

# Learning from Experience



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*The Canadian Pharmaceutical Marketing Program provides participants with a perspective on the current challenges and best practices for designing and implementing successful brand strategies in today's marketplace. Core to the design of courses in the Program is the involvement of senior industry faculty speakers sharing their experiences and knowledge. It is through their insights that the participants gain "real world learning." This column will feature the faculty speakers' experiences through their topic discussions and the questions posed by participants.*

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**Q** *In the pharmaceutical and biotech industries, the prevailing focus has been on the healthcare provider and, more specifically, the prescriber as the main customer. How do you feel this model should evolve in a hospital account? Can you elaborate on the idea of influence mapping in an account?*

**A** The decision to purchase or prescribe is no longer exclusively the domain of the front-line healthcare provider. There can often be a complex interaction in hospital accounts between internal stakeholders, the pharmaceutical company and the patient. This is further confounded by the influence and impact of government stakeholders, buying groups, therapeutic guideline committees, existing contractual obligations... and the list goes on.

Newer stakeholders are entering the picture and playing larger roles in the process, including hospital administrators, purchasing departments, pharmacy administrators and the Chief Financial Officer. The balance of decision-making influence has been swinging toward the economic stakeholder group.

Given that the complexity of the decision-making process in a hospital account has multiplied exponentially, it is not enough to influence "individuals." The process of influence mapping in an account helps to understand all the key stakeholders in any one account as well as their:

- Roles in the decision-making process (Are they prescribers? Are they clinical influencers? Are they responsible for economic impact of purchases on the hospital budget? Are they driving the decision-making process?)
- Influence or power within their departments, the organization as a whole and with other stakeholders (internal and external to the account)
- Interrelationships amongst stakeholders

Understanding the influence matrix ensures that the right individuals are targeted in accounts, their decision drivers are understood and, most importantly, that their needs are effectively addressed. If one important piece of the puzzle is missed, the odds of success in the account can be drastically reduced.

*The complexity of decision-making within the hospital account has increased so dramatically, that the traditional approach of having one individual (usually a sales representative) solely responsible for the business is not sustainable.*

*Often, key account management is a responsibility that falls under the sales function, where the Account Manager position resides. You discussed the importance of cross-functional management of accounts at Amgen. Why do you feel that it is critical to coordinate efforts across the organization?*

The complexity of decision-making within the hospital account has increased so dramatically that the traditional approach of having one individual (usually a sales representative) solely responsible for the business is not sustainable. One person cannot effectively understand, influence and impact all stakeholders in an account in a meaningful way.

Simply put, there are three broad phases in key account management:

1. Prospecting/identification
2. Negotiation
3. Maintenance

Each phase requires the efforts of different functions within an organization. Coordinating a company's internal resources across the phases and aligning them with the needs of the customer will have the most impact and bring the most value to the customer. As each account is unique in its needs and economic value, internal resource deployment can change significantly from one account to the next.

The definition of a partnership between the hospital and the pharmaceutical company exists on a continuum from a strictly transaction-based financial relationship to a longer-term strategic partnership that could span several years and be much more relationship and performance driven. Each customer is unique and will define relationships at a different point on that continuum based upon how evolved and complex their systems currently are.

To stay competitive, pharmaceutical companies will need to be on the leading edge of recognizing the uniqueness of each account and consistently be able to manage changing expectations and increasing complexity through an integrated cross-functional effort.

**CPM**

*This opportunity to 'Learn From Experience' is based upon a presentation by John Snowden entitled 'Key Account Management' to the participants at the Humber 'Marketing Pharmaceuticals in Canada' Program run in partnership with Pangaea Training and Development.*