



CLARITYES1 PODCAST #7: PHARMA SALES STRATEGY FOR 2024 AND BEYOND

Welcome back to the ClarityES1 podcast series. I'm your host, Chris Deren and after a couple of decades of helping field teams develop into their full potential, I can say that we've learned a lot, especially about strategic account management and how to get it right.

We're already more than halfway through Q1. So, this is about the time that Pharma commercial organizations find out how their strategic plans for the year are playing out with multiple components up for examination....

- The alignment of sales and account teams, territories, and performance compensation plans
- Marketplace horizon scans, data acquisition and competitive analysis
- Marketing messaging and if it's starting to resonate (or not).
- Sales operation revamps, new tech implementations and a fresh look at AI
- Learning, development & coaching initiatives. Some designed to fix what's broken, others intent on building SAM capabilities and a sustainable advantage

Add to this new product launches and you have the well-known recipe for a bit of annual Pharma chaos with field teams and leadership.

And of course like every year, things have a way of sorting themselves out for the betteror sometimes worse.

Yet the one nagging question that we seem to hear surprisingly often, and one that still continues to evade definitive answers is “What’s our sales strategy?”

Every time this comes up, I don’t think folks literally mean that they don’t have ANY strategy. But it does sometimes feel like there’s a collective set of programs, initiatives, activities, and tactics that should come together to form some overarching strategy and vision but never quite do.

It would be a bit too ambitious in just one podcast to attempt a comprehensive primer on winning Pharma sales strategies but after all these years, (and looking down the 2024 path and beyond), there’s unmistakable and timely patterns that have emerged that when factored into strategy development, can make all the difference. Of course, when ignored, they can also throw a wrench in the machinery of field sales execution.

So, here are 3 things to consider when you’re trying to land on (or get back to) the right sales strategy in Pharma:

#1: Assume you'll be making adjustments at half-time.

Regardless of the sports analogy used; whether it's half-time, 2nd period or between matches, it's safe to assume that the sales strategy you launch with may look different than the one you run most of the race with.

- Sometimes the initial strategy is sound, but the capabilities of the field teams don't match up.
- You're getting the desired traction in one customer channel but not in others for the same product.
- The marketing mix and messaging might look spot on at the onset, but buyers have other ideas about what resonates with them.
- New market penetration is attempted without the need for a formalized sales process only to find that the absence of a unified and consistent approach becomes your slowest moving part.

Some of these issues you can see coming from a distance, but others come out of the blue and threaten to throw your forecast and performance trajectories off course.

When this happens, making adjustments becomes necessary and no one should be surprised about the mid-course change in direction. Everything from a key leader moving on to restructuring account teams to upskilling the field force to call on new types of stakeholders could be on the table for consideration when it's time to make changes.

The key here is to strike a balance between the need to stick with a strategy long enough to know if it's working or not but when it's not, to anticipate the need to make adjustments sooner rather than later.

#2: Avoid the temptation to turn inwardly.

Whether you're just getting started down a new strategy path or triaging strategy that's veered off course, it's tempting to turn inwardly and look at what the organization is doing or not doing to hit their stride with Pharma account stakeholders.

While this might be a natural reaction and ingrained in the leadership psyche of attempting to "fix what's broken", commercial organizations need to remind themselves where winning execution formulas are born (or should be). And that's from the point of customer value creation back in, not the other way around.

Allow me to digress for a moment.

A long time ago, back in the early 90's, I worked in sales for Xerox. This was back in the days where the company was trying different strategies and spending many millions of dollars to defend market share against new and lower cost entrants from Asia into the US market. Xerox leadership at the time, after months of internal debate and planning, thought they had landed a winning strategy of offering the industry's first "money-back guarantee." If any

customer was unhappy with their new Xerox equipment for any reason, one call would have it removed and money returned immediately. The champagne corks were just about to fly in the company's Rochester, NY headquarters when someone suggested checking in with a cross-section of Xerox customers to get their reaction to the about-to-be-launched initiative.

Sure enough, these customers almost unanimously shot down the idea because from their perspective, having Xerox take away their machine and refund their money after sometimes months of comparison shopping and looking at alternatives was a setback, leaving them with no working solution for their business. Fortunately, Xerox was able to pivot quickly and scrapped the money-back guarantee strategy and replaced it with the "Total Customer Satisfaction Guarantee" enabling any Xerox customer who was unhappy with their equipment to call one number and have a new replacement machine delivered the next day.

One could look at the company's ability to pivot on strategy quickly as the key takeaway here. But I think the larger lesson was Xerox's recognition that at the end of the day, what the customer perceives to be of value even in cases where the data supports otherwise, is the starting point for great strategy design.

#3: Transition from experimentation to repeatable process as soon as you can

There are several Pharma commercial scenarios that lend themselves well to a strategy of experimentation in the field, at least initially:

- A product classification or indication that's new for the field force
- A new competitive entrant your teams are facing for the first time
- A new customer segment, account type or external stakeholders your teams haven't called on before

If any of these conditions are present when you're devising your go-to-market strategy, it is both defensible and even sometimes advised to have an element of experimentation embedded in the strategy that gives field teams the flexibility to try different approaches to see what works.

This could be giving account teams a bit wider latitude, within compliance boundaries, to try different messages with parts of the customer organization to see what resonates. Or conducting pilots on a new risk-sharing agreement with market access decision makers that internal legal and marketing teams help customize and support.

But experimenting with Pharma Sales strategy for too long can backfire. Sometimes one-off initiatives don't translate well across territories or channels, or they require a specialized skill set to execute that's not scalable. Either way, they tend to veer a bit too far from lowest-common denominator activities and can't take advantage of a more repeatable, unified approach that entire teams can embrace.

One way to know if there's been a bit too much experimentation at the account field execution level is when everyone seems to be doing their own thing and there's no easy way to replicate a

winning strategy with one key account to others in the territory or across the organization.

Another indicator comes out of conducting win/loss analysis. If it's obvious why a piece of business was lost but not so obvious why one was successful, you might have already passed the point where experimentation should have given way to a unified sales strategy and process based on proven and scalable best practices.

Coming up with winning sales strategies in Pharma has always involved a bit more art than science, well-sourced data and analytics notwithstanding. Perhaps it's time to learn from other business functions like software development for instance, and some of the terms and success factors they embrace every day like "Agile", "Fluid", and "Adaptable." Regardless, the best-laid plans are often the ones that undergo a bit of re-work and adjustment before we're too far into the year.

Thanks for listening to the ClarityES1 podcast series. Until next time....