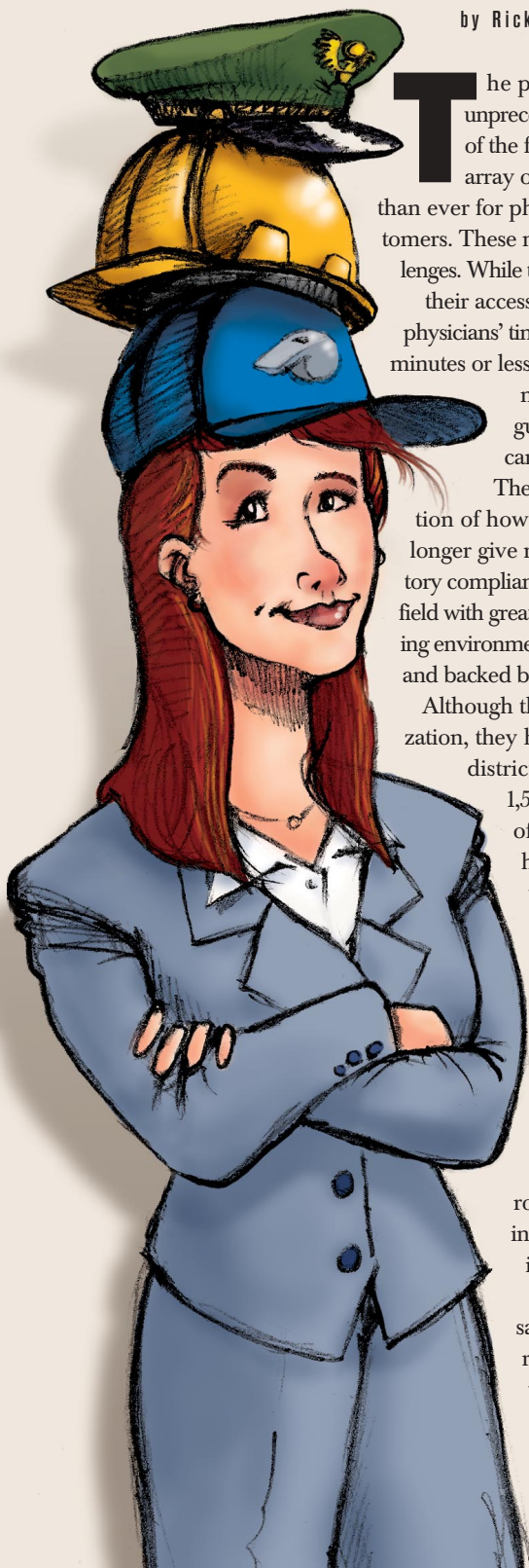


Coach, coordinator and strategist

The expanding role of the district manager

by Rickey Mehta, Managing Director, RM Consulting International



The pharmaceutical industry is changing with unprecedented speed and significance. With the size of the field force at an all-time high and a growing array of marketing channels, there are more ways than ever for pharmaceutical manufacturers to reach customers. These mostly positive trends are not without challenges. While the number of reps has continued to increase, their access to physicians has decreased. Demands on physicians' time have reduced the average sales call to two minutes or less, and concern over the propriety of certain marketing strategies has resulted in ethical guidelines that further restrict the ways firms can sell their products.

These developments are prompting a reevaluation of how the sales force is managed. Firms can no longer give reps product information and basic regulatory compliance training, and then send them out into the field with great expectations. To be successful in this changing environment, sales efforts must be focused, coordinated and backed by timely use of information.

Although these changes affect the entire sales organization, they have the greatest impact on the role of the district manager. With responsibility for 500 to 1,500 physician customers and a complex array of marketing efforts to coordinate, the DM has become much more than a manager in the traditional sense. Today, the successful DM possesses a variety of new skills and plays a variety of roles, all of which are crucial to achieving top sales results.

The district manager as a coach

Faced with the charge of improving sales productivity, many firms' first impulse is to focus on the sales rep. But in the new world of multiple marketing channels, mirrored territories and sophisticated customer information, the DM is actually the most critical position.

As the primary performance coach in the sales organization, the DM has always been responsible for providing coaching and follow-up training. Many reps leave formal training programs with a great deal of information, but without the judgment and experience needed

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to put it to good use. The increasingly complex selling skills needed to drive top sales performance must be taught and honed in the field under the direct supervision of the DM.

"Providing coaching and training in the field should really be the DM's primary role," says Ira Kalter, vice president of U.S. sales for Mequon, WI-based Schwarz Pharma AG. "Many DMs tend to focus on administration and policy rather than what's really important – helping reps make sales. If you look at where effective managers spend most of their time, it's usually out in the field with their reps, providing the training and mentoring they need to sell more effectively."

To succeed, reps must build customer relationships by effectively managing accounts, identifying and meeting customer needs, and overcoming access restrictions. Because most reps receive little training in these skills, it is the DM who must teach them on an individual basis. After all, reps enter the field with a variety of talents and abilities. Great DMs are able to identify individual strengths and weaknesses and then work with the rep in the field to fill the gaps as quickly as possible.

Another activity that distinguishes great DMs is teaching reps how to use information effectively. While the pharmaceutical industry spends billions of dollars obtaining, analyzing and managing customer data, the return on that investment depends largely on how well the sales force can use it. And while many reps have sophisticated computer and information management tools, they still frequently find themselves in the parking lot before a sales call, combing through reams of customer data or paging

through laptop displays looking for the information they need. The great DM helps each rep become effective in using this data to improve the customer relationship.

For example, upon entering a physician's office, a rep will typically need to know the physician's plan affiliations, recent prescribing behavior, and target status for various products and marketing programs, as well as the details of prior sales calls. Reps who can easily and quickly find the information they need at the point of sale will be far more effective than those who can't.

"With so much information available today, it has to be managed effectively in order to be of value," says Kalter. "If it's not, there's a real risk of data overload – DMs and reps getting buried in data that is plentiful but not very useful. Being able to manage information is a skill that is much more important than it was ten years ago."

The DM as a coordinator and strategist

The role of coordinator and strategist is perhaps the most significant difference between the DM of today and DMs of years past. While the DM's primary responsibility once consisted of fostering a generic "do whatever it takes" sales mentality among reps, today's DMs must adopt a much broader perspective. In addition to motivating reps to sell, DMs must focus on aligning sales execution with corporate and marketing strategies. This broader perspective enables them to manage a multitude of new challenges effectively.

Increasingly complex marketing programs and channels. The wide availability of customer data in the pharmaceutical industry has always provided sales reps with an advantage in selling their products. However, the recent development of new data sources – ranging from patient-level data to sophisticated doctor panels – has led to marketing programs that are more finely segmented and targeted than ever before. Today, a rep carrying two or three products might be responsible for executing as many as 10 to 15 different marketing programs, with each one aimed at a different set of customers. Great DMs teach proper program delivery and monitor execution to ensure that marketing programs are targeted and delivered to the intended customers. Often, this means making executive decisions about

which programs a rep can (and can't) effectively execute, given his or her abilities.

During the last few years, firms have also increased investment in alternative sales and marketing channels, ranging from direct-to-consumer advertising to e-detailing, to patient- and physician-focused Web sites. While these alternative investments may at first seem to diminish the importance of the sales rep, they actually add complexity to the rep's job. Patient-focused Web sites most effectively drive sales when physicians are familiar with the content and have been educated by reps on how to respond to patient questions. E-details may relieve the rep of a face-to-face sales call, but the rep must still coordinate the access and timing needed to make it happen. These important sales activities won't show up in the compensation plan and generally don't rise to the top of a rep's priority list on their own. It is the DM's responsibility to ensure that they are properly executed.

One territory, multiple reps. The increasingly common use of mirrored territories creates coordination challenges for the DM. With more than one rep calling on the same set of customers with the same products, DMs have to ensure that reps' activities are properly coordinated so physicians receive a logical series of messages, programs and support. In addition, some companies with large retail portfolios now have as many as fifteen reps calling on the same high-value physicians with different product offerings. As a result, some physicians may see as many as four reps from the same company on the same day. Remarkably, it is not unheard of for two reps from the same company to compete for access to the same doctor at the same time.

While customer management systems should effectively coordinate reps' efforts, many firms lack formal systems for organizing and leveraging access to physicians. By default, this role falls to the DM. In fact, the best DMs act not only as air traffic controllers, but are also able to identify and leverage relationships among reps and other teams. For example, a rep who has a good relationship with a hard-to-see, high-value physician is likely to take a protective attitude toward that doctor. Great DMs will identify these key relationships and then work with the rep to create events at which other reps can inter-

act with the physician and begin to develop their own relationships.

Best practices. One aspect of the DM's job that hasn't changed (but has become much more important) is identifying and sharing best practices. Figuratively speaking, individual reps see the world from the runway. Senior managers see the world from 30,000 feet. District managers view the world from somewhere in between – a position uniquely suited to observing, gathering and disseminating best practices. While it is common for individual reps to excel in specific areas, it is rare for a rep to excel in all areas, and it is especially rare for an entire sales force to do so. By working extensively in the field with his or her own sales team, a great DM will identify pockets of excellence throughout the district and teach these best practices to reps who can benefit from them. The best DMs meet with their peers to share best practices across districts. While many firms lack a formal mechanism for identifying and sharing best practices, great DMs create informal opportunities to perform this vital yet simple function. Of the many strategies for improving performance, this is probably the easiest and often yields dramatic improvements in sales results.

The DM's new and changing role

As the selling environment continues to evolve, so too must the role of the DM. Although there will always be exceptional sales reps, top sales performance today depends less on the success of the "lone wolf" and more on the coaching and coordination of multiple reps, teams and sales channels. The DM has emerged as the primary driver of success in the sales organization. Firms should regularly audit their DMs to identify strengths that can be more effectively leveraged and opportunities to improve critical skills. Appropriately defining the DM's role and then training DMs in key coaching and coordination skills will create a competitive advantage that can't easily be matched.

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