



# **10 Ways to Drive Performance in Pharmaceutical Sales and Marketing**

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## Abstract

This paper outlines barriers to effective performance management, and the IBM Cognos® corporate performance management solution, which provides reporting, scorecarding and analysis, and integrates and coordinates the decision-making process, freeing up technological and financial resources, as well as sales and marketing personnel, to maximize revenue and market share.

## Overview

This guide presents a number of practical ways in which you can begin the alignment process in your sales and marketing departments—two high-profile and high-impact areas that have a significant impact on your company's bottom line. And it provides you with a number of potential starting points on the road to corporate performance management (CPM)—the strategic combination of people, processes, and IBM Cognos software that can produce breakthrough performance enterprise-wide.

### **Take the first step toward Corporate Performance Management: Align your tactics with strategy.**

IBM Cognos CPM software supports alignment at every level of your organization, across every department. Enterprise planning drives your operating plan, scorecarding monitors your performance against that plan, and business intelligence delivers the analytics required to understand the factors that affect your performance.

With IBM Cognos solutions, you can build on the planning, budgeting, scorecarding, and reporting activities that you already have in place, and integrate new capabilities when you're ready, at your own pace.

*The key is to start small, and start now.*

## Business Problems

Aligning employee actions with strategic corporate goals is perhaps the most pressing challenge facing companies today. Whether you're trying to track and analyze revenue, identify top performers, or measure the effectiveness of your marketing campaigns, you need a way to show how each one aligns with and supports strategic goals.

## Business Drivers

The need for corporate performance management has multiple business drivers. The following are a few examples:

**The Challenges of Gauging Success:** Between elevated HR costs and multiple budgets in marketing plans, businesses often struggle to make the most of their money and measuring the success of their expenditures.

**New Regulatory Climate:** Combined with higher sales costs and shrinking budgets, increasingly stringent regulations in the marketplace means a greater demand for accountability, which requires detailed, comprehensive reporting that traditionally diverts time, money and personnel from sales.

**Competitive Pressures:** The pressures of an increasingly competitive marketplace mean that success in both sales and marketing requires a greater degree of integration to facilitate communication and coordinate the decision-making process across organizations, and yet conventional methods have proven inadequate and inefficient.

## The Solution

The corporate performance management solution involves several priorities.

### 1. Identify your most valuable customers

Who are your most valuable customers? Those who buy the most? Those who buy the most often? Those who spend the most money? Or those who cost the least to support? In most cases, the only way to identify your best customers is to answer each of these questions separately and then combine the answers in different ways to find the point where they intersect for the best results.

The IBM Cognos CPM solution can help you find that point. We unite data from different points across your company to deliver a detailed and in-depth view of customer factors such as purchase patterns, revenue, growth, lifetime value, satisfaction, service calls and costs, total sales to date, and more. You can profile your customer buying patterns to focus on the ones who are the most likely to deliver the best returns. And you can share this information across your organization. For example: a national sales manager could receive an in-depth look at which drugs are performing best in each region, while a sales rep might view a list of local doctors who are most likely to buy in the next quarter, based on their past purchase patterns.

### 2. Align resources to opportunities

With the average sales visit lasting a mere three minutes, it's important for your sales reps to make the most of every opportunity. But where do the best opportunities lie?

IBM Cognos CPM software gives you the information you need to pinpoint the strengths and weaknesses in your sales force to help you streamline your sales process, lower the cost of sale, and allocate resources more effectively to maximize opportunities. You can identify your top sales reps by product, city, region, or country in a matter of seconds. Compare the cost of sales to revenues – by customer, sales rep, and region – then decide whether you have the right reps and resources in the right places to meet your goals. You can also determine which reps and regions aren't meeting their targets and find out how long this has been the case.

*In 1995, there were 17 blockbuster drugs released. In 2002, there were 48.*

You can gauge the effectiveness of your sales and marketing collateral to get the most out of your budgets. Identify your most profitable resellers. Identify which managed care plans constitute a benefit to your business and which can be contracted out. Track your distribution network to extend your reach and improve channel effectiveness.

### **3. Achieve the best return from training and development costs**

If you're in HR, you know that your company spends more money on salary, bonuses, training, and development than on any other line item in the budget. But is that money well-spent? You need to know that your training expenses, compensation, and incentives deliver increased sales, higher productivity, and improved ROI. You also need to know that your people have the skills and knowledge required to be as productive as possible.

IBM Cognos CPM software lets you get the maximum benefit out of your HR costs. You can measure the effectiveness of your training and development programs by setting new performance targets and then correlating the cost of the programs with the number of employees who meet those targets. Identify the skills that contribute to high performance to develop a profile of exceptional employees. Then use this information as the basis for your compensation and reward plans and communicate them throughout your company to encourage the right behaviors.

### **4. Build your brand to build your business**

How can you maximize your brand awareness and capture mindshare without breaking the bank? By gaining a clear understanding of which marketing activities give you the biggest return on your dollar. IBM Cognos CPM software can help you streamline your branding activities by comparing the cost of individual campaigns to the number of impressions and responses they generate.

You can measure the cost of media programs versus the revenue they produce. And harness the hard data you need to determine the most effective media for branding – the key to building sustainable business.

**5. Analyze the success of marketing campaigns**

Your marketing plan for your latest antacid calls for direct-to-consumer television and print campaigns, incentives for your reps to sell more to their customers, and an aggressive discounting plan nation-wide. Each tactic has a different budget, a different audience, and a different goal. How do you gauge your overall success?

The IBM Cognos CPM solution gives you the answers. You'll know which promotions are paying dividends, which are costing you more than they bring in, and why some work better than others with a particular customer group. You can quickly analyze each and every campaign to eliminate low-impact promotions and concentrate on the marketing efforts most likely to succeed. You can track your campaign progress against key performance indicators like campaign ROI, total exposures, response rates, call center activity, and more. You can also monitor marketing program execution in the field and link each initiative to actual sales. Reduce the cost-of-sale by targeting customers who are ready to buy. Increase the return on your promotion investment by offering your best promotions to your best customers. And identify your best lead generation activities based on facts rather than feelings.

**6. Track samples and monitor regulatory compliance**

Increasingly stringent regulations demand the kind of detailed, comprehensive reporting that takes time, costs money, and distracts your sales reps from closing sales. With IBM Cognos software, your people spend less time worrying about compliance and more time selling.

Our software provides timely, easy-to-understand information about drug samples so your reps can concentrate on what's important. If a sample variance crops up, they can be notified to take corrective action before the information becomes dated. Managers can track sample usage at the national level to better place this valuable resource. You can track lot numbers and automate FDA reports to save time and money.

## 7. Use scorecarding to set goals and priorities

Communicating a common set of priorities and coordinating your decision-making process across your organization can be one of your biggest challenges. You need to ensure that your expectations for your sales and marketing teams are consistently applied, measured, and reported on regardless of rep or region. IBM Cognos scorecarding technology ensures that everyone in your organization – from the boardroom to the reps in the field – shares the same information at the same time, all the time. Everyone uses this information to identify performance issues and to focus on the areas crucial to your success. Every employee can view and understand their performance against key indicators like sales, growth, and market share, and then compare them to call activity, reach, frequency, and sales expenses. They can clearly see how their decisions and actions impact the overall strategy. And they can make the link between your company's priorities and their own departmental objectives. Powerful analytics let anyone drill down into greater detail to find out what's affecting performance. Collaboration tools help you share insights.

## 8. Manage your budgets

Sales costs are soaring. Budgets are shrinking. And the demand for accountability is rising. Senior managers want more detailed and more reliable information about financial performance. IBM Cognos software delivers it by integrating and automating all of your core financial processes – budgeting, planning, consolidations, forecasting, and reporting. We present a unified view of your sales and marketing budgets that can be easily segmented by department, project, or territorial expense level. You'll always know where you stand against your plan. And you'll have the clear, concise, and accurate information you need to analyze your current financial performance and predict future performance with confidence.

*There are five times  
more drug reps today  
than there were in 1995.*

**9. Define effective messages and frequency of physician visits**

Your customers are dedicated to helping their patients lead longer, healthier lives. Your products can help them in that mission. But how do you capture their attention and deliver that message?

The IBM Cognos solution helps you get your messages across quickly, efficiently, and with the least amount of interruption. Our software helps you weed out low-impact messages and focus on those that resonate most with your customers and prospects. They help you clearly define your marketing messages and let you monitor the duration and frequency of physician visits. Detailed reports help your reps closely track the number of times they've contacted each customer, the length of each call or visit, and the content discussed to help them make the most of their and their customers' time.

**10. Share insights and information easily**

Competitive pressures mean that success in sales and marketing requires an increasingly greater degree of integration. This means sharing ideas, information, and insights while they can still be acted upon.

IBM Cognos CPM software enables integration and collaboration. We can integrate information about sales volume, customer profiles, market share, sales activity, ongoing promotions, and marketing programs into a single source of data that's instantly available to anyone and everyone who needs it.

*The average sales call for a pharma rep lasts three minutes.*

Our scorecards let you communicate your plans and strategies as a set of interconnected performance indicators. Our dashboards display performance data from multiple points across your organization in a single display. Collaboration and coordination become simple and effective.



## Conclusion

IBM Cognos corporate performance management solutions enable companies to maximize both productivity and revenue. With planning, forecasting, scorecarding, reporting and analysis tools, companies can identify their most valuable customers, ensure a greater return on training and development costs, and manage budgets. In addition, IBM Cognos CPM software allows a company to share insights and information across the organization, communicating goals and priorities and coordinating the decision-making process. By providing tools that companies can use to develop business strategies and build their brands, IBM Cognos CPM software fosters the growth and success of marketing campaigns and provides a solution that enables companies to conserve time, money, personnel, and technology.



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## About IBM Cognos BI and Performance Management

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For further information or to reach a representative: [www.ibm.com/cognos](http://www.ibm.com/cognos)

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