

Customer Relations Management

Taking Performance to the Next Level



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The pharmaceutical industry is facing increased economic, political, regulatory and competitive pressures. The traditional pharma business model, given the high costs and risk associated with developing blockbusters and supported by a costly sales and marketing structure, is becoming highly inefficient.

With patents on \$80 billion worth of blockbusters set to expire over the next two years, pharma is becoming hard pressed to find more effective and efficient ways to maintain profitability.

At the same time, we are seeing some physicians closing their doors to sales reps. With the average sales call lasting less than two minutes, physicians are clearly telling the industry they are not receiving value from the doctor-sales rep relationship. Many companies are realizing the need for change and are moving away from a traditional product-focused business model to one that is highly customer-focused.

As a result, the industry has made large capital investments in IT infrastructure, software, customization and hardware in their implementation of Customer Relationship Management (CRM) Systems.

What is CRM?

The goal of CRM has been to provide greater efficiencies and enable organizations to effectively capture customer interaction data. By allowing all customer touch-points (sales, marketing, CHE and medical) to have a shared view of relevant customer interactions data, the company can talk to the customer with one voice.

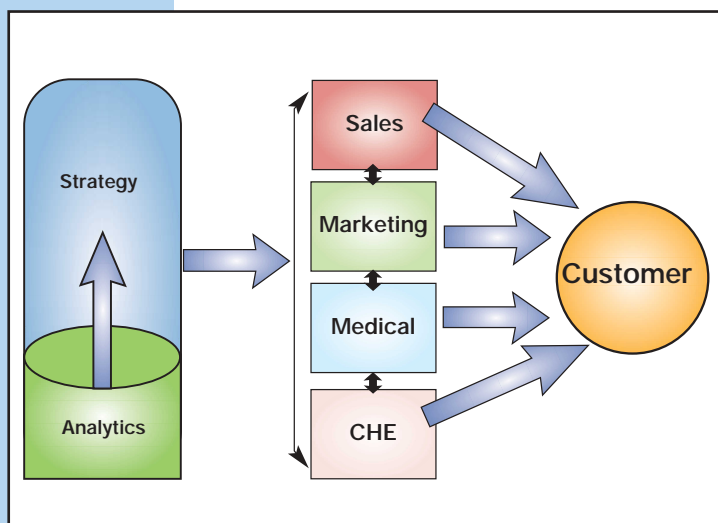
Based on research by Gartner, most of the CRM implementations have failed to deliver on the perceived benefits and many have failed to achieve expected ROI.

One of the reasons CRM has not lived up to expectations is that most organizations have viewed its implementations as a software application or an IT-lead project. Successful CRM implementations are viewed as core business strategy. They must be endorsed and driven by senior management and require change in how organizations align their people, processes, technology and programs focused on understanding customer needs and preferences.

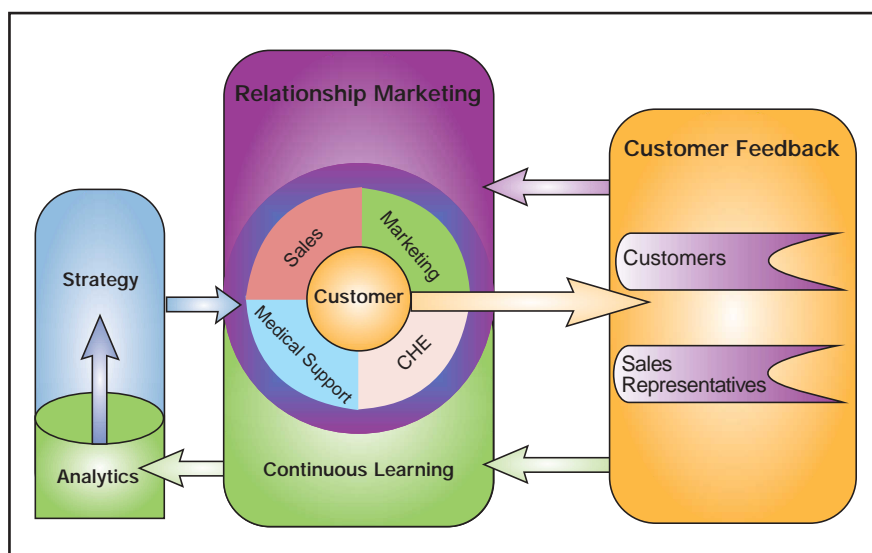
The organizations to successfully implement CRM have gained insight into customers' needs and developed strategies and programs to effectively satisfy those needs.

Jack Welch, the former CEO of General Electric identifies correctly that, "we have only two sources of competitive advantage:

1. the ability to learn about our customers faster than the competition and
2. the ability to turn that learning into action faster than the competition."



Current customer relationship model.



An optimal relationship blueprint.

An evolving focus

The customer-centric business model creates greater integration between sales and marketing. Sales collects customer feedback that drives insights into the marketing strategies. Marketing then develops programs that support sales in managing customer relationships. The overall impact is better execution, increased sales force effectiveness and increased customer satisfaction. Companies that can take performance to the next level faster will gain a sustainable competitive advantage.

With significant investment in sales force and sales force automation (SFA), the infrastructure to gather customer needs, preferences and attitudes is in place. Sales reps have been reluctant to share customer needs and to input such data into their SFA system. They see the process as detracting from selling time.

A CRM strategy requires a mindset change in the role and expectations of both the sales force and marketing. Sales reps must see themselves as the voice of the customer to the organization and, as a result, they need to gather customer feedback. They can play a valuable role in building a database of customer needs and preferences.

As organizations gain greater insights into customers, they can begin to differentiate customers by factors such as switching criteria, prescribing attitudes, CHE preferences and interests. With use of script data we have been able to effectively differentiate customers by value, which improves

ability to target and allocate resources by customer.

By gaining insights into customer feedback, marketing can effectively differentiate customers by needs and preferences. Marketing can then begin the process of turning those insights into actions by developing strategies and tactics that can effectively satisfy the needs of each customer segment.

As part of the changing paradigm, marketers must evolve their focus from products to customers. This

shift will allow them to more effectively support the sales forces in relationship-building activities.

With sales empowered to effectively treat different customers differently, organizations better the overall customer experience by satisfying needs. In supporting sales force relationship-building, the sales reps gain greater access, more face-to-face selling time with customers and increased sales force effectiveness. They also grow the organization's share of customers.

Given high demands on the sales force for number of calls (reach) and execution of marketing plans, it is essential companies mechanize the customer relationship-building process.

With today's computer and printing technology, companies can enable sales reps to have relationship dialogues with their customers. The technology allows sales reps to create customized communications using approved marketing pieces personalized for the customer. This high degree of customization can be achieved effectively and enhance the overall profitability of a CRM strategy. **CPM**

For more information on using Best-in-Class marketing practices to effectively communicate brand messages, increase customer satisfaction, and gain competitive advantage, contact Steven Rosen of STAR Solutions That Achieve Results Inc. at 905-737-4548 or by e mail at steven.rosen@star-results.com. More information can be found at www.raybec.ca.

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