



# The double act



There's never been a greater need to impress customers and make them understand the value pharmaceutical companies offer. Following on from his article on the concept of mass customisation, Apodi's Tony Swift discusses how this theory can also be applied to two customer segments: the patient and the GP.

With the reduced number of blockbuster products entering the market, many sales and marketing departments are tasked with gaining market share for products and services that may have similar characteristics to competitor products. These departments are skilled at identifying traditional routes to market with the result that the promotional strategies deployed are often quite similar from one company to the next. The only real differentiator may be how much budget each company is willing to allocate to support respective products.

However, some companies are starting to implement mass customisation strategies, because as Jack Welch, former CEO of General Electric stated: “*We have only two sources of competitive advantage: 1) The ability to learn more about our customers faster than the competition, and 2) The ability to turn that learning into action faster than the*

*competition*”. These companies are focusing on identifying what value means to each individual customer, collating that information effectively and delivering the value in an efficient and economic way.

## The patient

Traditionally, pharmaceutical companies have focused on engaging with GPs and other payer stakeholders rather than on building relationships with the end user – the patient. However, companies are realising that engaging with patients can lead to improved adherence results, better compliance and more appropriate use of their product. The attempts to engage with patients vary in levels of sophistication. At a basic level, companies are investing in digital IT platforms where websites attempt to inform patients about the therapy area and the products available. These sites might also attempt to improve adherence through reminder systems

such as emails and texts to encourage compliance.

More sophisticated solutions now aim to identify key characteristics of patients and their behaviour and to customise the offering to them. For example, by identifying why a particular type of patient fails to adhere, the offering can be customised to that patient. By having a clear understanding of why people fail to comply, a company can then identify groups of patients whose reasons for non-compliance are very similar – i.e. one group responds better to online health monitoring, another to reminder systems, another to better education etc. As a result, each individual patient is allocated to a group and the adherence offering is then customised to each group.

Successful implementation of adherence programmes which include customised solutions to patients is still quite rare. The reasons for this may differ. However, I believe it all starts

with the product-centred cultures that are prevalent in many companies. Historically, companies have been focussed on winning market share and new customers. Whilst this, of course, still remains important, many companies now have to focus on customer retention, customer loyalty and customer satisfaction. Where this strategy is in its infancy, many companies look to IT for salvation – if only it were that simple! Customer Relationship Management (CRM) is more than deploying similar marketing techniques and new information technology. It needs new skills, systems, processes, behaviours – in fact, a **CHANGE IN CULTURE**. This can only be driven by the leadership of the business once it has decided that CRM and mass customisation are a strategic imperative.

This new strategy, if executed effectively, can lead to a range of new tactical initiatives in the area of

Historically, companies have been focussed on winning market share and new customers. Whilst this, of course, still remains important, many companies now have to focus on customer retention, customer loyalty and customer satisfaction. Where this strategy is in its infancy, many companies look to IT for salvation – if only it were that simple!

patient adherence, such as improved technology, clinician-based call centres, education programmes, patient acquisition programmes, patient service programmes and so on. With the appropriate systems and processes, these initiatives can be developed to provide real customised value to patients.

### The GP

Because pharmaceutical companies have been engaging with GPs for many years, mass customisation programmes aimed at GPs rather than patients should be easier to deliver. They know where GPs are, often know them personally and still have access to many – although the ability to engage is declining quickly.

Currently, however, successful customisation programmes aimed at GPs are few and far between. The reasons are similar to those above and result from the product-centred nature of most pharmaceutical companies. This product-centred approach can impact on the daily life of GPs in numerous ways, including:

- The traditional detail deployed by many sales representatives when visiting GPs.
- The practices, processes and systems that define ‘sales excellence’ in the industry.

An example of this is a detailed follow up I reviewed recently for a company. This was an extremely professional piece of work that identified the impact of the visits of a sales force on GPs. Multiple questions were asked about the ability of the representative to convey the product’s characteristics and benefits – and from this point of view the exercise was worthwhile.

However, there were few questions based around what value each visit had created for individual GPs. The assessment was almost solely based on the product and what was important to the company, rather than what value could be created for the customer both now and in the future.

For companies wishing to deploy **VALUE-BASED MASS CUSTOMISATION**, the following key initial steps could prove useful. These steps would run alongside more product-focused activities, not replace them.

1. Build a structure based on Customer Account Managers driving key messages and value to targeted healthcare professionals.
2. Develop a segmentation strategy for identifying segments of GPs based on value characteristics.
3. In each interaction with GPs, identify what value characteristics are important and allocate to a segment – commit to developing a mutual **LEARNING RELATIONSHIP** where knowledge of the therapy area, product and patient outcomes are paramount.
4. Access IT systems where the value identified can be saved and distributed to key management and marketing professionals – some existing CRM systems can be customised to make this happen.
5. Develop value solutions that can be quickly deployed to individual GPs – these can include additional services, product support, access to Key Opinion Leaders, clinician staff training, and services that improve the patient experience.

### The role of IT

IT has a vital role in the development of value-based mass customisation strategies. I recently spoke to an expert in the industry, Charles Roots of Actis Sales Technologies, who explained that:

- Successful implementation of CRM projects needs input from senior management, IT departments and marketing departments. Technology implementation must be aligned with the business strategy and, in the area of mass customisation, with the whole initiative of providing value to customers one at a time. If only one of the above parties is included in the implementation process, the strategic benefits that could be obtained often fail to materialise
- Some organisations believe that installing technology is the determining step in the drive to a more customer and value-focused organisation. However, it is clear that truly successful companies understand that the process begins with a strategy to transform the company from a traditional selling organisation to an organisation where delivering value and developing learning relationships comes first. In these companies, IT becomes a very powerful enabler of business strategy.

### Conclusion

Many commentators have noted that the pharmaceutical industry is at a crossroads. With fewer blockbusters, governments facing huge financial challenges and health services looking for more value for money from all suppliers, times are hard. This is causing difficulties in the marketplace and many people have lost jobs in the resulting turmoil. Company leaders are under pressure to maintain and increase profitability and restructuring is increasingly common.

And yet comparatively, healthcare budgets are being protected and there has never been a greater need for a positive contribution from the pharmaceutical industry. Despite the distrust that has arisen between the industry and the NHS, enlightened leaders from both parties understand how a partnership between the two is of critical importance.

Whilst researching for this series of articles, it has become clear to me that this partnership can only prosper if the industry is willing to, and be allowed

### Quick read

- Companies are beginning to start implementing mass customisation strategies to help gain advantage over competitors
- Patients are now being engaged with to drive improve adherence and more appropriate use of product
- This new strategy could see a range of new tactical initiatives in the area of patient adherence and provide real customised value
- Customisation programmes aimed at GPs should be easier to deliver – however, they are currently few and far between
- Companies wishing to use this approach must use customer account managers to drive key messages, develop a segmentation strategy, develop a learning relationship, use CRM systems to distribute key information and create value solutions for individual HCPs
- IT solutions and CRM systems can play a pivotal role in mass customisation if used correctly.

to, engage with the NHS in a positive and economically viable way. I believe pharmaceutical companies should play their part by focusing on delivering real value to all key stakeholders, including patients, GPs and other payer stakeholders. That is not to say this is absent in the industry, but there is no doubt that more can be done.

For those companies embarking on such a journey, the impact on customers (NHS and patients) could be dramatic. But it will also benefit employees of such companies. The vast majority of people want to do something worthwhile and being able to see how their work creates value for the customer and improves patient outcomes is just about as rewarding as it gets.

**Tony Swift is the Managing Director of Apodi. He may be reached on [tony.swift@apodi.co.uk](mailto:tony.swift@apodi.co.uk).**

**Charles Roots is the Managing Director of Actis Sales Technologies. He may be reached on [charles.roots@actisst.com](mailto:charles.roots@actisst.com).**