

Sales excellence in the pharma industry

Maximize the power
and endurance of your
sales organization



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Due to the notorious shortage of new products, pharmaceutical companies are under increasing pressure to maximize revenues from their products. Given the traditionally high return on those investments, this has resulted in a massive sales and marketing spending race. However, with declining profit margins, pharmaceutical companies have started to scrutinize their overall cost basis while at the same time reviewing their traditional sales operating model. Cuts in sales and marketing budgets, which typically ate up more than a third of revenues, further increase the importance of sales force effectiveness.

In their quest for sales excellence, more and more companies are adopting an international (European or even global) perspective. Having worked with leading pharmaceutical clients around the globe, Roland Berger Strategy Consultants has identified a set of key success factors to achieve lasting impact through such transformation programs:

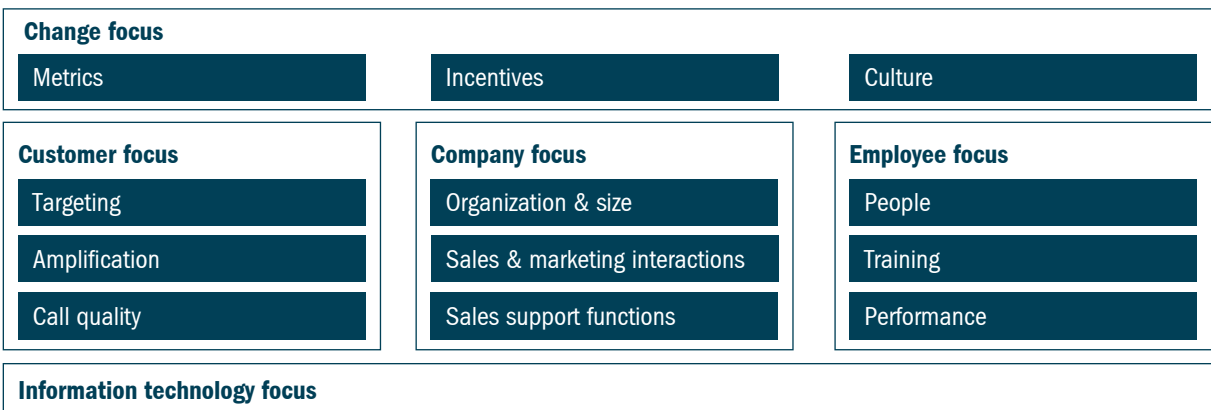
- > Anticipate and address a very dynamic healthcare environment at the local level
- > Focus on pragmatic, easy to implement tools and concepts over the next 1-2 years
- > Combine top-down and bottom-up approaches to obtain country buy-in
- > Transfer advanced sales and marketing concepts outside the industry
- > Leverage IT to prevent it from becoming a barrier to change



- > Secure sustainability through upfront training for sales managers and reps

Our clients tailor our comprehensive and modular Sales Force Effectiveness (SFE) model (see figure 1) to their needs, addressing a balanced mix of levers focused on change, customers, company, employees and information technology. For the chosen levers, we help them define the key principles to reach sales excellence supported by best practices in the form of tools, processes and guidelines.

Figure 1: Key levers of Roland Berger’s SFE model



Driven by constant change, most of our customers achieve sales excellence in similar ways, through relentless execution in multiple waves. They define the scope of change by conducting such performance analyses as country sales benchmarking. Then, they define their sales force effectiveness model in a detailed enough manner that it can be implemented in multiple countries. A validation against the field, especially in the customer-focused levers, helps them build change momentum by securing and communicating "quick wins" with measurable impact. This approach is especially required for innovative business models in which a consolidated business case is required. Finally, they drive change through their local general managers and their teams with a combination of pull and push elements. They invest heavily into energizing and training local teams (pull). They also have dedicated sales force effectiveness resources that help countries assess their current SFE status and monitor the execution of defined action plans (push).

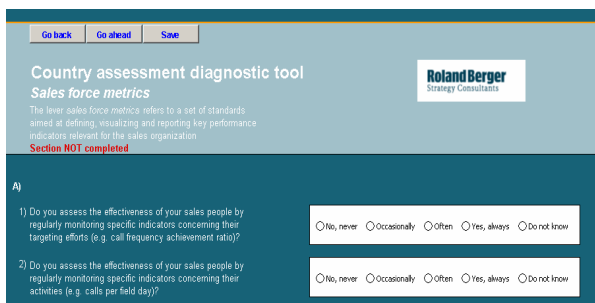
Roland Berger Strategy Consultants applies a mix of methodologies and tools that are targeted to all relevant stakeholders and are applicable to all of the steps described above. For example, we support country management in

defining the scope of change by identifying relevant changes in healthcare decision point management. We also help global or European sales force effectiveness functions to define their sales force effectiveness model or compare sales performance through a quantitative or qualitative benchmarking. With our SalesUp! methodology, we also support the rollout of innovative concepts in specific countries by working directly with sales managers and their staff.

Roland Berger Strategy Consultants has developed a set of diagnostic tools that help our clients quickly define the key levers of sales excellence. Using our SFE database (see figure 2), we identify the key performance gaps of sales excellence compared to best practices within individual countries and across regions. The resulting sales excellence profile (see figure 3) provides a sound starting point for your next wave of sales excellence activities.

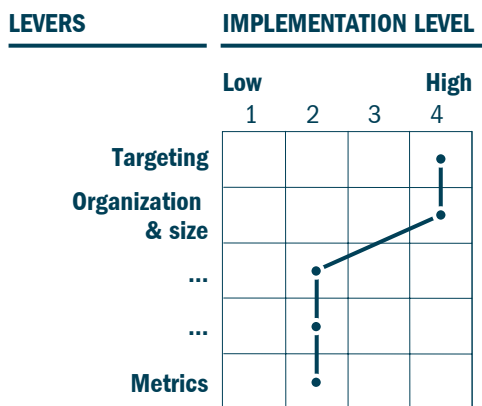
If you would like to get closer to achieving sales excellence, we would be happy to show you how. We look forward to meeting you in person to discuss creative strategies that work.

Figure 2: Roland Berger SFE assessment database



- > Key performance gaps
- > Focused set of analysis questions per lever

Figure 3: Sales excellence profile



- > Consolidated assessment per lever
- > Complemented with qualitative examples

Pharma & Healthcare Competence Center

Roland Berger Strategy Consultants advises industrial and service companies and public institutions internationally and in all areas of corporate management – from strategic orientation to the introduction of new business processes and organizational structures. "Creative strategies that work" are our core strengths. We do not just develop innovative concepts: we also provide active, hands-on support in the implementation phase.

The Pharma & Healthcare Competence Center covers the entire value chain in the pharmaceuticals, medical devices and healthcare sectors.

In pharmaceuticals, we help our clients discover new opportunities in emerging markets, find suitable partners and manage cooperative ventures. We provide a fresh perspective on aligning our clients' operations along the entire value chain: improving R&D performance, launching blockbuster products efficiently, increasing the clients' sales force performance and implementing new supply chain capabilities. Our consultants have hands-on experience in successfully defining and implementing advanced approaches to sales force effectiveness for the pharmaceutical industry.

Who to contact about pharmaceutical sales force effectiveness



Stephan Danner is Partner of the global Pharma & Healthcare Competence Center at Roland Berger Strategy Consultants in Berlin. He works with global pharmaceutical clients on designing and implementing corporate strategies and high performance operating models. Marketing and sales is one of his areas of expertise, as he has gained in-depth experience in rolling out sales force effectiveness initiatives on a pan-European and global scale. He has helped his clients implement customer-focused sales models, sales force productivity projects and international sales force benchmarking initiatives. Stephan Danner has published a series of articles on these topics and leads Roland Berger Strategy Consultants' ongoing research on commercial effectiveness.

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Aleksandar Ruzicic is Principal at the Zurich office of Roland Berger Strategy Consultants. He has detailed knowledge of the pharmaceutical industry, which he gained advising international pharmaceutical companies on strategic and operational topics, from R&D to marketing and sales. Throughout his career, he has specialized in sales and marketing topics, and has worked on European and global transformation programs in the area of commercial excellence, such as sales force effectiveness. In addition, he has advised pharmaceutical companies on how to leverage and integrate advanced online approaches in their promotional mix. Aleksandar Ruzicic has published a series of reports and articles on these topics and is involved in Roland Berger Strategy Consultants' ongoing research on commercial effectiveness.

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Patrick Biecheler is Principal at the Paris office of Roland Berger Strategy Consultants. His long experience both at Roland Berger Strategy Consultants and within the pharmaceutical industry, as marketing director, made him an expert in a wide range of Marketing & Sales topics. His expertise covers areas such as strategic positioning, post-merger integration and sales force effectiveness. Patrick has successfully implemented sales force effectiveness/CRM in various projects and shared his knowledge in a series of reports and articles on the related key learnings. Furthermore he is involved in Roland Berger Strategy Consultants' ongoing research on commercial effectiveness.

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