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SALES & MARKETING INSIGHTS

ZS Interview: Slowly but Surely, Key Account Management Takes Hold in France

Participant: Sebastien Heilmann

As with many things, France runs much of its pharmaceuticals industry by its own rules.

Like its European neighbors, however, France is trying to reduce public spending on health care. The French government is trying to cut expenditures on pharmaceuticals, which is one of the highest per capita in the world. At the same time, there are fewer restrictions on market access in France than in other countries. As a result, pharmaceutical companies are trying to increase their business in France (and Europe overall) through key account management (KAM), providing dedicated teams to their most important accounts.

Sebastien Heilmann, a ZS Principal based in Paris, spoke about how the second-largest market in Europe for pharmaceuticals is evolving, how key account management will play an important part in pharmaceutical sales structures in France, and how pharmaceutical companies can adjust their sales structures as market conditions fluctuate.

About the Expert

Sebastien
Heilmann,
Principal

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Sebastien has helped clients in the pharmaceutical industry with solving problems for more than a decade and a half on numerous sales and marketing issues, including key account management, sales force alignment, sales force productivity, portfolio design and many other issues.

Are French pharma companies implementing key account management?

SEBASTIEN HEILMANN: All have started at one end or the other—implementing key account management tools, processes or capabilities—but progress has been slow in implementing fully operational KAM.

The best regional teams in France already perform excellent account management. The challenge is to generalize these best practices, and to transform them into sustainable company-wide capabilities.

It sounds as if companies are still figuring things out.

SEBASTIEN: Many companies have set up collaborative tools or implemented specialized software for KAM. Others are trying to make comprehensive commercial plans for specific regions that use key account management skills. Others are developing capabilities—they're trying to enhance the ability of their cross-functional teams to work together on key accounts.

Does the way physicians operate in France complicate KAM?

SEBASTIEN: Key account management cannot yet describe anything beyond sales to hospital clients. There are still relatively few group practices in France. Most office-based doctors work individually; the same is true of many pharmacists. And individual doctors working alone in their own offices do not apply many strict drug protocols.

However, this will change in the coming decade. By 2015, you can imagine many multidisciplinary health centers behaving like small local hospitals and deciding which drugs to adopt or which guidelines to apply.

So are individual physicians or medical associations key accounts?

SEBASTIEN: The key decision makers are still individual physicians for mass-market drugs. But some office-based specialists have a considerable local influence, and when these influential physicians endorse products by using them, others will follow. Pharmaceutical companies should work on partnering with these particular top-value physicians.

Compare that with a hospital, where 10 to 20 people hold the keys to a brand's success.

Does that mean there are too many key accounts to make KAM effective in retail?

SEBASTIEN: It is true that for mass-market drugs, the potential for prescriptions is still fragmented. But a key account approach can still be effective. After all, one influential pulmonologist or oncologist can affect sales throughout an entire region. Now the question is how do you convey marketing or medical expertise, seniority and experience to these doctors? You cannot generate time for additional physical meetings.

This means training for reps has to improve dramatically, and reps need the ability to collect information from within their entire company for customers. In a few years, companies will use tools similar to social networks, so they can bring the best of their value proposition to each customer.

How difficult is developing an internal organization for KAM?

SEBASTIEN: Everyone in the pharmaceutical industry has ideas to develop a functional KAM operation. Often, we organize account meetings with a company's entire team: marketing, sales, sales management, medical experts, market access specialists and others. We take real cases. These meetings are almost always successful, with everybody on the team contributing ideas.

The difficulty is taking the time to meet regularly, and to ensure execution on plans. The team should constantly produce suggestions for improving relationships with clients. Virtual meetings and new teamwork technologies will be important for key account management teams to succeed.

How hard is getting different parts of the company to collaborate?

SEBASTIEN: When I started in the industry 15 years ago, there was little truly collaborative work within a company—most decision-making was separated into silos. You as a marketer would design a marketing leaflet, which would go to your boss, then to the medical experts, then to the regulatory experts. But no one would discuss it in a group.

Systematic collaboration is a new thing, but the pharma industry is now aware it is the main way to deliver a good customer experience. The French are creative and like to work fast, so I think collaborative practices will become a no-brainer quickly within the pharmaceutical industry.

How will proposed health-care reform affect pharmaceutical spending, if at all?

SEBASTIEN: All French governments in the last 20 years have reacted in a very French pattern toward reform: stating principles and making important announcements, but implementing changes cautiously.

Still, there has been a continuous evolution toward stricter management of health-care expenditures, which will eventually put France in the same position as more budget-conscious countries such as Germany. But France will probably not reach the drastic, market access-limiting models that we see in the UK, for instance.

The most recent reform by French health minister Xavier Bertrand was supposed to forbid any rep access to individual physicians. The government has applied the “no calls” rule only to hospital physicians. There will be more restrictions over time, however.

What do you see as the future of key account management in France?

SEBASTIEN: Key account management capabilities will be critical as decision making in France becomes concentrated—regional health-care agencies will have more power and big office clinics will become more common, as well as integrated pharmacy networks. On the other hand, some individual office-based physicians will be treated as key accounts.

Because of many pressures, among them the reduction in the number of reps and the shrinking of local marketing teams, the old ways of working are over. Companies need to embrace new modes of collaborative work, enabled by the speed and agility that Web-based networks allow.

About ZS Associates

ZS Associates is a global leader in sales and marketing consulting, outsourcing, technology and software. For almost 30 years, ZS has helped companies across a range of industries get the most out of their sales and marketing organizations. From 20 offices around the world, ZS experts use analytics and deep expertise to help companies make smart decisions quickly and cost-effectively. ZS comprises multiple affiliated legal entities. Learn more at www.zsassociates.com.



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