

indegene

Omni**presence**™



THE OMNIPRESENT HEALTHCARE SALES REP

DELIVER AN
ALWAYS **IN-TOUCH**,
ALWAYS **FILLED-IN**, AND
ALWAYS **ON-POINT RELATIONSHIP**



CONTENTS

Harder to Reach Physicians.....	03
Complex Selling Environment.....	05
Obsolete Sales Processes.....	07
The Omnipresent Healthcare Sales Rep.....	10
Omnipresent Healthcare	11

A NOTE TO THE READER

Whether you are a C level manager trying to drive a change in the selling protocol or a physician looking for some way to show your local HSRs what you would really like from their engagements, this is a report you will want to see.

Change management, especially in an established and age-old industry like healthcare, is going to be a difficult process. If you are looking to change minds and encourage new thinking, share this document and start the omnipresent sales revolution.



THE OMNIPRESENT HEALTHCARE SALES REP

The healthcare sales rep (HSR) appears to be in a state of decline. Physicians are less trusting and less available for visits; medical organizations are limiting vendors, creating formularies, and transferring the responsibility for cost controls to the hands of physicians. In addition, information and self-serve sources online are growing, and providers are selecting these channels over HSRs and industry websites.

Salesforce downsizing has been steady since 2008 in an effort to trim excessive sales and marketing (S&M) budgets and better accommodate growing areas such as biopharmaceuticals.

However, we join Accenture in believing that the role of the HSR is entering a renaissance, with a significant need just around the corner for an HSR who can collaborate with multiple actors, participate in any patient's CareFlow, engage in real time through any channel, and be seen as a trusted ally for economically focused care.

The HSR needs to be omnipresent and leverage technology to deliver an always in-touch, always filled-in, and always on-point relationship.

HARDER TO REACH PHYSICIANS



The challenge of reaching physicians is growing far beyond the familiar 2-minute detail. Physicians are placed under greater constraints to deliver outcomes at a lower cost while managing new cost protocols and aging patients. The communications delivered by industry sales reps are seen as less and less valuable, and a growing distrust of industry communications is driving a boom in “no see” or “inaccessible” physicians.

There is a misalignment between what industry S&M teams are communicating and what physicians actually want to hear about. Sales reps need a capacity to monitor and adjust the impact of their communications over time while influencing the types of content being created by home office marketing teams. More importantly, sellers need to adjust their approach to physician interactions, as the trend of declining accessibility seems poised to continue, and the perceived value of sales reps fades.



When half of your customers don't want to interact with you the way you want to interact with them, it's a problem.

- Khedkar Pratap,
Managing Principal for Pharmaceuticals & Biotech
at ZS Associates

50%

PHYSICIANS ARE MAKING
LESS TIME FOR VISITS

87%

PHYSICIANS ARE SPENDING
LESS TIME PER VISIT

75%

PHYSICIANS ARE LESS
TRUSTING OF SELLERS

25%

DECLINING SALES REP
IMPORTANCE

10min

LESS TIME PER
PATIENT IN GENERAL



PHYSICIANS ARE MAKING LESS TIME FOR VISITS

In 2008, nearly 80% of HCPs were considered “accessible” by HSRs compared with a 2015 study by ZS Associates, which revealed that fewer than 50% of physicians now make time for visits from HSRs.¹



THEY'RE SPENDING LESS TIME PER VISIT

In 2005, a study from Accel Report found that only 7% of sales reps spend more than 2 minutes with a physician.² Almost a decade later, Capgemini Consulting found that 87% of physician-rep conversations last less than 2 minutes.³



PHYSICIANS ARE LESS TRUSTING OF SELLERS

In 2015, Deloitte found that 75% of the physicians do not trust the information being provided to them by the Healthcare Industry.⁴ A majority (84%) of the physicians have stated that the industry is heavily focused on branded promotional materials, with 55% of respondents stating that they “rarely” or “never” access this information, and a majority stating they

DO NOT want more of this content.⁵



DECLINING SALES REP IMPORTANCE

A recent report (2015) found that compared to 3 years ago, 25% fewer physicians and surgeons identify sales reps as a top information source. Only 41% stated they were in their top 3 sources of information, while overall the sales rep is no longer in the top 5, having been beaten out by concerns such as Safety, Real-World Evidence, Patient Outcomes, Price, and Patient-Support Programs in pharma, and by Reliability, Clinical Evidence, Price, and Education and Training in medical devices.⁶



PHYSICIANS HAVE LESS TIME IN GENERAL

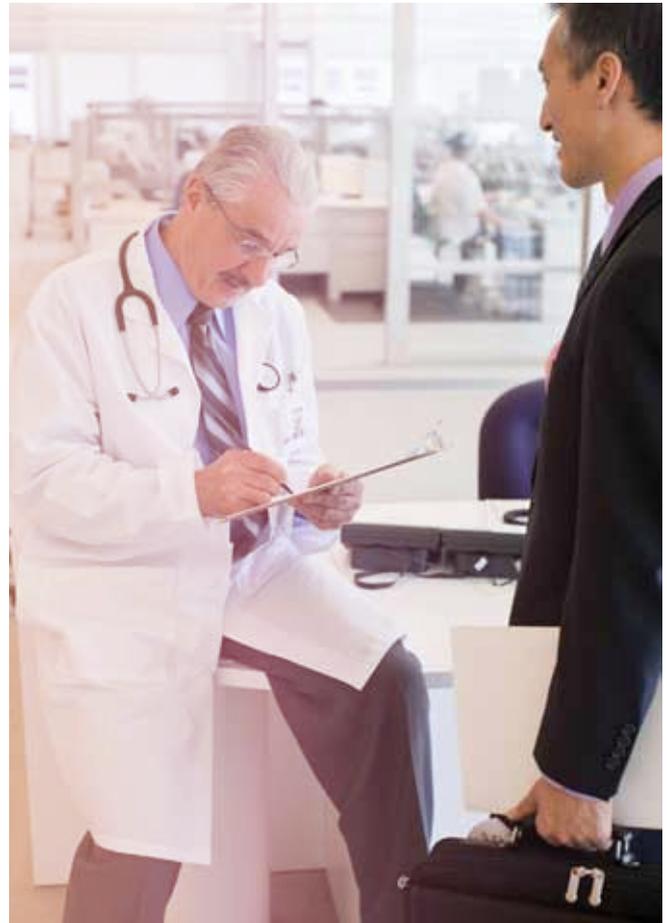
Greater constraints (aging populations and patient overloads) and performance expectations (cost controls and patient outcomes) for physicians are already cutting into patient care time, with many struggling to spend more than 10 minutes with a patient per visit.⁷ In other cases, physicians are going so far as to actually set fixed time limits per visit.⁸

COMPLEX SELLING ENVIRONMENT



Pharmaceutical and medical device sales are in a period of growing complexity. Unlike the 1990s – when massive sales teams were needed to push a flurry of new products – or the 2000s – when 2-minute details and an abundance of sellers required a relationship focus to “earn” more selling time, today’s healthcare sales involve several actors, non-linear sales processes, mixed purchase intentions, conflicting needs, underlying constraints, complex products with comprehensive compliance, and of course, inaccessibility.

The future of healthcare sales needs laser-focused interactions with impactful, tailored, and coordinated communications that not only align with the needs of the recipient but always add value and drive engagement toward an objective. The role of the HSR is more important than ever before – it **now reflects the activities of an account-based marketing approach**, where the seller holds an intimate understanding of each sales opportunity and the associated needs and constraints.



Today’s healthcare sales involve several actors, non-linear sales processes, mixed purchase intentions, conflicting needs, underlying constraints, complex products with comprehensive compliance, and of course, inaccessibility

20%

INCREASING COMPLEXITY OF PRODUCTS

Over the past 5 years, specialty medicines have surpassed traditional ones for annual FDA drug approvals,⁹ and 150 branded pharmaceuticals are set to lose their patents over the next decade.¹⁰ Finally, biopharmaceuticals are experiencing an 8% annual growth rate – twice that of pharma – and currently occupy 20% of all pharma sales. Biopharma and specialty medications feature a significantly more complex supply chain and service levels from the industry.¹¹

75%

FEWER PHYSICIAN-LED SALES OPPORTUNITIES

Of the physicians who switched organizations over the past 5 years, nearly 4 out of 5 took positions in larger management-led organizations. Meanwhile, 75% of the younger physicians (less than 15 years post-med school) took positions in larger management-led organizations. Bain & Company found that more physicians are taking positions in management-led organizations for greater career sustainability.¹²



65%

PHYSICIANS ARE LESS INVOLVED IN BUYING DECISIONS

In medical device sales, the influence of procurement officers in the buying decision has nearly tripled over the past 3 years, where surgeons are more likely to offer input and guidelines, with exceptions made on a case-by-case basis, rather than having a high degree of purchasing discretion. Meanwhile among pharmaceuticals, there has been a noticeable increase in the use of 1-tier and 5-tier formularies, with a 50% increase in the use of Closed Formularies between 2008 and 2013. More than half (65%) of the physicians have stated that patient formularies have limited prescribing decisions.¹³

80%

COSTS ARE BECOMING A PRIMARY CONCERN FOR PROVIDERS

“Lowest price” is among the top 3 critically important criteria for medical devices and pharmaceuticals, and the burden of controlling costs is falling on the physician. A decade ago few physicians felt responsible for costs, and 4 years ago this doubled to over 80% of physicians feeling responsible for cost controls. Today we see the same proportion of physicians feeling responsible for cost controls, while more than half now feel their organizations are exerting greater cost controls upon them, up 49% from 4 years ago.¹⁴

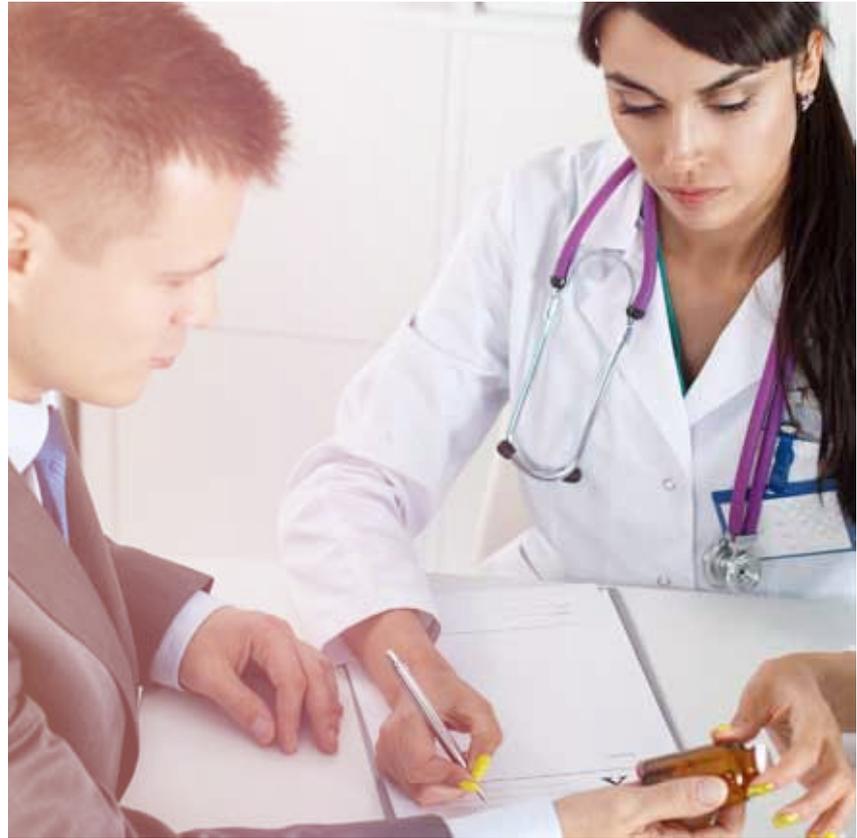
OBSOLETE SALES PROCESSES



Heavy in-person tactics with creative strategies to capture attention are not going to work much longer. As risk-sharing and outcome-based reimbursements pair with deeper purchase decision circles, purchase likelihood drops substantially. Meanwhile, patients are entering the discussion in greater numbers and physicians are preferring digital channels with more flexibility.

Many healthcare companies are downsizing their sales forces to control misaligned S&M costs at a time when the HSR is becoming increasingly important. Finally, while the trends point in one direction, local variations in preferences and needs are growing, with some still preferring a traditional approach.

The HSR needs an adaptive approach to communications with the skills to switch from physician to patient to payer, while adding value to each. Sellers need to be responsive in real time to any request and need to work with their corporate assets to bring opinion leaders and subject matter experts into any conversation.



Sellers need to be responsive in real time to any request, and need to work with their corporate assets to bring opinion leaders and subject matter experts into any conversation.

90%

OUTCOME-BASED OPERATIONS

>6

MULTIPLE ACTORS IN BUYING DECISIONS

11%

EVOLVING PHYSICIAN EXPECTATIONS

\$1.5BN

SHIFTING COST PRIORITIES FOR THE INDUSTRY

76%

LOCAL VARIATIONS IN PREFERENCES

68%

DIGITAL DIVIDE

OUTCOME-BASED OPERATIONS

More than half (63%) of physicians currently use at least one type of risk-based cost-sharing model for revenue, and these can include bundled payments, shared savings, pay for performance, and capitation. The use of creative pharmaceutical pricing models has increased by 100% to 300% depending on the model, and may represent almost half of all pricing models over the next 2 years. These include price per outcome, indication-based, per member per month, and trial/sample-based.¹⁵ Accenture expects 90% of payments to be tied to patient outcomes by 2018.¹⁶

MULTIPLE ACTORS IN BUYING DECISIONS

The growth of integrated delivery networks (IDNs) and a growing preference for management-led healthcare providers are pushing patients and their families, payers, organizational administrators, regulatory bodies, and physicians into the new CareFlow. The healthcare sales process is now a non-linear, need-focused approach.

EVOLVING PHYSICIAN EXPECTATIONS

More healthcare practitioners are expecting their industry sales reps to facilitate the role of a valuable partner along the patient care process, and almost half wish that communications were timelier.¹⁷ While pharma industry respondents believe reps to be among the most significant delivery channels, over half of physicians felt that reps are of “no” or “limited” value for medical information¹⁸ and only 11% preferred an in-person sales approach.¹⁹

SHIFTING COST PRIORITIES FOR THE INDUSTRY

It has been estimated that \$1 to \$1.5 billion is wasted each year by pharma sales reps alone as a result of “infeasible calls,”²⁰ which is disturbing when you consider that only 8% of in-person calls are remembered by the physician afterward.²¹ Many physicians feel that communications are too product-centric or promotional.²² PEW found that over half of a healthcare company’s S&M budget represents in-person detailing,²³ and this is driving cuts²⁴ and salesforce downsizing.²⁵ Meanwhile, more complex biopharma products are introducing complicated R&D processes, and yet R&D budgets are typically half that of S&M.²⁶

LOCAL VARIATIONS IN PREFERENCES

While the trends are moving in a predictable direction, there are noteworthy differences in preferences among the various specializations, geographic locations, and age/experience levels. For example, Oncology and Nephrology specialists are 76% less likely to make themselves accessible for sales rep visits as compared to Urology or Dermatology specialists. Similarly, physicians in Alabama and Mississippi are 123% more likely to see the sales rep as a top resource, as compared to those in Massachusetts. This type of disparity is seen across healthcare.²⁷

THE DIGITAL DIVIDE

More than half (68%) of the physicians have stated that they preferred an email-based approach for sales, with more than half seeing the value of social media for sales rep engagement²⁸ and 70% are completely open to live digital detailing. Wockhardt USA reported an average of 8 to 10 details per rep per day, and an average call duration of 18.3 minutes through digital sales engagement.²⁹ Unfortunately, most are not utilizing digital inbound tactics for healthcare sales.





It's not that HSRs are not needed, but rather, needs have changed and are not being satisfied. When HSRs provide the type of value physicians are looking for, they make time for calls, they request more information, and they reach out to HSRs for assistance. This final point is perhaps the most important when trying to address the new reality – HCPs know when they have a problem and they are going to seek out information related to their problem.

The job of HSRs, and the industry as a whole, is to have the information readily available where the physician is going to look. Sometimes they may search online, and sometimes they may reach out to the HSR themselves. But above all, now is the time to let go of the “cold call, surprise drop-in, promotional-pitch” approach to physician engagement and become a real-time, omnipresent sales rep.



THE OMNIPRESENT HEALTHCARE SALES REP



At Indegene, we believe that the importance of the HSR is growing, and the current physician trends that seem to suggest less value from sellers are an outcome of misaligned operations and general frustration.

A renaissance in healthcare sales effectiveness sits as an opportunity for the whole industry, but a new approach to sales is needed. An effective HSR is omnipresent, that is, always available to provide value, always capable of adding value, and always aware of opportunities to add value.



FIVE ESSENTIAL TRAITS FOR OMNIPRESENT HEALTHCARE SALES

SPECIFIC

Surprise drop-ins and forgotten 2-minute details will not work for much longer. The HSR of tomorrow needs to be objective-focused, with interactions that align with the CareFlow and add value to any target audience. Fewer wasted interactions and a greater focus on specific needs will characterize the future of healthcare sales.

MEASURABLE

Manual CRM updates are error prone and time consuming. HSRs need automated engagement tracking that enables real-time decision-making based on behaviors and purchase intentions. Meanwhile, home office marketing teams can use local-level insights to tailor new content and create materials that physicians, admin officers, patients, and payers actually need.

ARTICULATE

As products and buying circles become more complex, HSRs need a capacity to deliver desired communications that are always compliant and add value to each recipient with a patient-focused outcome-based approach. Product-focused communications should be kept to a minimum, and interactions should always be tailored to the recipient.

RESPONSIVE

Physicians and patients are empowered with self-service tools online, and successful HSRs need to be reactive in real time to requests for information, while still adding value and tailoring communications. Trust needs to be rebuilt with physicians, and the sellers need to position themselves as allies in the care delivery process. The future HSRs will work with their accounts to deliver favorable patient and economic outcomes.

TECH SAVVY

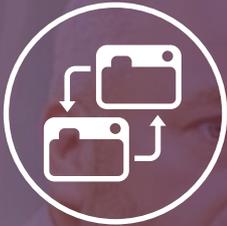
The future HSR needs a sales stack that enables engagement through any channel with automated CRM updates and implicit awareness across all targets. Regulatory compliance must be built-in to the process, never hampering communications. E-signature capture, digital sales engagement, custom landing pages, and social media reach are some examples of digital strategies.

OMNIPRESENT HEALTHCARE

Delivering value to the healthcare community means prioritizing patient outcomes, managing a growing stakeholder group, and streamlining communications to drive a consistent and integrated experience across all company communications. Marketing teams need solutions

for field-level awareness, and sales teams must be empowered with tools that enable real-time, responsive, and reliable value delivery. We call this Omnipresence, an always in-touch, always filled-in, and always on-point approach to healthcare value delivery that activates HCPs to drive their own conversions.

AN OMNIPRESENT TECHNOLOGY SOLUTION PROVIDES



End-to-end awareness through integrated information technology



Responsive and tailored engagements through global asset management



Multichannel reach through device-agnostic mobile-first platforms



Cutting-edge operational excellence through built-in extenders

These solutions align value delivery with marketplace needs.

If your healthcare solutions are not omnipresent, send us an email or give us a call, and let us show you why 2017 will be a renaissance in healthcare.

REFERENCES

1. Khedkar, P., & Sturgis, M. (2015). AccessMonitor™ 2015 Executive Summary. Retrieved from ZS Associates: <http://www.zsassociates.com/publications/articles/AccessMonitor-2015-Executive-Summary.aspx>
2. Mack, J. (2005). Special Report: eDetailing Best Practices & Data. Retrieved from Pharma MArketing News: <http://content.marketingsherpa.com/heap/pharma/1.pdf>
3. Marc Neimetz, J., Berthoux, B., & Liu, K. (2012). Social and Mobile Platforms: Why Should Life Sciences Companies Participate? Retrieved from Capgemini Consulting: https://www.se.capgemini-consulting.com/resource-file-access/resource/pdf/Social_and_Mobile_Platforms__Why_Should_Life_Sciences_Companies_Participate_.pdf
4. Franck, C. (2015, October 7). Infographic: Pharma adoption of social media: A prescription for physician engagement. Retrieved from Deloitte: <http://blogs.deloitte.com/centerforhealthsolutions/pharma-adoption-of-social-media-a-prescription-for-physician-engagement/>
5. Banks, L. (2015, November 10). HCP engagement: getting the right balance. Retrieved from PharmaPhorum: <http://pharmaphorum.com/articles/hcp-engagement-getting-the-right-balance/>
6. Bain&Company. (2015). Front Line of Healthcare Report 2015. Retrieved from Bain&Company: http://www.bain.com/Images/BAIN_REPORT_Front_line_of_healthcare_2015.pdf
7. Lemere, A. (2011). Maximize Your Two Minutes in the Doctor's Office. Retrieved from Gentiva Consulting: <http://www.gentiva.com/pdf/maximize.pdf>
8. Seth, A. (2016, June 27). Some Ontario physicians put time limit on patient visits to highlight government cuts. Retrieved from Global News: <http://globalnews.ca/news/2790203/ontario-physicians-limit-patient-visits-to-highlight-government-cuts/>
9. PwC Health Research Institute. (2015). Medical Cost Trend: Behind the Numbers 2016. Retrieved from PwC: <http://www.pwc.com/us/en/health-industries/behind-the-numbers/assets/pwc-hri-medical-cost-trend-chart-pack-2016.pdf>
10. Eck, V. (2016, March 3). Drug Patent Expirations: \$190 Billion in Sales Up for Grabs. Retrieved from Market Realist: <http://marketrealist.com/2016/03/drug-patent-expirations-190-billion-sales-grabs/>
11. Otto, R., Santagostino, A., & Shrader, U. (2014, December). Rapid growth in biopharma: Challenges and opportunities. Retrieved from McKinsey & Company: <http://www.mckinsey.com/industries/pharmaceuticals-and-medical-products/our-insights/rapid-growth-in-biopharma>
12. Ibid. 6
13. Ibid. 6
14. Ibid. 6
15. Ibid. 6
16. Accenture Life Sciences. (2015). The Rebirth of the Pharmaceutical Sales Force. Retrieved from Accenture: https://www.accenture.com/t20150723T015908_w_/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_13/Accenture-Rebirth-Pharmaceutical-Salesforce.pdf
17. Healthlink Dimensions. (2016, March 7). Annual Healthcare Professional Communication Report 2016. Retrieved from HealthLink Dimensions: <http://www.healthlinkdimensions.com/guides/annual-healthcare-professional-communication-report-2016/>
18. Ibid. 5
19. Healthlink Dimensions. (2016, March 7). Annual Healthcare Professional Communication Report 2016. Retrieved from HealthLink Dimensions: <http://www.healthlinkdimensions.com/guides/annual-healthcare-professional-communication-report-2016/>
20. Mack, J. (2014, March). The Virtual Pharma Sales Rep. Retrieved from Pharma Marketing News: <http://www.pharmamkting.com/news/pmnews1303-article03.pdf>
21. Mack, J. (2005). Special Report: eDetailing Best Practices & Data. Retrieved from Pharma MArketing News: <http://content.marketingsherpa.com/heap/pharma/1.pdf>
22. Ibid. 5
23. PEW Trust. (2013, November 11). Persuading the Prescribers: Pharmaceutical Industry Marketing and its Influence on Physicians and Patients. Retrieved from PEW Charitable Trusts: <http://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2013/11/11/persuading-the-prescribers-pharmaceutical-industry-marketing-and-its-influence-on-physicians-and-patients>
24. Statista Healthcare Marketing. (2015). Average marketing budgets of health care companies in the United States from 2012 to 2015, by type (in million U.S. dollars). Retrieved from Statista: <http://www.statista.com/statistics/275384/marketing-budgets-of-us-health-care-companies/>
25. Ibid. 20
26. Swanson, A. (2015, February 11). Big pharmaceutical companies are spending far more on marketing than research. Retrieved from The Washington Post: <http://www.washingtonpost.com/news/wonk/wp/2015/02/11/big-pharmaceutical-companies-are-spending-far-more-on-marketing-than-research/>
27. Ibid. 6
28. Ibid. 19
29. Ibid. 20



indegene
Omnipresence™

Contact us:

omnipresence@indegene.com

Stay informed:

omnipresence.indegene.com

Follow us:



© 2016 Indegene. All rights reserved. The Omnipresence and Indegene logo is a trademark of Indegene. All other product and company names are trademarks or registered trademarks of their respective holders. Indegene assumes no responsibility for any inaccuracies in this document. Indegene reserves the right to change, modify, transfer, or otherwise revise this publication without notice.

 **indegene**™