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Rethinking Respiratory Treatments



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Sales Recruiting

Revenue Projections, Part I: Under-Recognized Opportunities & Under-Utilized Strategies to Create a Sales Powerhouse

By: Jean C. Male, President & CEO, Emp-Higher Performance

Introduction

There is a disproportionate body of knowledge, time, and investment around discovering, or in-licensing, a product compared to the body of knowledge, time, and investment spent acquiring the sales talent that can make or break revenue projections for said product. Because most new products are seen as commodities, it is ultimately the field representatives that differentiate themselves, their products, and their companies. Field sales employees are the face and foundation of any company. They are the company to customers and key to its reputation, financial, and respect equity. They are able to exceed revenue projections for commodity products or to create shortfalls for products with great potential.

It has long been held, and remains true, that face-to-face selling is the single most expensive, but potent marketing tool, even in an industry where access to customers is the single greatest challenge. Indeed, backlash against the number (and quality) of reps in the field has created access challenges. The July 2006 *Pharmaceutical Representative*

Access Report identifies the top-three issues as: not enough access/time; physicians have already decided which products to use; and inability to get past the front desk. However, a large call-out in the report underscores this importance and truth: "Access to high-prescribing physicians continues to challenge the industry. Still, some representatives succeed while others do not."

What if the revenue generation of the top 20% of the sales force could be doubled to 40% creating a 40:60 ratio? This is not a pipe dream. The talent is out there. Every company has a cadre of "backdoor reps" able to build relationships with accounts considered "no see" to their competitors. This talent is able to provide the value that earns access to prescribers over their counterparts because they are able and willing to build relationships, gain access, identify and provide value, persuade, and provide personal service. They drive a disproportionate share of their company's business because they generate value and tremendous ROI for all stakeholders. They know it, and they want to be respected and rewarded for it. The good news is that many

of them are looking to move to Specialty Pharma or to a company where they can write their own ticket with respect to career opportunity.

Talent is an untapped brand equity opportunity for C-level and new business development involvement. To identify how a company can identify and attract this talent requires insight about the pros and cons of traditional staffing models and a willingness to explore opportunities for innovation. The following questions are offered for consideration:

- Why is talent acquisition often a last-minute task with little C-level strategy or direction?
- Why is recruitment typically outsourced or assigned to those with no ultimate stake in performance?
- What are the opportunities to address the likes/dislikes and unmet service needs of prescribers in that therapeutic area?



- Is the hiring profile (style, temperament, competencies) the same for all therapeutic areas?
- What “brand” sales force are we intentionally trying to build?
- What are the implications of a rush-to-fill headcount for launch?
- How can we provide line managers, who must “live with” a hasty hiring decision, the time, training, and tools to create a sales powerhouse?

A plethora of data and online calculators illustrate the staggering losses of a single bad hire. The traditional recruiting approach strives to mitigate that risk by outsourcing hiring to pros who can deliver an acceptable pool of candidates for interview. This approach would seize the advantage of a glut of unemployed representatives from biopharma downsizing. Surely a bigger availability pool helps fill vacancies quickly, but it does not secure talent acquisition. Even hiring downsized Pfizer reps, known for their strong training, falls short of the point. Recruiting talent for your company, culture, and competencies, means that one must hire the qualities that cannot be trained. A great deal is written about the costs of a single bad hire, but how much do we know about the value of an excellent hire, or the lost opportunity costs of an acceptable hire (80% of the sales force) and how much money are we leaving on the table?

This conversation between *Specialty Pharma’s* own Ms. Jean C. Male and Mr. Tom Donlon, Manager, Sales Training and Development, Intendis, Inc., explores opportunities to re-tool practices with an eye to performance and revenue generation.

Q: What do you see as the pros and cons of using internal HR recruiters, field management, headhunters, or contract sales?

Mr. Donlon: The pros of using internal recruiters could almost boil down to one thing: you can guarantee that “one of your own” is funneling through the resumes with the company’s best interest in mind. Internal recruiters have a stake in the hiring process and are more in tune with the corporate culture and values. They also, at times, have relationships with the hiring managers and can easily identify with the values the

organization is seeking. The con of internal recruiters is that they sometimes don’t have the networking capabilities of a headhunter. Another potential drawback is that they don’t specialize in a specific function as CSOs and some headhunters do. An internal recruiter may have three openings in finance, four in IT and, oh by the way, those 12 territory sales openings throughout the US.

Ms. Male: For start-up companies, seize the under-recognized opportunity to do it right from the beginning. During Phase III or early sNDA, establish a talent team of new business development, market research, HR, etc. to address the questions (3, 4, and 5) put forth at the beginning of this article. To back-fill normal attrition, don’t accept the “I know it when I see it” concept of a good candidate. Revisit or create competencies for each job description. Scrap those adopted from industry benchmarks and seek professional guidance about how to create meaningful competencies for your company. If the competencies don’t clearly identify skills and behaviors of successful candidates, scrap or retool them. Also, revamp predictable past performance interviewing questions that are well-received by rehearsed candidates. Prior to expansion, perform a full assessment of your high performers to quantify and qualify their values, competencies, and critical incidents not shared by your average and below-average performers. With this benchmark, create an expansive hiring profile to “clone” success factors.

Q: What are the pros and cons of using district and regional managers to recruit?

Mr. Donlon: Using district managers at the onset of the recruiting process has a major downside due to the time factor. Travel schedule, field rides, coaching plans etc. make the initial phone-screening process almost impossible. The internal recruiter can do all of that upfront work and deliver the candidates who have passed the phone screen and sometimes the first round of face to face interviews.

Ms. Male: Innovation challenges the status quo. The harsh reality is that recruiters are on the line to deliver numbers of heads by deadlines, but managers have to live with the hiring decision and hold ultimate accountability for performance. Thus, if a

company truly wants to create a sales powerhouse, they must help line management take a more active and proactive role in building their talent franchise.

Make time, this is easiest to do during ramp-up for commercialization, but important at all times. The fact that managers are accountable to generate revenue, yet sales talent is one of the few variables of market success within their control, creates a clear need for greater expertise, control, and decision-making when it comes to recruiting and hiring. When assessing what more important duties field management might be doing, it’s difficult to justify the lost opportunity costs of field contact time against the cost of a bad or mediocre hire that will cost innumerable coaching and documentation days in the future.

Eliminate rubber-stamp and crossed fingers. Managers are often under duress or put under impossible deadlines to fill vacancies whereby they must select from candidates that pass interviewing muster (with HR and senior management), but whom nobody is thrilled about.

Expect and reward “pied pipers.” Encourage veteran managers to be talent pied pipers of proven performers. The goal is to create a pool of proven performers who would follow, or consider working for, the manager based upon first-hand experience or word-of-mouth reputation. Reward managers who have a pipeline of qualified candidates at the ready.

Empower success. Train managers on non-traditional interviewing methods that help assess the candidate’s core values, philosophies, and beliefs, in addition to past performance and the mandatory regulations. Provide performance science training to give them greater perspective and more opportunity to proactively build their talent powerhouse.

Q: What insights do you have about using Contract Sales Organizations as opposed to internal HR or line management to recruit?

Mr. Donlon: Contract sales recruiting is an entirely different animal. There are two different areas: client launch and backfill. The recruiting process for the launch of a new contract, which sometimes can be up to 500 sales representatives, is quite hectic

to say the least. Often, there are pieces of the contract that require the launch to have a certain percentage of territories filled. The launch of a new contract requires great project leadership and a strong team of sales recruiters. The upside to building a contract sales force or using a CSO to recruit is that the team of recruiters specializes in pharmaceutical sales recruiting; that is their only function. This makes identifying and screening candidates almost second nature to pass along to the hiring manager, which tremendously helps with the turnaround time.

Q: What can be done to proactively troubleshoot the concern that CSO sales forces lack the “soul” of the company?

Mr. Donlon: If the plan is to hire the CSO sales team after 1 year, there is built-in motivation to perform in the hopes of being hired.

Ms. Male: That would help keep most on their toes. To avoid hiring those who are performing only acceptably, the company should be sure to assess, benchmark, and hire only top performers and high potentials. If acceptable performers are considered, set quota attainment minimums and expect all existing CSO representatives to interview alongside external candidates.

Q: What, if any, companies provide full-service recruiting and placement?

Mr. Donlon: Sometimes contract sales companies also provide what is called “direct placement,” typically for smaller

organizations. When a company lacks the resources for sales recruiting, it will hire a company to be its sole recruiter. In this situation, no other agency or headhunter may submit candidates because the organization is using them as a preferred vendor. This type of situation has many upsides. The direct placement company has one point of contact that oversees a team of regional recruiters. These arrangements will take the entire recruiting process away from the company, leaving nothing but the final steps of the interview process and offer extensions. The direct placement company does it all — ad placement, maintaining a candidate pool, initial phone interviews, sometimes the first-round of face-to-face interviews, and background checks. A major advantage here is that there is a team of dedicated pharmaceutical sales recruiters who have an existing resume database from which to pull. The dedicated team of recruiters will also only work for one client, which can help ensure that conflicts don’t arise. The costs of using one preferred recruiting vendor can be much lower than using a headhunter. A downside is the perceived lack of control, however, with the right recruiting partner, this relationship can be very successful.

Ms. Male: I suggest that an organization should do the following:

- Mandate that in addition to the usual documents and job competencies, that the third party has an excellent command of the company’s philosophy, style, unwritten rules, etc.

- Refuse the offer to let the third party do final interviews and make hiring decisions to deliver a ready-made district or region. For a multitude of reasons, leave final interviews and decision-making to line management.

Mr. Donlon: Headhunters are beneficial especially if pharmaceutical sales recruiting is all they do. They, like direct placement companies, have extensive databases of resumes or what they like to call prequalified candidates. However, sometimes they only send you a resume with salary requirements. This leaves it up to the manager to track down the candidate, schedule the phone interview, and ask prescreen qualifying questions. Headhunters can also be costly. They don’t have the guaranteed volume of vacancies a direct placement company may have as a preferred vendor, so their placement fees may be much higher. Also be aware that a headhunter works with other pharmaceutical companies, so conflict of interest could arise. For instance, what if a better qualified candidate was sent to your competitor offering a higher placement fee?

Ms. Male: Work only with highly ethical, tried and true, headhunters that specialize in pharma and, ideally, the job function. Contractually mandate “the right of first refusal” to ensure that you are given the opportunity to look at all qualified candidates regardless of placement fee and be prepared to pay for those that might otherwise automatically go to the higher bidder.

Q: Having experience in all three recruiting models, what do you see as the major pitfalls and mistakes to be avoided by each?

Mr. Donlon: My comments are more like tips than mistakes to avoid. Don’t stop sourcing. My experience shows that whatever bad things can happen during the recruiting process will. There are so many areas that are out of the recruiter’s and hiring manager’s control during the hiring process, so it is always best try to continue to identify additional qualified candidates. Continuous sourcing will keep the candidate pool moving and will save time if you must go back to the well. Any recruiter should continuously build rapport with the hiring managers. A solid relationship and well-qualified candidates delivered in the past by





the recruiter can only be beneficial for future openings. Be aware that a CSO recruiter or headhunter often has multiple openings in the same territory with different clients. This can cause mistrust and negative perception. One way to avoid this is having teams of recruiters dedicated to one client.

Ms. Male: Demand client exclusivity or at least a therapeutic area firewall. Practice due diligence to identify sub-departments of the same company swapping resumes under the desk. Provide regular oversight and enforcement; protect all within the terms of the contract and assess “withholds” or steep penalties for shortcomings.

Q: How common is a “best” hiring profile (e.g. from sales, from industry, from allied health, from college, etc.) and what implications does it have on learning curve, productivity, and ultimate performance?

Mr. Donlon: Hiring profiles are standard. You can keep it simple by going into the interview asking yourself three questions: Can they do it? Will they do it? Are they a good fit with the team? Sales experience, industry experience, allied health, and type of degree are all good

starting points to help reveal a candidate’s successful history in sales, the customer relationships they have developed, their knowledge of the industry, etc. However, there is never one real determining factor that helps ensure a successful hire. Success comes from tying in the hiring profile, core competencies, and corporate values of the company with the values and track record of the candidate.

Ms. Male: To innovate and build brand equity with the sales force, consider questions 3, 4, and 5 posed at the beginning of the article. Are there likes/dislikes or unmet needs that would impact your hiring profile? Genentech was among the first to identify the need to have sales people partner with practices to get better reimbursement for their products. Do not accept cookie-cutter competencies or benchmarks of success from pharma as a benchmark of success for your company. The styles, temperaments, and competencies that work for Big Pharma or in general medicine may not work in Specialty Pharma HIV; and what works for them may not work for specialty dermatology. Consider use of an assessment tool that identifies what candidates value. Values drive behaviors and provide bonus discretionary effort

beyond job requirements. For start-ups, align individual values with corporate and marketplace or prescriber values and needs. For truly life-saving products and based upon market strategy, the right value profile may be representatives who are service oriented and/or with allied health backgrounds. For a highly competitive commodity marketplace, the hiring profile may be that of what is termed “the sales animal” with strong sales experience and a value profile for money or recognition, etc. For expansion, assess the values of your top performers and add that to the hiring profile mix.

Mr. Donlon: Another school of thought to help hire successfully is that the length of the interview process will weed out those who aren’t really interested in the opportunity. Ultimately, those candidates who are persistent enough and who continuously perform well during the interview process will be the right fit.

Ms. Male: Create an intentional interview process with the appropriate number of hoops through which applicants must jump based upon the hiring profile.

New entrants to pharma selling or those who must demonstrate a “fire in the belly” should be put through a rigorous process.

Seasoned pros who should already have a substantive brag book as well as verifiable data and references do not need to be treated like rookies and indeed, may gravitate to another company due to a perceived lack of respect.

Q: What advice would you give to C-level executives commencing sales force ramp-up for commercialization?

Mr. Donlon: Give the recruiting team an incentive or kicker bonus for meeting milestones according to key metrics, e.g. time to fill, number of vacancies filled, percent filled at ramp-up or launch are good metrics. Ensure there is a dedicated team that will work toward having the sales force completely staffed at launch. Build that caveat into the contract. Encourage communication with each recruiter and hiring manager. This communication helps establish a relationship between the recruiter and hiring manager to make sure they are on the same page. Remember, ramping up means the recruiters have several (20 to 30) vacancies to fill. Create a phone screen for the recruiting company or look at theirs and modify it.

Ms. Male: Take an active role in the development and oversight of talent strategy and acquisition. Make it a serious competitive advantage tactic rather than a task that is abdicated to individuals who are not accountable for revenue. Educate all management levels in performance science. Intentionally create your field sales “brand” to create a hiring profile that fits your corporate culture, market, and therapeutic area opportunities:

- Do a competitive SWOT of competitor field attributes and reputation.
- Consider the following:
 - Benefit of specialty therapeutic area, your market niche, or service offerings
 - Product and therapeutic marketplace
 - Type of sell: technical or relationship, etc.
 - Prescriber types (e.g. pediatricians or dermatologists vs. surgeons)
 - Hire social style most like the prescriber’s (control, charisma, caring, correct)
 - Average amount of face time
 - The unwritten rules etched in stone of the company and marketplace.

Eschew rhetoric. Don’t allow classified ad claims about a “world-class” company or sales force without the world-class benchmarks, protocols, and budget. Consider your performance credo as well as the expectations, privileges, and responsibilities you’ll give and demand. Consider the hiring profile implications of needing a sales force of work-hard-play-hard with fire-in-belly desire to prove themselves vs. that of a team of proven talent that may value more work/ life balance.

Summary

So, how much money are we leaving on the table when undertaking a frenetic hiring process of available representatives and driven by those only accountable for delivering heads? It is rare to encounter a tenured sales manager who has never made the “crossed-fingers hire.” How many of those hires are just acceptable? What about when it’s a bad hire? In many companies and states, employees cannot be terminated after a 90-day probationary period without an extensive and time-intensive paper trail. In sales, the lion’s share of that probationary period is spent in training, thus, managers are understandably reticent to free up the futures of those who are not assimilating well. The inability to cut losses early is further confounded by an inability to assess early performance due to the lag in new and total Rx data. This can lead to retention of mediocre performers. High performers become de-motivated by carrying the “dead wood” that is deemed “acceptable” while their stellar performance is not rewarded in kind. In fact, if several high performers work in the same district/region, they can be punished by a bell curve that would force at least one of the stellar performers to mediocre reward levels. There is clearly a need and place for professional recruiters and the staffing models discussed. However, to maximize the revenue potential of any biological/chemical compound or drug delivery device, astute companies will start early, create competitive strategy, and claim their span of control with respect to building a talent franchise. Part two of this article will emphasize training, motivating, and retaining a sales powerhouse of professionals committed to exceeding revenue projections. ■



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Ms. Jean Male has been driving revenue in Specialty Pharma for nearly two decades through sales, product management, business development, training, and performance improvement. In 1989, Ms. Male spearheaded expansion, human performance initiatives, and training programs directly linked to revenue generation and subsequently adopted as the international benchmark for specialty biopharma success. Since 1997 as President of Emp-Higher Performance, Ms. Male has been providing first-person perspective and keen insight to create hiring profiles, protocols, and performance initiatives for Specialty Pharma companies during acquisition, commercialization, and expansion.



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Mr. Donlon has spent the past decade in recruiting, pharmaceutical sales, and training during which he spent more than 6 years gaining a depth and breadth of expertise in talent recruitment. He has experience as a headhunter at a generalist recruiting firm, in contract sales recruiting for a broad range of clients from medical device to ethical covering many specialties, and in Direct Placement Recruiting for a single client with multiple business units, where he directed every aspect of the recruiting process. Mr. Donlon was also a successful Pharmaceutical Sales Consultant prior to promotion to Sales Training Manager.