

Sales & Marketing Can Now Speak the Same Language

Steven Rosen

Alignment of sales and marketing teams is critical to ensuring successful development and execution of strategies and tactics. One of the key challenges facing marketers and sales managers is that they each use different data sets and key performance indicators. Marketers tend to focus their brand analysis on prescription market share, whereas the sales team focuses on pharmacy dollar volume. Given both are looking at the same brand, one would think the differences in data would be insignificant.

Present sales collection reporting tools do have their limitations. Firstly, depending on what data your company is purchasing, you will likely find that the marketing team and the sales team are actually purchasing two different data sets that may not always agree. For example, unit volumes may look great but the prescription sales are below target. Which do you believe? How can sales and marketing align their efforts if

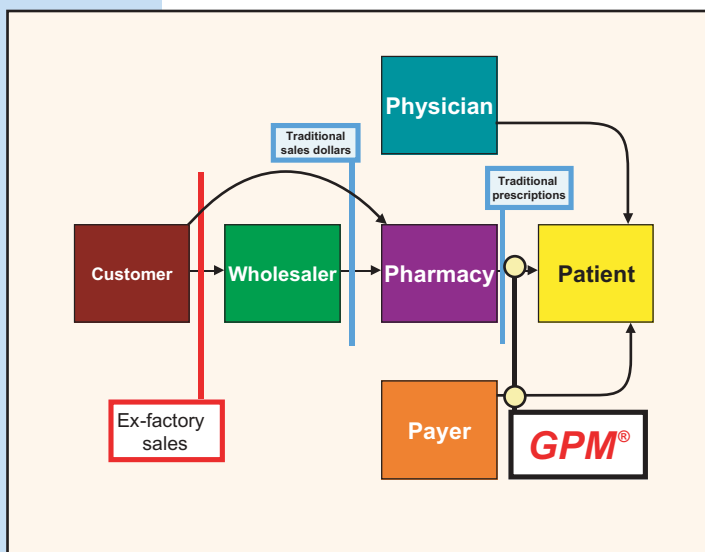
they each believe the market is behaving in different ways?

One must ask if it is wise to have sales and marketing on the same page? If the answer is yes, what is the most relevant measure of true performance? Some may argue that product sold into a pharmacy is more relevant than prescriptions actually being dispensed by the pharmacy and some may argue the reverse. Should we use number of prescriptions or number of units as a baseline measure? Is there a better data source to track market share and dollar volume? Which competitors should be included when evaluating market potential?

Introducing the GPM

The Geographic Prescription Monitor (GPM®) differs from other reporting tools in terms of data source, point of collection of transactions and the competitive data set. The database uses an innovative methodology to sample every retail pharmacy in Canada. Sample data from all stores and census data from a large panel of stores is combined to create a superior picture of retail sales. That picture includes scripts, units and dollars, measured in both market share and volume. Marketing and sales can take their pick of the most relevant metric. No matter which they choose (prescription share, unit volume or another metric), both departments are reading off the same page because the data comes from the same transaction.

The traditional point of data collection is supply to pharmacies. GPM changes this to prescriptions dispensed out of the pharmacy. Collecting data on actual prescrip-



The Canadian pharmaceutical distribution system.

Territory Level Report Market Share

Comparison: MATTY to MATLY : June 2004

	MATTY Volume	MATLY Volume	MATTY CI	Change in Sales \$ CI since MATLY	Avapro	Avalide	Cozaar	Hyzaar	Atacand	Atacand Plus	Diovan	Diovan-HCT	Micardis	Micardis Plus	Telveten
National	311884.8	255151.9	100.0	0.0	16.4	7.5	17.9	8.1	14.5	3.1	15.2	6.8	7.6	2.3	0.6
District: ON	58124.4	48038.4	18.6	-0.2	13.9	5.6	18.8	7.0	14.6	2.8	18.9	7.3	8.3	2.2	0.6
Territory #15	4621.3	3875.5	1.5	-0.0	9.3	2.6	20.6	3.8	12.9	2.2	21.8	5.4	17.4	4.0	0.1
K1T	548.8	452.7	11.9	0.2	7.8	1.6	20.2	4.3	12.9	1.8	22.1	4.1	22.2	2.9	0.1
K1YK1Z	496.5	398.7	10.7	0.5	8.8	1.4	22.3	3.4	15.2	2.0	23.7	6.0	15.3	1.9	0.1
K2A	409.4	354.7	8.9	-0.3	10.6	2.4	15.1	1.2	19.8	1.1	25.1	1.3	20.3	3.2	0.0
K0H	376.7	310.1	8.2	0.1	7.3	1.8	17.8	5.3	10.5	1.5	20.3	3.9	25.1	6.4	0.1
K2C	340.6	279.1	7.4	0.2	7.7	3.5	20.3	1.5	14.1	4.5	16.7	7.4	19.1	5.0	0.2
K4TK4K	325.2	268.9	7.0	0.1	5.2	1.4	23.0	3.4	18.8	2.8	25.3	7.0	10.6	2.5	0.0
K1X	249.6	186.1	5.4	0.6	8.8	2.0	24.5	0.6	20.0	1.4	20.6	3.7	15.0	3.3	0.0
K1KK1W	232.0	194.0	5.0	0.0	12.3	2.4	21.0	0.2	12.0	1.8	17.9	6.8	18.2	7.3	0.1
K2B	192.8	161.3	4.2	0.0	9.1	3.6	12.5	1.7	15.0	4.0	22.6	7.7	20.8	3.0	0.0
K0E	173.3	169.0	3.8	-0.6	5.4	0.1	34.1	8.9	11.9	0.8	14.8	1.2	21.0	1.8	0.0
K1L	171.2	159.2	3.7	-0.4	8.6	6.4	29.9	3.6	5.6	2.0	18.6	2.3	19.1	3.6	0.2

tions dispensed to Canadians mitigates several key challenges. One such challenge is pharmacy buying groups, where there is one pharmacy purchasing products for pharmacies in other territories. Supply goes in the back door of one pharmacy, but gets transferred to a sister store. The transfer may be invisible in shipments data. This is always a pet peeve of representatives that don't receive credit for sales that they have generated.

With the growing impact of Internet pharmacies in Canada, operations people have also been challenged to accurately track sales that representatives are truly driving. Inventory transfers are a means of feeding the Internet supply chain below the radar screen of manufacturers trying to slow it down. GPM eliminates this issue from a territory tracking perspective.

GPM provides a clearer competitive data set in markets where there is one or more generics. Tracking pharmacy purchase transactions does not capture any free goods and, therefore, may provide distorted competitive market share data. Also, complete volumes for all generic manufacturer's products are captured in the GPM database. No longer will manufacturers be forced to guess how much of a drug's sales

are missing from a market's value due to "non-reporting manufacturers".

GPM reports sales measured by dollar value, number of prescriptions, number of new prescriptions and units. Given that measurements are based on units (tablets or capsules), issues of script size (which vary by province) are eliminated.

When calculating dollar volume, GPM takes number of units dispensed and multiplies it by the relevant list price of the drug. One of the interesting features of employing units as the baseline measurement is the ability to generate customized valuations and share based reports. By applying the price of your product on the generic brands or on older, less expensive brands in the market, you can measure market potential based on true dollar value opportunity, which can direct and target competitive selling efforts.

The high degree of granularity that GPM provides enables sales representatives to clearly identify competitive opportunities and targets, usually down to the forward sortation area (FSA) level or below. Sales representatives who have used this data find it tremendously helpful in focusing their efforts on opportunities by brand and by FSA.

Incentive programs have always been limited in their design by data availability, which precluded management from adapting them to suit changing needs and ideas. Traditionally, pharmaceutical companies have utilized sales dollar volume and growth to build territory quotas and compensate representatives. However, there have been grumblings on how to apply growth targets down to the territory level, given each territory is at a different level of market development. GPM empowers the sales managers to set quotas based on a variety of key performance criteria, such as sales volume, market share and territory opportunity. I believe GPM can deliver a greater level of equity across territories.

Increased competitive pressures coupled with generic entries in many therapeutic categories forces marketers and sales managers to have a better understanding of the market dynamics in their business. GPM provides the premier competitive database, giving both marketers and sales managers the ability to define opportunities from their perspective and drive a competitive advantage. [CPM](#)

Brogan Inc. is a well-respected name in the pharmaceutical industry for depth of analysis, objectivity and integrity. Serving Canadian pharmaceutical companies, insurers and government, Brogan Inc. provides strategic advice, research and analysis and market intelligence to the health-care community. For further information on how GPM can help your organization gain a competitive advantage, please contact Peter Braive or Michael Brogan at Brogan Inc. at 613-596-5042.

Steven Rosen is President of Star Solutions That Achieve Results Inc. a company focused on improving sales force effectiveness through its STAR unique Customer Centric sales model, data, and proprietary technologies and market research.

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