



SALES + MARKETING

## Buckle Up: Embracing Change in Sales Planning

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By John Bienko and Maria Kliatchko



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Life sciences organizations, and pharmaceutical companies in particular, are facing significant changes in the business and technology environments that are redefining what success will look like in the 21st century. On the business side, organizational structures are adapting to the shifting power balance across providers, payers and consumers, prompting sales roles to evolve. The underlying sales operations function is changing, too, supporting these new engagement models with comprehensive information and seeking the benefits of global support programs.

Change also is coming from the technology side. Data—both big and small—present opportunities for deeper insights and better decisions, but companies need scale and skills to mine them. Maturing mobile platforms make it easier for field personnel to plan, track and deliver service, but they also pressure organizations to design innovative, new applications and tools to ensure that relevant and actionable information is accessible. Cloud computing supports many of these new systems by reducing costs while increasing speed, but it also compels companies to rethink processes and business models.

What's more, these forces generate crosscurrents. The arrival of cloud computing, for example, makes global sales operations much more feasible. When operations are globalized, organizations can realize operating savings that can be plowed back into technology development or sales innovations.

These fast-moving business and technology forces carry implications that leaders must start thinking about and addressing today. The coming years will bring difficult challenges, but they'll also usher in powerful opportunities to deliver more value and impact. How sales organizations respond will determine whether they are leaders or laggards as we move into the next decade.



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In this article, we expand on six major forces impacting life sciences sales planning. These shifts have been validated in conversations with our clients, industry observers and our own experts.

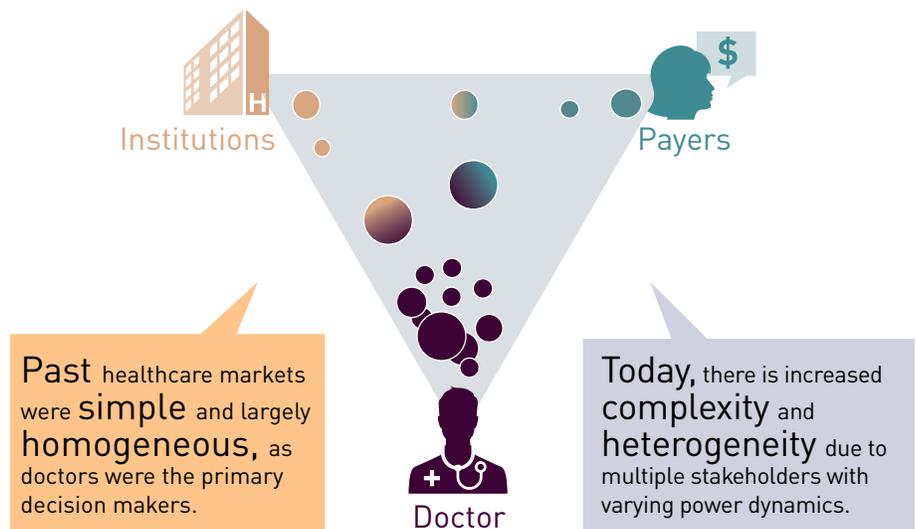
## Business

### 1. A Shift to a Multidimensional Customer Engagement Model

Life sciences sales used to be relatively simple. The rep's job was to get in front of and build relationships with physicians. Today, thanks to provider consolidation, government regulation and cost pressures, the healthcare landscape is increasingly complex. [Physicians are more difficult to reach](#) and their influence as decision makers has diluted, while sophisticated organized customers such as integrated delivery networks and accountable care organizations gain power.

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#### INCREASING MARKET COMPLEXITY



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In reaction, life sciences sales organizations will, themselves, become more complex to mirror the changes in customer decision-making. Traditionally, the industry regarded consumers, payers and doctors as separate entities, but in today's web of influencers, these parties need to be approached in a much more integrated fashion. The old approaches to resource planning, segmentation, account alignment and promotional targeting won't work anymore.

The industry will be challenged to build sales organizations that look and act differently in Los Angeles than they do in Boston. Roles, sales structures and activity plans will be customized to reflect geographic variety.

One response will be to shift to a multidimensional customer engagement model. While traditional detailing reps will still call on doctors, those reps will focus on physicians with access and influence. In environments where organized providers have significant control, account executives will engage with the C-suite and other decision makers. Where payers dominate, sales and service personnel will be deployed only temporarily to drive the implementation of a new contract.

To implement this model, sales organizations must become more sophisticated in their approach to customer segmentation and valuation. There also will be increased emphasis on using a breadth of promotional and engagement channels, as quality of coverage becomes more important than quantity. Account planning and cross-role coordination become more critical, as well. This is reinforced by the findings of ZS's [2015 Study on Pharmaceutical Targeting and Activity Planning Practices](#), in which 75% of organizations reported that they will implement strategic account planning within the next two years.

Adding to the complexity are [regional variations in how healthcare is delivered and paid for](#), which create different power balances locally. As a result, deployment will vary at the local level, as well. The industry will be challenged to build sales organizations that look and act differently in Los Angeles than they do in Boston. Roles, sales structures and activity plans will be customized to reflect geographic variety.

## **2. Building the Next-Generation Sales Rep**

As a more sophisticated engagement model takes hold, sales reps will be asked to manage complex accounts, participate in team selling and interact with a wider variety of promotional channels.

Sales roles are likely to move in two directions. In dealings with doctors, an "[orchestrator rep](#)" will ensure an outstanding customer experience and harmonize promotional activities through multichannel customer interactions. For organized customers, key account managers will deal with account complexity and coordinate across the web of people and influences.

These emerging roles and responsibilities will require that life sciences organizations recruit for new skill sets. For example, the next-generation rep not only has to build relationships, but also must influence outcomes. He will need to figure out where power resides in his environment, strategize multiple ways to get to decision makers, become a savvy negotiator and collaborate with team members to make it happen. Companies will need to change how they identify, hire, train, coach, evaluate and motivate the customer engagement team of the future.

To support their teams, organizations will use systems and technologies that consolidate information from across many sources, facilitate communication between roles, keep everyone informed of where each customer is in the decision journey, and provide integrated execution plans to each of the various channels.

### 3. Globalizing Sales Operations

Localization has always been the universal constant governing the laws of sales productivity—understand your territory, understand your customer, understand your customer’s customer—but business is global, too, and life sciences sales organizations play a multinational game. This sets up a tension in supporting geographically dispersed offices: Is it better to centralize sales ops to reduce costs and standardize processes? Or is the traditional model better, where local operators are empowered to move quickly in response to on-the-ground conditions?

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#### SALES PLANNING FOR MULTINATIONAL ORGANIZATIONS



80% of life sciences companies are building global platforms that can balance the conflicting need for increased centralization and coordinated action with the need for local flexibility through access control.  
– IMS Health

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IMS Health forecasts that 80% of life sciences companies are building global analytic performance platforms to strike this balance between centralization and local flexibility. Those that do it right can experience a cost reduction of 24% over four years.



Sales planning tasks are no different in this regard. Companies are actively weighing the pros and cons of moving functions such as targeting administration and alignment processes to cost-effective locations like India or Eastern Europe.

Technology plays a vital role in establishing the most effective local/central balance. The benefits of building a global technology stack are massive—from powerful economies of scale to the delivery of best practices in offices unable to afford such systems on their own—but the challenges are not insignificant. When unique regulations and market idiosyncrasies don't fit the common technology, governance and local add-ons become vital. The goal should be global harmonization with local flexibility.

Many life sciences companies are either exploring or already deploying multi-country sales planning programs. In some cases, they're setting up centralized capability centers to identify and share best practices across countries while allowing for some local customization.

Organizations that have been successful in moving towards harmonization demonstrate centralized decision-making, strong governance structures, change management at the affiliate level, and adoption of risk mitigation strategies.

## Technology

### 4. Leveraging Big Data and Analytics

The complexities of account selling require data—and lots of it. This information creates specific insights about institutional customers and their decision-making processes, leading to more detailed planning and the ability to better inform execution by estimating the impact of possible actions.

Just keeping an up-to-date roster of decision makers and where they work could seemingly keep supercomputer Watson eternally busy, but the good thing is that data availability is increasing and many sales organizations are diving deep into their claims files, electronic medical records, account affiliations and other sources of critical intelligence. If it's not available in-house, third-party aggregators or the customers, themselves, often are happy to provide it.

The real problem isn't the lack of data. It's that the data is like puzzle pieces from a pile of mixed-up boxes that need to be joined together. Fifty-nine percent of CIOs say that their data quality problems are the biggest barriers to successful analytics and business intelligence initiatives, according to a 2015 [Gartner CIO Survey](#).

Organizations are ready to become more sophisticated in their sales planning, and to do so, they need to get a handle on this data and make it actionable. But how? First, develop more sophisticated ways to discover, collect, assemble and clean data. This requires people with deep analytical skills, as well as data

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management processes that can churn through information quickly. So far, most companies in the life sciences industry have barely scratched the surface in this regard. They also need to figure out privacy and security issues. Big data is no longer on premises. It has moved to the cloud, requiring a layer of compliance to ensure that this very sensitive information is protected properly.

Even if you have the information, it's worthless unless used wisely. A common complaint that we encounter from sales teams is that they can't access data while in the field, yet a common complaint inside the central office is that reps don't share the information that they gather. This desired two-way exchange seems to be difficult to achieve, but it's key to building effective, information-based organizations.

## 5. The Increasing Power and Sophistication of Mobile Tools

Welcome to the second wave of mobile computing. In the first wave, desktop enterprise applications such as CRM, ERP and HR migrated to mobile applications, oftentimes with uneven results. Now the second wave of mobility is ushering in a real change in how people consume information and perform activities on the go.

Mobile technology and just-in-time approaches to working while on the road have taken off, as expectations from consumer experiences frame what employees expect from their business apps. Many components are coming together to enable this always-on capability:

- + Decision-making processes are being distilled into more accessible bite-sized pieces. Rather than having to drill down for information in reports, the user is presented with alerts.
- + Next-generation mobile apps are becoming context-aware, taking cues from location and previous decision patterns to cut through the clutter and suggest the best solutions.
- + User interfaces are being designed for the small screen and pudgy fingers, with a focus on easy, intuitive navigation.

What's especially important for users in life sciences is that every device iteration will come with increasing processing power, analytics capabilities and context awareness. Yet much more work needs to be done. As we said, the next-generation sales rep will be executing much more complex tasks in the field and will need richer information to act. With more power, features such as machine learning will make it possible to train your device on how and when you make decisions, how you prefer to receive information and what type of information is most relevant. That will enable the delivery of ever more information to the ever

more efficient rep. Over the next few years, sales organizations may need to roll out several generations of solutions as these technologies mature and reps get better at using them.

## **6. The Move to the Cloud**

With each passing year, cloud technologies are enabling and reinforcing trends that help life sciences sales organizations operate more quickly, more efficiently and with lower cost. The cloud allows companies to shift CAPEX to OPEX by avoiding substantial infrastructure investment—software as a service. [IDC predicts](#) that by 2020, 80% of healthcare data will pass through the cloud at some point as providers leverage those technologies and infrastructure for data collection, aggregation, analytics and decision-making.

Thanks largely to the incredible computing power and falling costs made possible by cloud services, sales organizations can now efficiently analyze data to find new customers, design the most effective targeting strategies to get to them, and support reps and administrators wherever they are in the world.

The products and services delivered by the cloud are improving significantly, as well. Gone are the first-generation generic products, replaced by solutions customized for the industry with functions like sales planning and optimization, sales compensation and CRM. Life sciences sales organizations benefit not only with smarter tools, but also because less customization is required of legacy systems. But a bigger win might be this: Cloud-based, industry-specific solutions allow the industry to administer their processes centrally from lower-cost geographies.

Moving to the cloud, however, isn't just a technology journey or a new tool set to be learned. It's also a business model change when you move to everything-as-a-service, where providers charge by the transaction or subscription. These costs can be difficult for companies to estimate, but the end result for most will be lower IT spending and faster processing power. In our experience, cloud solutions have the power to process 20 times more data 20 times faster at 20% of the cost.

These types of technological advancements—big data, mobile, cloud—will very much drive and support the business management changes noted earlier, including institutional engagement, next-gen sales reps and globalized sales operations, but the drivers go both ways. As business processes improve and sales models change, new technology will be needed to fully capitalize and integrate, so vendors are busy building industry-specific platforms and applications to get there.



## Buckle Up

By 2020, it can be said with confidence, most successful sales forces in life sciences and other industries will be tapping big data like water from a spigot, using advanced analytics and processor-fueled mobile devices to deliver insights and make informed decisions on the fly.

They will be doing so for sales organizations that have been redesigned to reach customers by whatever way the customer prefers; that bridge the strategy-execution gap between headquarters and the field; and that realize the full potential of global organizations with technology and policy choices that enable centralized standards while also affording flexibility to capitalize on local opportunities.

Yet the path there will require many iterations, trying various approaches and pivoting as the business and technology landscapes evolve. The most successful organizations have already started on this path, so buckle up because you'll need to move fast if you want to catch up and take the lead.



## About the Authors



John Bienko is a principal in ZS's Evanston, Ill., office and leads the resource planning and deployment practice area. For more than 20 years, he has consulted with organizations across industries such as pharmaceuticals, medical devices, consumer packaged goods and business products, addressing issues including marketing strategy, sales force size and structure, new product launches, resource allocation, geographic deployment, incentive compensation, market research, and activity planning.



Maria Kliatchko is a principal in ZS's New York office and leads the Javelin™ Professional Services team, as well as the Javelin™ Sales Planning software product line. She has more than 15 years of experience working with pharmaceutical, medical devices and healthcare companies on a diverse array of sales and technology strategy issues, including sales alignment, segmentation and targeting, and call planning, as well as business intelligence, CRM and commercial data integration.



## About ZS

ZS is the world's largest firm focused exclusively on helping companies improve overall performance and grow revenue and market share, through end-to-end sales and marketing solutions—from customer insights and strategy to analytics, operations and technology. More than 4,500 ZS professionals in 22 offices worldwide draw on deep industry and domain expertise to deliver impact for clients across multiple industries. To learn more, visit [www.zsassociates.com](http://www.zsassociates.com) or follow us on Twitter and LinkedIn.

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**For more information,  
please contact:**

ZS Associates  
+1 855.972.4769  
inquiry@zsassociates.com

[www.zsassociates.com](http://www.zsassociates.com)