and supporting activities to drive up sales volume.

While the buyer may be the interface with the supplier,

most decisions in the fmcg world are actually made by the 'buying committee', based on a recommendation from the buying team. It's a complex process and requires the sales team to carefully plan commercial relationships so as to influence multiple decision-makers and influencers.

This approach becomes more relevant to pharmaceutical sales as time goes by. The current trend in the UK hospital and pharmacy sectors is towards more commercial decision-making. Hospitals are forming buying teams and alliances with other hospitals in order to leverage their scale and buying power. There's the drive to save money through the purchase of generic drugs, and many PCTs now employ 'business advisors' to provide doctors and pharmacies with commercial advice.

### A brave new world

To succeed in this new world, pharmaceutical sales teams need to fundamentally change their working practices. Simply applying shoe leather in the surgery will no longer deliver the required returns. Teams instead need to adopt best practice from the world of fmcg.

The thing that underpins any good commercial strategy is the identification of decision-makers, understanding their needs and contact planning. It's all about engaging them with appropriate solutions for current business issues, then building and embedding relationships: in essence moving from being product-focused to customer-focused.

One of the most basic steps in fmcg annual customer-planning is the identification of key decisions the suppliers need their customers to make. These decisions are typically clustered around listings of products and services and the support that they will be given in terms of space



allocation, brand priority, pricing and promotions.

Having identified the decisions, the next step is to identify and profile all of the people in the decision-making process who must be contacted in order to exert top-to-bottom influence and clarify the role that they need to play to achieve objectives. The final outcome is a detailed contact plan. Such an approach has obvious relevance to the world of pharmaceutical sales, in which one point of contact is unlikely to ensure you meet your objectives.

#### From the top to the bottom

Having created the contact plan and clarified the customer's agenda, the next step is to ensure that the selling messages are in the right language and address relevant, current issues. Traditional fmcg practice means that account managers must first and foremost understand the customer's needs, particularly from a commercial perspective. Pharmaceutical sales people should seek to do the same.

In fact, this is just the start of a process that should take the sales team to higher levels of commercial understanding,

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which is based around three key factors: the business issues; the 'why buy?'; and the customer's beliefs.

It has been shown that, if sales proposals are positioned around helping to solve current business issues, they are more likely to succeed. Equally, if a salesperson fully understands why the customer chooses to buy from his/her company – rather than the competitor's – then he/she effectively understands those elements of the sales proposition that add value for the customer. The salesperson can then major on their strengths.

Lastly, it is the customer's beliefs that drive most objections to commercial proposals. If a hospital buying team does not 'believe' that a supplier offers a complete after-sales service,

for example, then it will always struggle with partnership agreements. As a salesperson, it is better to first focus on changing the beliefs before pitching for long-term arrangements.

#### Building relationships

The key for the pharmaceutical sales person today is to actively manage the level of relationship to yield the desired outcomes. With some customers, the necessary results can be obtained with a fairly distant relationship, whilst others will require you to develop a fully-bonded relationship if good results are to be achieved.

In fmcg, there has been a focus in this area for some time; studying the customer and seeking to assess the level of requirement for relationship development. You can show the various levels on a sliding scale that ranges from 'stranger' through to 'loyal', with a host of other categories in between.

Having identified the level of required relationship, the next step is to focus on the desired outputs of the relationship, ie. what does it need to deliver:

- Customer focus;
- Mutual value creation;
- Greater access;
- Better agreements;
- More open and effective communication;
- Greater trust;
- Higher perceived integrity;
- More commitment/support; and
- Higher status.

Once you are actively managing it in this way, you are truly controlling the customer relationship and, thereby, can guarantee that desired outcomes will be achieved.

The world of pharmaceutical selling has much that it can learn from that of fmcg. As we move into a world where decisions are progressively more commercial, and where decision-making is being consolidated, it will become more critical that the commercial skills found in the world of fmcg become part of the working ways of the pharmaceutical sector. Budget control and budget management are forcing more and more healthcare professionals to consider the commercial implications of their decisions. If you speak their language and understand their needs, they will turn to you for help. **PT**

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