How CRM Can Improve Efficiencies for Pharma and Life Sciences Firms

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Introduction

Pharmaceutical companies, biotech firms, and medical device manufacturers today face unprecedented challenges, both across their industries and within each individual company.

Most firms have endured the impact of stiff competition, expanded regulatory scrutiny, and increasingly segmented specialization of products. Tightening restrictions on access to physicians and other decision-makers has required them to shift customer strategies to different avenues and across multiple platforms. In fact, the very nature of the business is moving from frequency-based interactions to messaging that, at its core, is a finely tuned strategy.

To cap it off, consolidation is rampant. It's not uncommon for growing firms to acquire a dozen or more start-ups over a period of several years. That creates painful – and costly – headaches when combining systems, processes, and people.

No doubt about it: Today's business environment is harsh and fraught with obstacles.
But a Customer Relationship Management (CRM) solution tailored to the very specific needs of the industry can help a company successfully navigate these challenges. To do so, today's pharmaceutical and life sciences companies must streamline the process of gathering and analyzing information to improve efficiency, accuracy, and access to data. Key to this initiative is the ability to seamlessly link diverse data systems across and beyond the enterprise.

So it's not surprising that a recent IDC Health Insights study found that increasing data connectivity across sales and marketing to improve strategic decision-making is a top-priority area for investment during 2010.[1]

In part, that may be because pharmaceuticals and life sciences have customer-management needs that are far more complex than those of other industries. And users of CRM can extend beyond the typical – sales, marketing, and customer service personnel – to employees that may include medical science liaison officers, case management personnel, and key opinion leaders (KOLs).

What's more, a seismic shift in sales practices has created a more fundamental need for enhanced technology. Increasingly, selling is becoming a group effort involving many teams rather than an isolated encounter between a sales rep and a customer. This type of business shift requires the right technology to ensure that customer information flows freely among teams in the office and on the road.

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[1] 2009 Life Science Sales and Marketing IT Benchmark Guide, IDC

SECTION 2

The Challenges Are Unique — And Increasingly Intense

The complexity of products and unique sales and marketing strategies have combined to create very distinct challenges for pharmaceutical and life sciences firms. Chief among them is the need to access and parse very granular data to target and segment customers.

Unlike many industries, pharmaceutical and life sciences companies maintain a huge volume of up-to-date, minutely detailed client information that is stored in a centralized location. This data is critical to achieve an accurate, actionable view of the customer, as well as segment and target the company's product messaging.

Knowledge of the customer is critical to the sales and marketing strategy. Businesses must segment customer information by the types of organization or physicians their field reps call on, factoring in the type of drug or the disease that the product or service addresses. The business also must fully understand specific practices that targeted accounts specialize in; only then can the accounts be segmented into appropriate categories. For instance, knowing that a hospital treats a particular type of cancer is not enough; you also must know what stages of the disease it concentrates on.

People remain at the heart of the customer relationship, of course, and pharmaceutical and life sciences firms must identify and categorize the right people and facilities—the first time around.

Accordingly, you must gather and track unique information about each hospital, clinic, physician, or speaker. These profiles must be as granular as possible to effectively identify and segment the correct physician or facility. What's more, you must know as much as possible about the unique operating procedures and constraints of each physician or facility. For instance, many hospitals and physicians can purchase or prescribe certain medications only if the drugs are approved by their insurers. Everyone on the sales and marketing team needs to know that.

Without proper profiling, you will never achieve effective targeting and segmenting. In fact, you might identify the wrong individual or miss a connection with those who are the right match for your product.

SECTION 3

The Shift To Key Opinion Leaders

It’s no secret that today’s pharmaceutical and life sciences companies don’t have leeway for second-guessing. Restrictions on spending and access to physicians have made it increasingly difficult to reach customers, especially face to face.

Consequently, businesses are embracing the use of key opinion leaders within their organizations to disseminate important messaging and factual data like the results of clinical trials and research.

That can be an effective strategy for customer outreach, but information on KOLs and their relationships with customers is often not included in the CRM or on manually generated lists. The reason is simple: A key opinion leader is often not a member of the traditional sales and marketing teams, and as such, does not use the company’s CRM. That means the activities of the KOL are not visible to the sales and marketing team—a serious omission of key customer data.

The challenges don’t stop with targeting, segmenting, and profiling, however. Once processes for these tasks are in place, companies must then create a strategy to execute and track the sales and marketing plan. That’s all but impossible without a sophisticated system for automated call planning, call recording, focus, and messaging.

Given the complex needs of pharmaceutical and life sciences companies, manual tracking of activities in spreadsheets or Outlook is time-consuming and wildly inefficient. The potential for lost or inaccurate data is enormous in a manual process, since you must assume that individuals correctly manage and transmit data to the central office. (Often, they do not.) A manual process also guarantees that the entire organization will not have timely, accurate access to the messaging delivered to individual prospects.

Nor can reps get timely feedback on how they are executing against their goals, be they weekly, monthly, or yearly. Manual systems are slow to transmit information from the office to the field and back (and woefully inadequate for importing data into a system that can generate a report). Manual systems all but guarantee that reps will be less efficient and less successful in their jobs.

SECTION 4

Why CRM Is Essential To A Cohesive Strategy

A CRM solution tailored to the needs of an industry and further customized for the individual company is indispensable to surmounting the challenges that are unique – and uniquely complicated -- to pharmaceutical and life sciences companies.

An effective CRM system not only provides pre-built and pre-generated targeted and segmented customer lists, but it also enables individual users to quickly and easily build their own lists. The CRM must be built with ease of use for end-users top of mind, since experience has proved that employees will resist convoluted systems. With an intuitive tool, employees can quickly find, edit, and update granular customer information that is then shared across the enterprise. As a result, reps can take full advantage of actionable information to tightly segment and target individual customers.

Reps can further capitalize on this rich mine of customer information by creating custom profiles that capture very specific data for targeted physicians or facilities. Instant and pervasive sharing of this customer data will ultimately boost operational efficiency and improve sales performance.

To truly maximize strategic sharing of customer data, however, the CRM must be extended to mobile users. This provides on-the-go reps and KOLs access to an incredibly rich storehouse of customer data and profile information about brand messaging, segment information, and sample distribution. It also enables reps to update the centralized data in real-time as they call upon customers, providing actionable feedback on marketing strategies and sales. This feedback can be instantly transmitted to the central CRM and shared among the workforce.

Key opinion leaders, as mentioned, often fly under the radar of traditional sales and marketing organizations. To share all customer data, it is imperative that companies manage and share the contractual obligations of KOLs, track speaking events (webinars, conferences, and lunches, for instance), facilitate travel, and ensure the KOL is armed with targeted, up-to-the-minute information. Including the activity of opinion leaders in the CRM will increase the efficiency of team efforts, and that can foster collaboration.

All field personnel, sales reps and KOLs alike, can increase their efficacy by using CRM's fast and accurate reporting and at-a-glance dashboards. Maximum value is achieved when dashboards are linked real time with a CRM. This allows users to view customer information in a rich, graphic dashboard, as well as interact with data stored in the CRM from within that report.

Dashboards also enable sales reps to accurately profile, target, and segment a customer on the fly. A finely tuned dashboard will, for instance, enable a rep to click a disease and location to display a graph showing all the physicians who treat that disease within that geographic location.

These tools empower reps to instantly monitor how well they're executing against a plan – on a daily basis, rather than weekly or monthly. It also can enable managers to more effectively coach their teams from the central office.

Beyond cohesive internal strategies and improved results, CRM also plays an important role in ensuring that pharmaceutical and life sciences companies remain in compliance with increasingly complex state and federal regulations. Compliance and regulatory issues are, at their core, process-based initiatives. CRM systems can help manage the processes and track the data changes that are required to prove compliance for mandates such as Health Insurance Portability and Accountability Act (HIPAA) and Title 21 of the Code of Federal Regulations, among others.

SECTION 5

It's Time To Prepare For The Future

Just as customers are evolving, so too are the channels of electronic communications for pharmaceuticals and life sciences companies. A flexible CRM can help companies quickly adopt new ways to reach and influence customers. Already, firms reach customers via e-mail, Web sites, and call centers. As communications become increasingly instant and pervasive, many pharmaceutical and life sciences companies are focusing on Web 2.0 and social-networking sites as a way to interact with consumers, as well as traditional customers.

Today's physicians seek advice from one another by logging onto social networking sites specific to their practice. At the same time, pharmaceutical and life sciences companies are creating customer-facing community portals that communicate their messages directly to consumers. That's a huge switch in tactics, but pharmaceutical and life sciences firms are discovering the persuasive power of doctors or experts who interact directly with consumers via portals and other interactive tools.

These trends reveal a new role for the sales rep: A "concierge" who facilitates connections between experts as well as enlists experts to participate in consumer portals. The payoff? There is plenty of valuable data to be gleaned. A CRM that is tightly tied to a customer–facing site, for instance, can import and analyze actionable data such as the types of medical information visitors seek and where they live.

Obviously, this requires a high level of integration. The CRM should be capable of tightly linking to a content management platform like Microsoft SharePoint, which is highly customizable for Web-based collaborative initiatives.

Internally, many pharmaceutical and life sciences firms are recognizing that they can benefit from better systems integrations between sales and marketing. This trend, called closed-loop marketing or e-detailing, employs CRM technology to close the loop between the two departments.

Closed-loop marketing requires a very tight link between field users and the sales and marketing departments. While on the road, a rep might use an industry-specific app loaded on a Tablet PC or a smart phone to present customers with a tailored description of the product. The customer can navigate the presentation based on professional interests, and the app will capture the specific choices and transmit the results to the CRM system for analysis. Based on this instant feedback, the marketing department can adjust messaging as necessary, and the sales team can achieve a more precise understanding of customer needs.

By electronically connecting the field sales staff with the marketing department, information is no longer isolated or lost. The customer data is centralized and can be analyzed to adjust sales and marketing strategies. And that enables the company to follow a coherent strategy that is shared company-wide.

SECTION 6

How Infinity Info Can Help

The need to track, analyze, and share complex customer data requires that pharmaceutical and life sciences adopt a CRM solution that's tailored to the industry and to your specific organization.

Yet many companies lack the expertise or manpower to take a step back and gain a deep understanding of the multifaceted data interactions that exist among its sales and marketing departments and customers. For most firms, this type of mission-critical initiative is best achieved with the guidance of a trusted partner with expertise and proven best practices. At Infinity Info Systems, we know that essence of an effective CRM solution is strategy. This is our primary business — and has been for 20 years.

Our focus and experience in pharmaceuticals and life sciences has produced a team of focused, strategy-minded consultants with the expertise to solve the toughest CRM questions and issues. We have successfully implemented CRM for five of the top 10 pharmaceutical companies.

We have a developed a unique approach to implementation that stresses ease of use, speed of installation, and flexibility. Our experience has taught us that these attributes are essential for a successful implementation and a fast return on investment.

Infinity Info Systems helps customers understand how to best drive adoption among all levels of employees, which improves job performance and overall efficiencies. We provide comprehensive training through all stages of the implementation, including customer-focused support long after the solution is up and running.

Our mission is to help pharmaceutical and life sciences companies understand how to gather and analyze data to reduce costs and increase efficiencies. We can help you, too.

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About the Authors

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Michael Hammons is the Business Intelligence Practice Leader for Infinity Info Systems. Michael's particular focus and expertise is the marriage of Customer Relationship Management/Front Office technologies with Business Intelligence. At Infinity Info Systems, he manages the delivery team for all aspects of the BI, Analytics and Business Process Management practice. He frequently writes and speaks on technology trends, business intelligence, customer relationship management, data management and similar topics, and has worked with numerous clients in the Life Sciences industry.

Michael has more than 15 years of proven success in the software industry with organizations like Sage Software, Baan and Aurum Software. Michael attended Purdue University and has a degree in electronic engineering.

Lauren Trotta

Lauren Trotta is a Business Practice Leader of Infinity's Life Sciences team, in addition to being a Senior Account Executive. With close to a decade of experience successfully working with some of the world's largest Healthcare, Life Science and Pharmaceutical firms, Lauren has a proven track record of helping her clients strengthen customer and partner relationships, streamline sales and marketing efforts and improve corporate profitability using CRM and Business Intelligence technology.

Lauren is a graduate of Indiana University's Kelley School of Business.

About Infinity Info Systems

Founded in 1987, Infinity Info Systems develops customer relationship management (CRM) and business analytics solutions for clients in the financial services, life sciences, business services, non-profit, media and manufacturing/distribution industries around the world. Infinity's technology solutions, services, training and support help organizations become more profitable by improving sales, marketing and customer service effectiveness. Infinity has trained more than 130,000 professionals and successfully implemented more than 3,500 CRM systems. Visit www.infinityinfo.com or call (800) 354-4228 to learn more about Infinity Info Systems.

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