

# Sales Performance

## Lessons Learned from the Boardroom to the Street – Fireside Chat Series

By: Jean Male, President & CEO, Emp-Higher Performance Development, Inc.; Craig Eberhard, Vice President of Sales, Amylin; Ginger Graham, President & CEO, Amylin; and Matthew Witte, Vice President of Sales, Ligand

### Introduction

This fireside chat series, *Creating Sales Performance — Lessons Learned from the Boardroom to the Street*, addresses a pivotal topic in one of the fastest-growing sectors in healthcare investing. There is much ado about acquiring the right compound and minimizing risk to hedge the gamble for solid returns. A favorite Peter Drucker quote states, “The best way to predict the future is to create it.” But investment analyses often miss opportunities to exceed market potential with sales-performance initiatives. From inception, they can create clear differentiation and competitive edge to outmaneuver other companies in a therapeutic category, whether Big Pharma or other Specialty Pharma companies.

Participants in this discussion were encouraged to share all they have learned from the early days — on the Street through their progression to boardroom and how that insight creates performance on the Street. This discussion will encompass the

Specialty Pharma definition shared by fellow Specialty Pharma Council member, Vik Seoni: “Specialty pharma is loosely defined as the expanse between Big Pharma and Biotech.” The focus for this series, then, is creating sales performance within that dynamic array of business models.

### **Q: What do you see as the key elements needed to create and sustain a high- performance sales force?**

**Ginger Graham:** *The requirements are sometimes different, though the motivating forces include a common set of elements. It includes the understanding of a purpose, and a strong purpose, which people are drawn toward, even compelled to execute, something that they believe in; clarity of the measurement off of which performance is determined, and then a broad set of tools that management employs for recognition and reward. I believe any sales force, regardless of the requirements from their customer, if they believe in the purpose,*

*understand how they'll be measured, and are appreciated, rewarded, and recognized in a broad manner, over time, that they can achieve exceptional results.*

**Craig Eberhard:** *A clear vision and corresponding objectives to achieve that vision. Our people believe that we're fundamentally going to change the way diabetes is treated not only in the US, but eventually throughout the world. So it's part of people wanting to be a part of something that's bigger than themselves, and I think that's one of the things that's helped rally people here.*

**Jean Male:** *The values are highly relevant and often overlooked, but are a principal for hiring, motivation, retention, and growth. Values drive behaviors. Most companies expect employees to pay lip service to organizational values, but it's extraordinary when they hire employees*



whose self-generated values are aligned with corporate values. An instrument that identifies what prospective hires value can determine whether individuals are driven by money, service, belonging, etc. Identifying what your collective sales team values can help develop incentive plans and all aspects of the performance architecture (Figure 1). Knowing what individuals value can power coaching, motivation, and more. In other words, a sales manager's rah-rah speech about bonus may motivate those valuing money or material things, but isn't as motivational to those valuing belonging to accelerate regional ranking or for those who value service who believe that patients truly need the product they promote.

**Matthew Witte:** I believe the fundamentals to create and sustain high performance start with executive management commitment. If the executive leaders of an organization are not committed to allowing sales management to modify the traditional pharmaceutical sales management model (reach and frequency, calls per day, sales support) to adapt the needs of each product's market-specific needs, the effort will usually fall short.

**Jean Male:** Nearly 20 years ago, I left Big Pharma to become a Specialty Biopharma rep and quickly realized that as the underdog I couldn't cover the ground or enjoy the share of voice as my Big Pharma competitor. Our traditional pharma sales model for routing, call frequency, and marketing mantra (right target, right message, right frequency) would not win the battle. We needed a narrow and vulnerable place to strike. Not the high-prescribing friends who never heard of the company/products, but soft spots being ignored or unprotected where we had a shot at access and impact. This strategy quickly broke sales records and was reproduced with resounding success even in the lowest producing territory. The sales model must be adapted and representatives empowered to manage their territories to focus on new/total Rx's over signature collection.

**Craig Eberhard:** Other elements that create high performance include a strong field management team — front line management and then your field directors. It's all about attracting the talent initially, and then

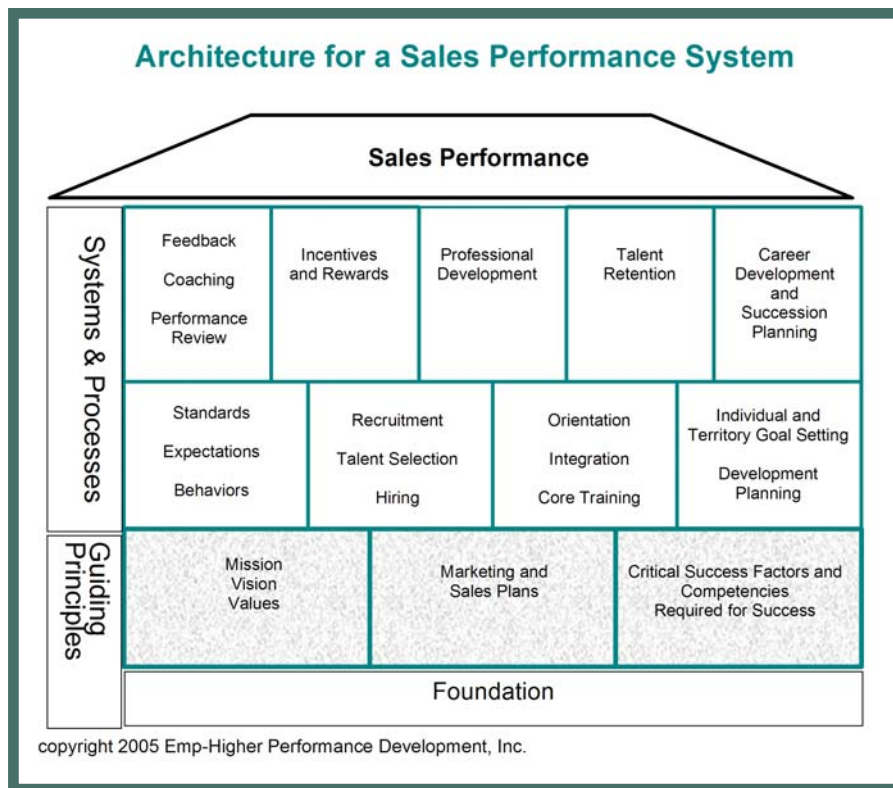


Figure 1

you've got to do all kinds of things to keep it, but you've got to first attract the talent, and it starts with the field management.

**Matthew Witte:** Specialty Pharmaceutical sales usually means smaller sales forces with larger geographies. As such, another performance success driver is strategic use of white space to focus sales representatives in areas where they can make an impact. This may mean passing on some lesser, but still lucrative opportunities. Manager burn-out in large geographies is the number-one reason for turnover in this critical functional position. Investing in more frontline management to improve span of control is corporate money well spent.

**Jean Male:** Absolutely, a specialty sales force must be highly strategic and focused so passing on lesser, but lucrative opportunities is a very viable strategy. Depending upon a number of market variables, targeting the lesser, but lucrative, opportunities may also be in order. Both strategies seek efficiencies and focus on time and opportunity costs in large geographies. The reverse strategy targets

prescribers with smaller individual TRx potential, but in zip code clusters with equivalent volume as the high-volume potentials. This can be especially potent when competitors lack the specialist's technical acumen to educate, identify value, position benefits, and motivate prescribers to remember and specify their product.

**Ginger Graham:** I have to say that my bias would not be to necessarily increase the number of frontline managers, but to more aggressively engage the individual employee in the purpose and the boundary conditions of their job. They can be more informed and more engaged in their own sense of accomplishment and adherence to the company's direction, and their managers can have useful management tools to effectively grow and support their team. The idea of de-layering an organization is still unfulfilled in terms of engaging every employee at a maximum level of performance so that it is self-management, self-direction, and self-motivation that drives performance. If you hire thoroughbreds — very high-performance individuals who want



accountability and who want to demonstrate performance so that they get recognized for it — then their ability to be successful is really only aided by management to facilitate access to resources and guide them and coach them, not an increased level of oversight or activity management.

**Jean Male:** So there's no single "right" approach for span of control or targeting. If the highest caliber professionals are in place, the first step is to educate the management team on all aspects of performance and distance management and then to empower the sales force to manage their territories as small business owners. Have you seen a number of different things work over the years?

**Craig Eberhard:** Yes, I have. Drawing from where I came from, our greatest success was achieved through purposeful linkages between sales, marketing, and medical affairs. I'm just thinking from my past in ophthalmology and oncology and even some things like dedicated teams to federal government (VA/DOD), Kaiser, or other defined customers. Whenever you can link the field force back with the home office, specifically marketing and medical affairs, collectively better decisions are made, customers are better served, and success, in terms of sales revenue, customer satisfaction and loyalty follow.

**Q: Are there differences in the type of candidate and competencies that you look to hire for Specialty Versus Big Pharma?**

**Ginger Graham:** When you speak to specialty physicians at a very high clinical level, you need to make sure that your hiring criteria includes an aptitude and an interest in the science and the medicine. For Amylin to launch two first-in-class medicines with new mechanisms of action, new science not yet taught in medical schools; our customers are actually learning new science and applying it in new ways to medical situations. That requires a level of scientific and medical expertise and competence that has to be supported by the confidence the organization demonstrates in its breadth and depth of understanding, and its ability to recognize when it should and must say, "We don't know the answer. That has not yet been demonstrated. Those elements are not proven. We don't have the data to support that use." So it really does require someone who is willing to engage heavily in the science, but also has the confidence to draw the boundaries clearly of what is known and what is not yet known.

**Matthew Witte:** It is absolutely critical for sales leadership and field sales management to calibrate on a shared talent vision for the type of pharmaceutical talent to bring into your organization. This is particularly

critical in Specialty Pharmaceutical companies that may have limited resources and cannot afford to have numerous, unproductive territories. What makes a good, tenured primary care representative is not the same talent that makes for a good Specialty representative. Even more critically, what makes a good cardiovascular specialty representative is different than an oncology representative. If the talent profile isn't decided among the entire recruiting team (including HR) in advance of staffing initiatives, the team will spend many hours undoing their hiring mistakes downstream.

**Jean Male:** Let me underscore your use of "absolutely critical." Too often, a cavalier approach is taken to what is seen as a mundane task rather than a key driver of revenue generation. The ability to attract and retain the right sales talent is arguably more important than any other aspect in the sales performance architecture. The right sales and management talent can generate revenue far above projected market potential in today's commodity marketplace and all the more with lesser known specialty products.

**Matthew Witte:** We found that recruiting for three dimensions—work ethic, attitude, and customer presence—out-trumps many of the more traditional tenure-related characteristics.

**Jean Male:** Thanks, for another very important concept. One of the most costly mistakes is failing to clearly define the behaviors, values, and traits you need to hire because they cannot be trained. Everyone who has ever carried the bag or worked on the customer side of the desk, knows that the representative IS the company. Customers' long memories can be unforgiving of a single bad representative and conversely can create strong positive opinion about your company and products. So a clear vision of the sales brand or "face" to present to customers is an important and oft-overlooked step. When a company doesn't intentionally create a sales brand it's created by proxy when everyone knows that the X company representatives are highly polished professionals, while the Y company representatives are therapeutic area experts, and the Z company representatives are Barbie and Ken dolls. But not having any sales brand at all is missing out on an

important opportunity for differentiation. Performance planning should be considered in all aspects from articulating the behaviors, values, and traits of your sales brand to the creation of field titles, (“Therapeutic Consultant” or “Territory Manager”) and corporate tag lines (“The X care specialists” or “Partners in Practice”). Mindful selection of what is on representatives’ cards reinforces the sales brand and expectations. For example, a subtle but important Pygmalion effect takes place when the card says Territory Manager and/or the X Specialists because customers hold them accountable for their (card) claims, which can fuel performance as their manager might if they were with them every day.

**Q: What are your thoughts about hiring as it relates to creating and sustaining high performance in Specialty Pharma sales?**

**Craig Eberhard:** We had more than 17,000 people apply for 300-plus sales positions. So we could afford to be choosy. We looked for more than (experience or) clinical aptitude because a lot of people were able to demonstrate sales performance and the capacity to communicate complex sales messages. We also chose to establish the right cultural fit between the candidate and our company. Who did we want representing us, and certainly clinical representation were important, but not the only things. There were cultural requirements that our company had. We found reps wanted accountability and ownership for their performance. So we had people that were

requiring that in their job search; that they would be ultimately accountable and rewarded. Also some risk tolerance. This doesn’t mean they were risk seeking, but they’re willing to put their skill (on the line) and have the confidence in their abilities.

**Matthew Wite:** Unfortunately, Specialty Pharmaceuticals are full of sales managers who hire only experience. This leads to sales specialists who are “jobbers” and rarely work more than 2 to 3 years at a given company before taking a job change, usually for a small salary jump. Buyer beware: Specialty sales forces should run, not walk away from these candidates and focus on candidates with true sales talent.

**Jean Male:** I’m glad you’ve raised the pitfalls inherent in focusing too much on the hiring criteria of experience. Hiring extensive experience can backfire in a number of ways that are catastrophic for sales performance. If an elite attitude is fostered, a veteran “above-it-all” mindset develops, creating a sales force that is resistant to learning and coaching. I encounter these sales dinosaurs in the field and in the classroom. What’s worse, unlike the dinosaurs that became extinct by standing still in the tar pit, these dinosaurs evolve into prima donnas. Sadly, senior management have unwittingly created, housed, and fed a demanding monster that can create serious near- to mid-term revenue setbacks. New line managers are at their mercy and those that insist upon raising the bar can force mass exodus (jobbers) out onto the market. Creating specialty prima donnas is to be averted at every step in the performance system, starting with hiring. ■



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Ms. Male brings greater than 25 years of experience in allied medicine, pharmaceutical and biotechnology worlds on the client, supplier, and end-user sides of the business. The depth and breadth of her experience has provided insight into the business drivers of key stakeholders from physicians’ offices, hospitals, laboratories, and emergency services, to record breaking primary care and specialty care field representative, acclaimed sales training director, international sales performance consultant, product manager (launched biotech and drug delivery devices) and business development director. Since 1997, Ms. Male has been the President of Emp-Higher Performance Development, Inc., a New Jersey-based firm specializing in sales performance initiatives from hiring through retention. The performance focus includes strategic planning, performance-based needs assessment, training and development, and measurement of all field sales employees. Ms. Male’s expertise is acknowledged in interviews and articles in global sales and industry journals including Pharmaceutical Executive, Selling Power Magazine, Pharmaceutical Representative, PharmaVoice, Selling Power Online, and MedAd News, among others. Jean is a past President of the Society of Pharmaceutical and Biotech Trainers (SPBT).

