

Drug Testing Moneyball

How a global pharmaceutical organization used advanced analytics to improve sales performance

Abstract

When a global pharmaceutical company looked to improve sales-force effectiveness they engaged Deloitte resulting in increased revenue growth at reduced cost. Deloitte used advanced analytical models to improve targeting of customers, redefine sales force size and structure, and influence territory strategy through an exchange of customer insights with field representatives.

Challenge — Driving home new-product adoption

A specialty pharmaceutical organization desired to improve sales force effectiveness. Deloitte was engaged to assist company leadership in gaining better insights into their customer base - patients, payers and physicians. Specifically, the company was looking to improve customer targeting by answering the following questions:

- Are we contacting the right customers?
- What are our most profitable territories?
- Who are the most, and least, effective reps?
- How does rep performance tie to script writing patterns in their territories?

After years of limited growth and the same storyline from long-time sales representatives in the field, Deloitte stepped up to the plate with advanced analytics. With cutting edge analyses like social network analysis and self-organizing maps, we focused on improving performance of field reps by arming them with real-time information about prescription writing trends and projections. Unlike the Book Moneyball where math triumphed over field reps, we engaged them to mix the best of the math and the field knowledge with a territory-level planning tool that allowed the reps to provide feedback about their customers and influence model results.

Approach — Putting Moneyball into play

To drive reps toward better prospects, Deloitte employed a system similar to that used by the Oakland A's general manager in the well-known book, Moneyball. Initially, the Deloitte team analyzed sales rep performance as tied to the

company's own business models. The models told the story of how doctors' (or customers) core attributes and connections to other doctors and healthcare facilities were impacting sales. Using advanced targeting models, the "Customer Insight and Business Planning Exchange"(The Exchange) tool provided field reps information about projected prescription activity at the territory level. Reps were also able to enter notes and insights based on field experiences, and thus exchange B2B information about the known and the unknown.

Bottom-line benefits — All-star reps drive product adoption

Fed by advanced algorithms in SAS and R, but ultimately delivered in a spreadsheet application, The Exchange provides a visual correlation between the pharmaceutical business models, script writing patterns, and the rep's invaluable knowledge of their customer base. The Exchange actively engages the sales rep in new product launch and development and also holds them accountable with launch goals. As a result, the pharmaceutical company has been able to identify and reward their most effective reps, while gaining a greater understanding about their customer base from physician referrals down to the patient level — with the benefit of driving home brand growth and new-product adoption. The client has seen over 10% growth in sales from new customer calls and call frequency from the right customers.

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