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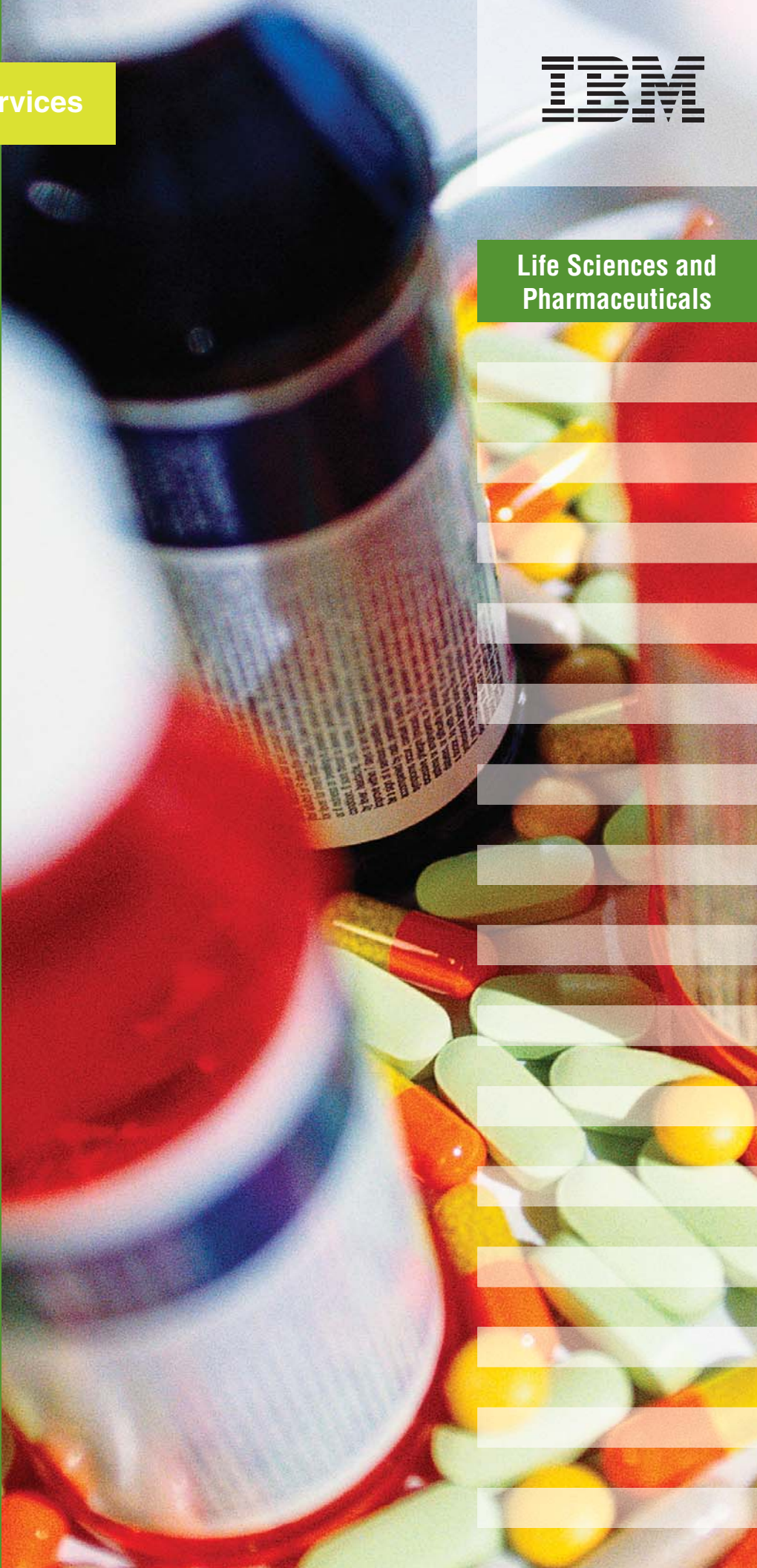


IBM Institute for Business Value

Effective e-Detailing

*Building trust and
convenience into the
physician relationship*

Life Sciences and
Pharmaceuticals



IBM Institute for Business Value

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Effective e-Detailing

Building trust and convenience into the physician relationship

Introduction

Pharmaceutical companies are finding that although the cost of detailing products to physicians is rising, tangible results are not. The pharmaceutical-physician relationship can be strengthened through e-Detailing by offering physicians an opportunity to improve the way they work, and at the same time, cut costs and increase revenues for pharmaceutical companies. But achieving results with e-Detailing requires companies to build on the trust factor: not just doling out data when and where doctors need it, but helping them provide better care with access to drug information they value and trust.

Historically, product detailing has been the most important way for pharmaceutical companies to communicate drug information to physicians. Unfortunately, traditional methods of detailing are no longer as effective as they once were. Pharmaceutical companies face mounting competition where physicians have less time to spend with sales representatives. Furthermore, current detailing methods do not provide physicians with information that they value when they want it: one study found that 78 percent of doctors feel that the product information they receive from sales representatives is biased, and nearly half say that the timing of detailing calls is inconvenient.¹

The migration of detailing services to an electronic channel that physicians can access to get the information they want, where they want, at a time that is most convenient for them (e-Detailing), can decrease detailing costs while increasing revenue. IBM research suggests that by providing physicians with more updated drug information, simplifying the sample ordering and delivery process, and allowing physicians to connect with other peers in their speciality area, e-Detailing can be an important tool that helps pharmaceutical companies improve physician relationships and, in turn, build market share.

Many pharmaceutical companies have e-Detailing initiatives under way and physician interest appears to be growing. In a recent survey, approximately 38 percent of physicians reported an interest in receiving information electronically, up from 27 percent last year.² However, adoption of e-Detailing requires physicians to change their habits, moving from one method of interaction with pharmaceutical companies to another, and, in many cases, trying on a new technology with which they are not completely comfortable. For this reason, the cornerstone of any e-Detailing strategy should be trust: companies should build the trusted sources of information and the components of a traditional detailing relationship that physicians value most into e-Detailing channels. This will make physicians more comfortable with the change and help increase the adoption rate. Operationally, success is also contingent on how well e-Detailing is integrated into the corporate Customer Relationship Management (CRM) strategy, how well the company understands physician segments and how efficiently e-Detailing is applied to support promotional goals.

A congested industry

Pharmaceutical companies face an intimidating set of challenges with their current sales and detailing processes. Physicians are trying to see more patients in less time while attempting to focus on optimizing the quality of the patient visit. Physicians' time is also overcrowded by hospitals, staff, payors and family obligations. There are more sales representatives competing for less physician's time than ever before. Meanwhile, the annual rate of increase in physicians has remained flat, while the number of pharmaceutical sales representatives has doubled over the past decade.³

Detailing delivers by far the biggest return on marketing investments for pharmaceutical companies, but many are finding that although they are spending more on product detailing, actual bottom-line results are not growing at the

expected rate. Market challenges make it increasingly difficult to get product information through to doctors with traditional detailing tactics. Even those companies that currently offer e-Detailing services are finding it difficult to provide the mix of convenience and trusted information that attracts doctors. The information exchange that detailing affords strengthens relationships with doctors, influences and increases the prescription habits of physicians, and fosters drug formulary pull-through. Without it, pharmaceutical companies cannot expect to see significant revenue growth.

To better understand how e-Detailing initiatives can help reinforce the physician relationship and increase revenue, pharmaceutical companies must first examine

what physicians do and do not value in their current relationship. Face-to-face detailing offers physicians the opportunity to learn new drug information, receive drug samples, connect with peers and physician thought leaders through sales representatives, and establish personal contact with the drug company. However, many physicians have concerns about the value they receive in exchange for the time they spend interacting with sales representatives.

“Just tell me the whole story about the drug, positive and negative, and let me figure out the rest.”

– IBM surveyed physician

Time and patients: What doctors value, and what they don't

It's 7:00 a.m. when Dr. Jones, a busy general practitioner, arrives at his office. His receptionist informs him that, due to a flu epidemic at a local school, he will have to squeeze four walk-in patients into his schedule before his practice officially opens at 8:00 a.m. By 11:00 a.m., he is running behind schedule by about an hour, and his waiting room is filled with both scheduled appointments and more flu walk-ins. There are also a few pharmaceutical sales representatives waiting, one of which is scheduled to go to lunch with him. But as lunch time nears, Dr. Jones realizes he will have to settle for a quick lunch at his desk while he reviews stacks of paperwork. He meets briefly with the sales rep in the hallway and gets samples for a new drug X, which has been effective in treating depression in children. He has several questions about the drug's indications and interactions, and the rep promises to come back with more information. The other sales reps continue to wait, in vain.

At 1:15 p.m., one of Dr. Jones' regular clients walks in – a young boy he is treating for hyperactivity, Attention Deficit Disorder (ADD) and related depression. The boy has caused several problems at school, and his mother is frustrated and wonders if there is a better treatment available for her son. She has heard of drug X from a friend and asks Dr. Jones what he knows about it. Although Dr. Jones has samples of drug X, he doesn't know enough about the interactions it might have with the boy's other medications to prescribe it, and finding information in the middle of his hectic day will take too long. But he assures the mother that he will research whether or not the drug will be effective for her son.

As the day wears on, Dr. Jones has just enough time to see all of his appointments, many of whom are annoyed – every time he walks into an exam room his first words are, “Sorry for the wait.” He will also have to apologize to his wife and son when he gets home: he missed his son's soccer game and will miss dinner due to the mountain of paperwork on his desk.

When he finally arrives home that evening, he remembers his promise to find information about drug X for the worried mother. He also recalls a request from Mr. Smith, a patient who has just been diagnosed with Parkinson's disease, to find out information on a new drug that helps treat the nausea associated with the patient's Parkinson's medication. Dr. Jones feels he owes his patients more thorough research than the typical sales brochures and pamphlets provide. He would like to find unbiased information on both drugs that he can trust. A quick search on the Internet brings up over 1000 hits on drug X and twice as many on the anti-nausea drug – finding just what he needs is practically impossible. He decides that he will try to make time to call a colleague for information on drug X the next day, and look for information on the anti-nausea drug in the most recent issues of a well-known medical journal.

Physicians are obviously concerned about the quality and veracity of drug information that sales representatives provide. In interviews with IBM researchers, physicians stated that access to drug information that is based on scientific fact is more valuable to them than assertions made by corporate marketing. Furthermore, many admitted they have trouble believing that a drug representative knows as much about product indications and interactions as another doctor might. Doctors were also put off by negative marketing or ‘counter-detailing’ of competitors’ products, and do not respect sales representatives who show a lack of objectivity. And, understandably, physicians expect to be given new information on sales calls – if sales representatives come back time after time with the same drug information, physicians feel their time has been wasted.

Inconvenient timing of detailing visits puts stress on physicians’ relationships with the pharmaceutical company, as well as on their work. Physicians dislike sales representatives who push to present their products when the doctors simply don’t have the time. With the constant crowding of their schedules, physicians often must decline the detailing aspect they enjoy most – the face-to-face interaction that allows them to obtain the details they need – while at the same time, forgoing drug information they value.

When pressed for solutions as to how pharmaceutical companies might satisfy their need for detailing that fits with their busy schedules, most physicians interviewed were at a loss for answers. The fact remains that detailing effectiveness is waning in the face of a changing market and doctors’ increasingly busy schedules. Pharma companies that seek to recapture detailing effectiveness must find solutions that address both the physicians’ need for information and their time constraints, while enhancing the physician relationship.

Cutting costs and saving time with e-Detailing

Dr. Jones has a packed schedule ahead of him, walk-in patients have clogged his morning schedule and by lunchtime, he is an hour behind. Patients and drug sales reps fill his waiting room. But he also has a mound of paperwork he must process before close of business that day. He grabs a sandwich at his desk and while he works his way through his paperwork, he logs on to his physician’s portal service offered to him by a pharmaceutical company that he respects – and watches an electronic presentation on a drug that has had some success in treating the side effects of medications for Parkinson’s disease. The information will help him better inform Mr. Smith – an inquisitive patient – on the drug and how it may help with the nausea Mr. Smith is experiencing with his current medication. Dr. Jones sends a question about the drug’s interactions to the sales rep electronically, and the question is answered as part of the presentation.

Later in the day, a teenage boy who Dr. Jones is treating for hyperactivity, ADD and related depression comes in for a checkup. His current medicines aren’t delivering the improvement that Dr. Jones had hoped for. The boy’s mother asks Dr. Jones about a drug for adolescent depression she has heard about and wonders whether it is a good fit for her son. Dr. Jones accesses his physician’s portal, where information from leading journals and other physicians is consolidated to help him make quick, informed decisions about prescribing new drugs. In just a few minutes, he is able to print out the information for the boy’s mother to take home and sends a query to an ongoing online physician chat about the drug to get first-hand opinions and information from other doctors. He also orders samples of the drug online, based on the positive information he has found. He assures the mother that he will be able to make a decision by the end of the day.

As Dr. Jones’ day winds down, he checks his portal for responses to his questions, and finds that four other doctors recommend prescribing the drug for teen depression. Dr. Jones has his receptionist call and instruct the boy’s mother to come in and pick up some free samples before the end of the week. Dr. Jones then phones in a prescription for the antinausea drug for Mr. Smith. While online, he also finds that for attending the electronic presentation earlier, he has received a gift certificate to a physician’s supply company, which his receptionist can use to order much-needed supplies for the office.

Easing the congestion

Pharmaceutical companies can deliver product information and impact sales by using e-Detailing as a supplemental tool. It uses Internet-based communications to provide a value-added marketing channel that services prescribers and complements a pharmaceutical company's sales force activities. Companies' product information – efficacy, side effects, dosage, drug-to-drug interaction and indications – can be communicated to physicians over a number of e-Detailing platforms. For instance, telephone detailing enables physician participation through interactive voice recognition. Video conferencing allows the physician and the sales representative to interact in realtime. Data-specific Web sites provide the electronic details of drugs, while physician portals offer doctors a full complement of professional and personal services like an online ordering capability for product sampling, continuing medical education and e-mail. Web-based detailing can also include applications where physicians can exchange clinical ideas and information peer-to-peer.

Pharmaceutical companies can cut costs using e-Detailing – an online sales session costs about US\$110 on average, compared with an approximate cost of US\$200 for a field representative's visit.* The increased contact time per virtual visit also saves marketing expenses, as physicians can access more information faster. Companies can use e-Detailing to better control detailing content; the same content developed for use on the Web can also be used to train new sales representatives. Lastly, with the physician practice information that pharma companies can capture electronically through e-Detailing use, firms can identify potential high prescribers for field representatives to target later.

Benefits to the physicians include:

- Access to timely and updated drug information that is valuable to them
- Sample ordering with the click of a mouse
- Participation in peer-to-peer discussions on topics that interest them
- More time-efficient interaction with sales representatives
- Flexibility and control to accomplish these tasks on their own schedules.

The antidote to e-Detailing obstacles: Trust

Although e-Detailing targets factors that are important to physicians – like time, privacy and objectivity, without disrupting their daily routine and compromising the quality of patient care they provide – there are still some lingering questions as to whether physicians will adopt a new detailing model. Most physicians continue to appreciate the personal touch that traditional detailing affords, and some choose not to write prescriptions for drugs unless they have a good relationship with the company that markets them – even very busy doctors will take time out to talk to sales representatives from a company with which they have a good relationship.

Though e-Detailing offers more convenient channels for accessing information, time is still a factor: pharmaceutical companies have questioned whether or not doctors will take the time to seek out drug information at the end of a busy day. The 'fatigue factor', where busy doctors suffer from an overload of work and information, could keep even the most inquisitive physicians from actively using e-Detailing channels.

There is the 'technology factor' as well: although most physicians use the Internet, some prefer offline drug sources for convenience. Whatever platform a pharmaceutical company chooses, it must be easy to access and use, or it could chance alienating less-technically savvy doctors. Indeed, every industry has a contingent of 'wait-and-see' users when it comes to new technology, and uptake for e-Detailing services – especially for those who have been disappointed or frustrated by technology – could be slow. Last but not least, pharmaceutical companies must contend with their own organizational processes. Sales representatives are often not aware of all customer-facing sales activities, which has led physicians to yearn for a more integrated approach to service from pharmaceutical companies.

To address these challenges, pharmaceutical companies must leverage the 'trust factor', building sources of information that are trusted by physicians and impact their decision-making into their e-Detailing model. New sales channels, such as physician portals, can include information from a variety of trusted sources. For instance, companies can incorporate data from leading medical journals, professional conferences, the *Physician's Desk Reference*, as well as personal experiences from other physicians and peer-to-peer discussion capabilities. By combining these resources with drug company literature into one sales channel, the company can offer a complete picture of a given drug in one central location.

Information should be aligned to answer the typical questions that doctors have before prescribing new drugs, concerning side effects, dosage, efficacy, drug interactions and payor formulary status. Physician and patient testimonials, as well as information and endorsements from recognized and respected journals, associations and opinion leaders in the industry, reinforce the brand. With these and other incentives – such as

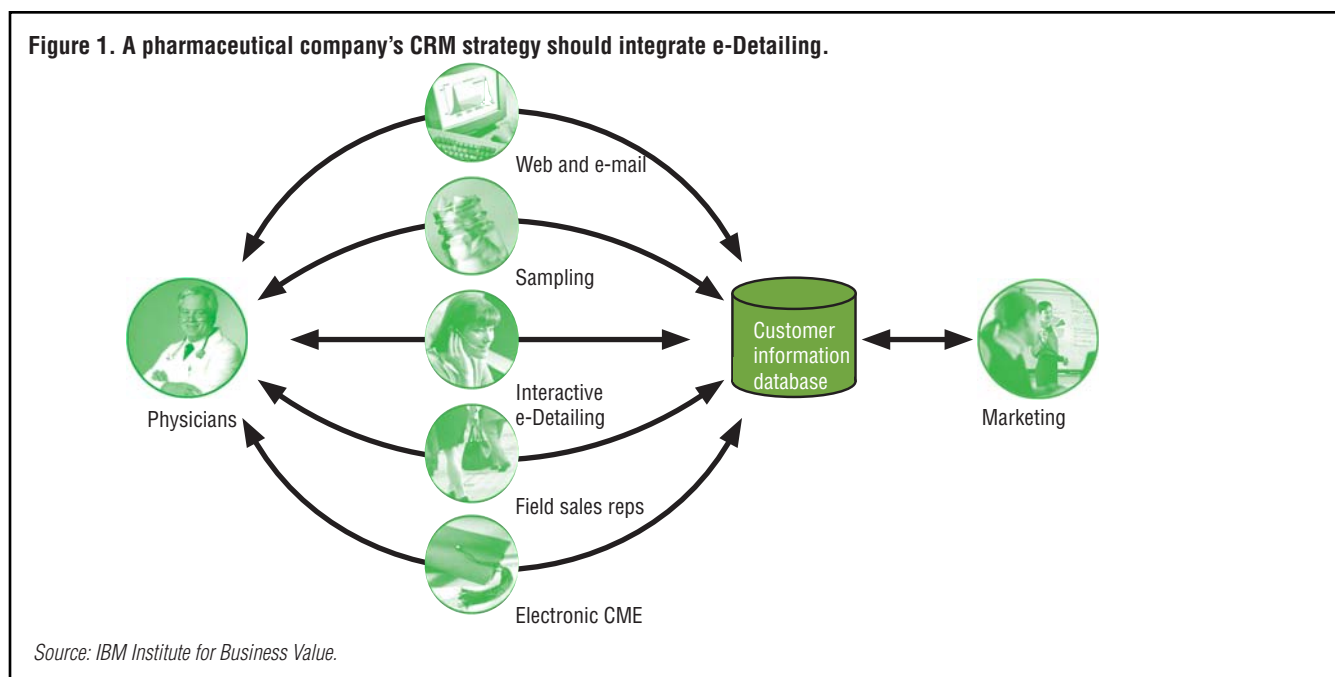
redeemable noncash honorariums, e-sampling, even a free workstation for physicians contracted to meet monthly quotas for using e-Detailing – in place, physicians will receive the additional value they need to change the way they interact with pharmaceutical companies.

Putting it in practice: Key factors for success

In addition to trust, there are three factors that will determine the success of any pharmaceutical company's e-Detailing programme: how well e-Detailing tactics are integrated into the company's CRM strategy and execution, how well the company understands the needs of different physician segments, and where the company applies e-Detailing based on promotional objectives.

Integrating e-Detailing into CRM strategy and execution

A strong relationship with physicians can be built using e-Detailing as one of many tactics (see Figure 1). Therefore, it should be fully integrated into the pharmaceutical company's CRM strategy and execution, and share physician information that is integrated across all corporate channels. For e-Detailing to succeed, organi-



zations must integrate sales activities and the information they gather – both electronically and in the field – into the company’s marketing systems in order to present a united front in serving physicians.

Understanding the needs of physician segments

Potential physician segment variables include age, speciality, practice size, location (urban or rural), prescription frequency, tendency to switch products and the relationship with the field sales representative. Understanding each segment’s needs and preferences is key to determining the right approach to e-Detailing and offering the information and services that a particular segment values most. Companies should then measure the economic value of acquisition, retention and growth, as well as the profitability of each segment. Physician segmentation enables companies to understand the mix of traditional and e-Detailing tactics needed to best target different groups of physicians, and hone in on the segments that will be the most profitable to them (see Figure 2).

Applying e-Detailing based on promotional objectives

In general, e-Detailing can be used to fill in the ‘gaps’ where traditional detailing falls short; e-Detailing tactics should augment, rather than replace, the face-to-face approach. For instance, face-to-face detailing may be the best method for building awareness, enthusiasm and mind share for new and future drugs. In the product-launch phase, companies can combine traditional and e-Detailing methods to educate prescribers on drug features, build quick penetration, convert mind share to market share and deliver samples to meet demand. Later, companies can use face-to-face detailing to increase the effectiveness of promotions by nurturing demand for the product, continuing to educate the market, and creating product preference and brand loyalty to capture increased sales in the product-growth stage. At the same time, they can use e-Detailing to increase the efficiency of promotions by increasing prescriptions by physicians, attracting new prescribers and reassuring physicians with trusted information. Lastly, both traditional and e-Detailing

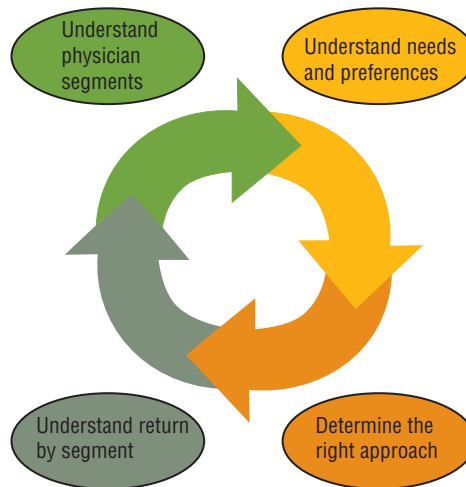
Figure 2. Understanding the needs of different physician segments is critical for effective detailing – whether traditional or electronic.

Potential segmentation variables

- Physician speciality, practice setting and size
- Geographic location (metro or remote)
- Age
- Frequency of prescribing pharma products
- Product-switching frequency
- Technology adoption
- Time spent with pharma rep

Customer economics and prioritization

- Assess economic value of physician by measuring costs of acquisition, retention and growth
- Measure profitability of each segment



Factors important to doctors

- Time
- No disruption to routine
- Objectivity
- Quality of care
- Simple-to-use technology
- Ability to address patients’ needs and questions

Mix of e-Detailing levers

- General disease information
- Detailed product information and literature
- ‘E-Symposia’ and online CME courses
- ‘E-Focus’ group

Source: IBM Institute for Business Value.

tactics can be used to build awareness when new indications for drugs are found, educate prescribers on new drug features, deliver samples to meet new demand and help companies enter new market segments.

Effective detailing is in the details

What makes leading e-Detailing practices 'leading practices'? Pharmaceutical executives who want to know how they can make current or future e-Detailing tactics more effective should ask themselves the following questions:

Integrating e-Detailing into CRM...

- How can e-Detailing enhance our relationships with physicians?
- How will we integrate valuable physician feedback and information gleaned from each marketing channel?
- How should we measure the success of our e-Detailing campaigns?

Understanding physician needs...

- Which physicians will we approach through e-Detailing, in-person communication, or both?
- Given the position of a particular product in its lifecycle, how do we craft a message that is valuable for the physician?
- To what degree will we involve our sales force in these decisions?

Applying e-Detailing...

- Does e-Detailing fit with the promotional objectives that we have for this drug?
- Are there multiple objectives that can be achieved with our e-Detailing campaigns?
- How do we balance the mix of face-to-face interactions with e-Detailing along the product's lifecycle?

Conclusion

As in so many other industries where information has become king, pharmaceutical companies must make important changes to serve the gatekeepers to their increased profitability: physicians. That doctors have less and less time to spend with detailers is a fact. And as the aging population begins to hit the health care industry hard over the next decade, physician's schedules will no doubt become even more cramped. To serve a better informed and more technically savvy patient population, doctors focused on improving the patient experience will need access to trusted information about drug indications and interactions at their fingertips. Pharmaceutical companies that view e-Detailing as a service to help improve the way their top-prescribers work will develop strong relationships with doctors by providing options that make their lives easier.

In a traditionally conservative industry like pharma, change can be hard to instigate. Companies seeking new, more cost-effective ways to detail drugs have hard questions to answer and serious decisions to make regarding what it will take to increase prescriptions and move share in an intensely competitive market. To learn how we might assist you in applying e-Detailing to your sales model, contact us at iibv@us.ibm.com. To browse through additional resources for business executives, you can visit our Web site at:

ibm.com/bcs

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