

Selling value with customer-centric strategies

eyeforpharma's 7th annual SFE Europe 2009 conference in Barcelona, Spain in March was an undisputed success. With nearly 600 attendees (40% returning from last year), it was one of eyeforpharma's biggest events ever. And with more than 70 industry leaders offering keen insight on all of the latest trends and challenges, including Huw Tippet, Jean Yves Brault, Paul Kusters, Dirk Houtekeete, Nick Pope, Michael Lieberenz, Patrick Zachar, Peter Albeiz and Simon Gineste, it's no wonder 82% of this year's delegates said they would recommend the conference to a friend.

"Healthcare in Europe is undergoing rapid change and pharma knows it can no longer just sell to doctors," says Kate

Eversole, the organizer of SFE Europe 2009 and head of global events for eyeforpharma. In most of the major European markets (Germany and the UK are prime examples), she says, pharma needs to be influencing and engaging with practice managers, CEOs of healthcare trusts, financial directors of healthcare bodies and a variety of other stakeholders that vary greatly for each geographic area. Understanding how healthcare networks are set-up and who influences who, has become essential.

So how is pharma responding? The event focused on a variety of strategies companies are taking, but "hot button" issues included a shift in traditional SFE approaches to an emphasis on commercial, business and customer excellence, value based selling, and key account management.

"SFE isn't dead, but it's definitely in need of some refurbishments," says Izzy Wakeling, co-organizer of the event and eyeforpharma's new regional director in Australia & Asia. "Organizations are no longer product-focused – they're moving to models that are customer-focused in their structure, processes, systems and culture. As a result old metrics, models, training programs, competencies and systems which were based on coverage and frequency and share of voice will need a revamp or refurbishment."

Hot topics, top speakers

Gineste, head of CRM and sales force for Novartis Spain, told attendees about his company's initiatives around what it calls "micro-marketing." Because the market in Spain has seen increased generic penetration and an influx of specialty products, coupled with highly regionalized healthcare policies and reimbursement lists, Gineste says customers differentiate on price, leaving innovative products to prove real value in order to compete.

Therefore, Novartis Spain knew it must focus on differentiation and personalization. Gineste says his group used behavioral segmentation as the basis for its commercial strategy and deployed field forces tailored to address different customer profiles. In addition, the marketing mix was customized by territory – something the company terms micro-marketing.

The main objective, he told delegates, is to decentralize decision making, bringing it closer to the customer. This empowers the FLM as a GM of his region, continues the regionalization process through action plans, optimizes customer orientation and improves resource allocation and ROI, he reports.

Another hot topic of this year's event was key account management, or KAM, in fact a whole track was dedicated to the subject and garnered large audiences. Pharma is collectively coming to realize that in addition to promoting its products, its sales forces must offer customers greater value. David Wright, director at Imonic and chairman of the KAM track, said he was particularly impressed with presentations from Tippet of Novartis and Albeiz of Pfizer Germany, who both offered practical examples of how key account management has been used to activate Value-Based Selling (VBS) in those organizations.

Tippet, head of global sales at Novartis, discussed new commercial models being implemented and offered some fresh insights about looking outside pharma for examples of best practice and the requirement for different tools to be employed in different regions. He also elaborated on the Novartis approach, stressing the need for customer prosperity to be at the heart of any KAM strategy.

Albeiz, head of primary care for Pfizer Germany, spoke on moving from share of voice to share of care, a value-based customer engagement approach focused on relationships, product services, medical knowledge and care products. Because of the complex customer environment for Pfizer Germany, he says it was essential to establish an integrated customer management system and structure based on identification, analysis, and management of customer networks. He told attendees that his group was able to create a comprehensive understanding of types, structures and needs of local customer networks, identify levers, build a value proposition and implement an integrated customer management approach to increase efficacy and efficiency. As a result, Albeiz says, Pfizer Germany is seeing increases in profitability, sales performance and overall market share. Sales per physician have grown in all segments and the company's most important physicians now spend more time with its account managers.

But the company learned that the right structure and system is only part of the solution, he says. The right change management program is also critical for success. And Albeiz says assessment, evaluation of learning programs, training and course communication have all proved key to this program's successful outcomes.

Continuing momentum

As Wright points out, the real value in the discussions started at events like SFE Europe 2009 comes in carrying them on beyond the conference. To that end, Wright and other speakers and chairman will be utilizing the blogs and other content contribution tools available on the eyeforpharma web site (www.eyeforpharma.com) to "keep the momentum gained at SFE Europe going until the next conference."

Eversole says research for a bigger and even better SFE Europe event next year is already underway. Based on the key take home messages from this year's conference, she predicts SFE Europe 2010 will include a greater focus on business excellence in addition to more traditional SFE topics. If you are interested in speaking at or attending eyeforpharma's SFE Europe 2010 event, be sure to contact Eversole at keversole@eyeforpharma.com.