



# The Sales Management Mistakes That Cost Time, Money—and Competitive Advantage

By Jennifer Baltzell

Pharma sales organizations are in hyperdrive to compete in an ever-changing landscape. Do you have what it takes to succeed at this new speed of business? Here are two change-management mistakes that keep tripping us up.



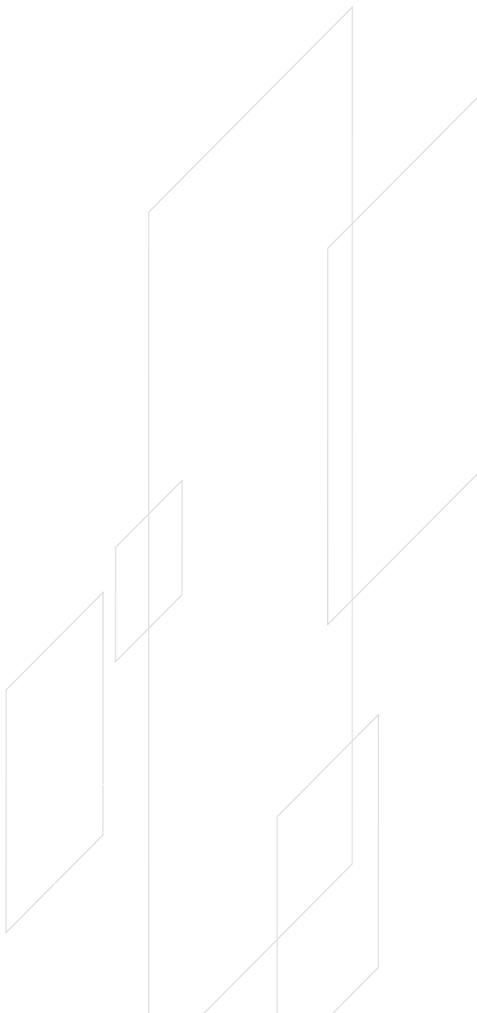
Until the last few years, the pharmaceutical sales cycle moved at a relatively genteel pace, following the speed of the industry regulatory environment (slow but challenging), business environment (relatively stable) and technology adoption (slow).

Oh, how the picture has changed. Today, sales forces must contend with everything from a rapidly evolving payer landscape to business cost pressure to do more with less. Medicines are being approved for sale in record time; however, peak sales of new products have been declining with the time-to-reach-peak decreasing at an even faster rate. Longtime customers are being swallowed up in mergers or tangled in the arms of new health networks.

In other words, change is the new constant.

As a result, pharma sales organizations are themselves in hyperdrive—or should be. Sales organizations must be agile in their ability to rapidly understand the local implications of external and internal events, formulate responses and execute. If unable to do so at speed, not only will sales be lost, but careers as well.

The good news is that these questions are being asked and answered in *all* industries, so we have plenty of company to learn from. And change management solutions are not rocket science, although they do involve extensive reflection on organizational mission, on aligning the sales force with that mission and making sure the right resources are available at the right time to decision-makers. Oh, and you have to execute.



## Too little, too late

In our role advising large pharmaceutical clients on sales force strategy and effectiveness, we see some companies making these transitions well, but far too many undershooting the change management challenge—at costly consequences. Here are two common mistakes that we encounter.

### **Mistake No. 1: Failure to provide field managers with resources to act quickly**

When a sales opportunity arrives, the first task is getting everyone on the same page. Let's say a drug on your managed-care plan has been awarded a new formulary status. You need to quickly identify customers that this change will impact and who in the organization is serving those customers. What resources do you need to add or reallocate? In cases where you want to add sales resources to target additional doctors, do you have reps trained in this drug, even if they are not currently selling it? Who can you send out against these additional targets in a focused way to make this happen next week, not in three months when momentum has been lost?

When time was not as precious a commodity as today, an experienced sales manager or sales planner with a large spreadsheet and some canceled appointments could work out an adequate coverage plan. But it would take weeks and likely months to get rolling. Today, more sophisticated software than Excel is needed to quickly identify targets, match them with reps and communicate strategy to all concerned. It's not just a technology challenge. Organizations must be designed and motivated to communicate quickly and effectively.



## Mistake No. 2: Not breaking the cycle

The sales circadian rhythm in pharma ebbs and flows around quarters and semesters; we are not comfortable with mid-cycle adjustments. “Let’s wait until the start of the next planning period to execute” was a perfectly acceptable tactic in the past, but now speed to market is one of the industry’s prime competitive differentiators. To accomplish No. 1 (making field operations more agile), decisions need to be made, approved and implemented quickly.

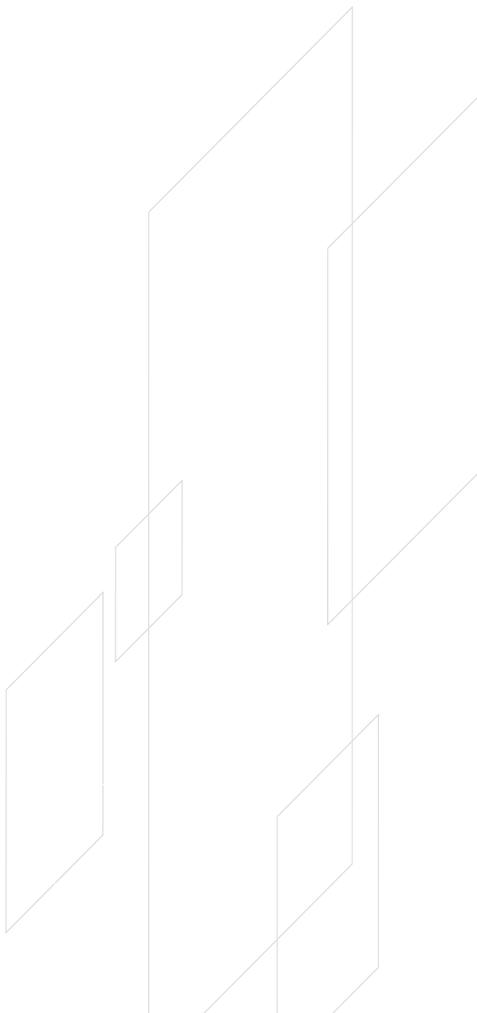
This might mean pushing decision authority closer to customer-facing personnel, cutting bureaucracy or rethinking your approach to alignments for day-to-day operations versus bonus calculations. What it really means is customizing your approach to the customer based upon what is happening in the environment. Having a valuable customer disappear from your target list doesn’t necessarily call for a change in how to approach the market in general, but you should update your targeting as quickly as possible. IT systems that support such just-in-time information would help us think through the “next best customer” targeting process.

The solutions to these problems are partly Change Management 101, but also have a technology component. Our company believes that software can promote this needed agility. Here’s one example. Javelin™ Alignment Manager has always had the capability to foster collaboration between field managers and the home office. But given today’s up-tempo business pace, we are adding features that enable sales-planning teams and field managers to move at the speed of business. Recent releases allow planners to add new products immediately to entire teams or to individual sales positions while field managers can now leverage a new view to quickly analyze customers and redeploy representatives based on changing local market needs. Speed-to-decision capabilities such as these help capitalize on national opportunities while keeping the local group on the same page.

### Speed succeed

The pace has quickened decisively in pharma over the past two years. Sales organizations need to respond with practices that equip field forces with the resources they need, when they need them, that proactively manage rep vacancies so no sale is left behind and that break the quarterly or semester sales mentality with just-in-time decision-making.

Sales groups that are able to react to changes on the ground will build tough-to-challenge competitive advantage in the markets they control. Those that don’t will also gain speed—to the rear of the pack.



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## About the Author



Jennifer Baltzell is a Principal in ZS's Princeton, N.J. office. Her experience has included work with pharmaceutical clients in sales force strategy and effectiveness, territory alignment, call planning, incentive compensation, program management and market research. Jennifer has more than fifteen years of experience assisting clients in territory alignment. She is a member of the ZS Alignment and Placement practice area of excellence, supporting many internal ZS teams as well as clients in addressing alignment issues, and was involved in the development of Javelin™ Alignment Manager.

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