

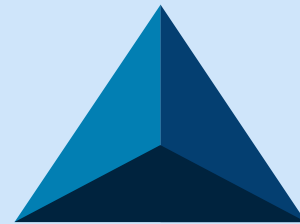
# Best-in-Class Hospital KAMs

Concepts

Methods

Tools

Apply the



**Smart Pharma**  
**Consulting**

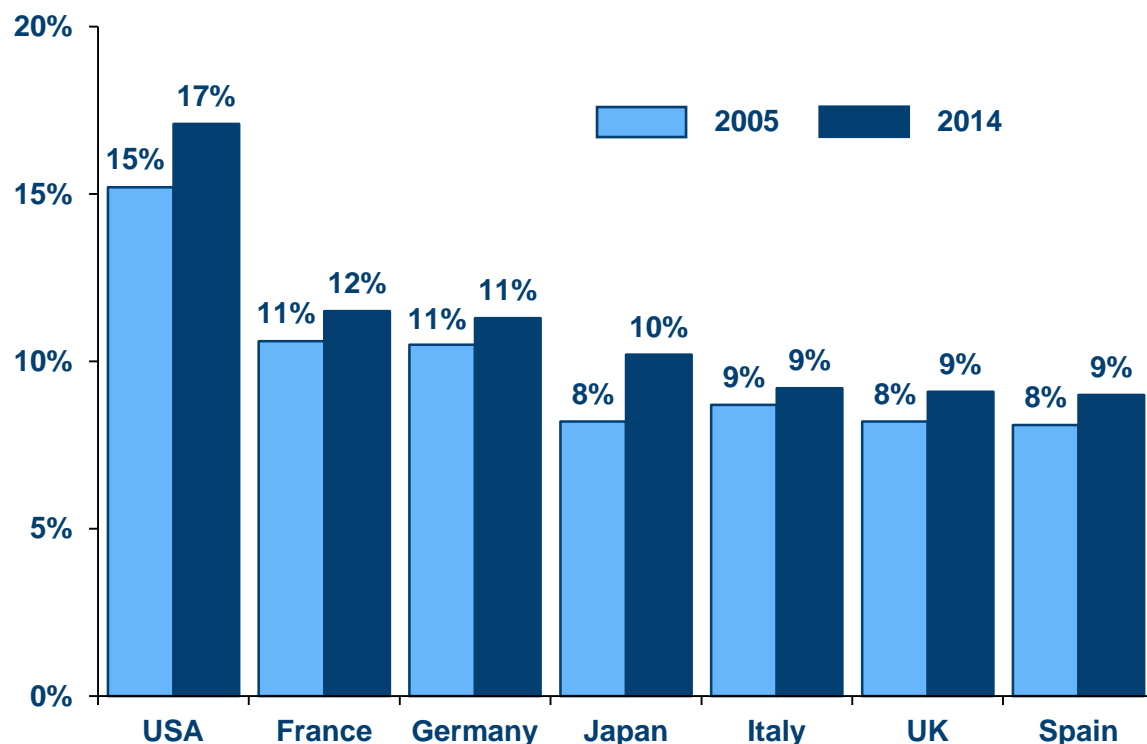
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Healthcare expenditure will keep on growing faster than national economies due to demographic factors and willingness of citizens to have better access to healthcare

### Healthcare expenditure as a percentage of GDP<sup>1</sup>

Total healthcare expenditure as a % of GDP<sup>1</sup>  
(Local currency)



- Healthcare expenditure represented one of the largest public spending items in most developed economies: 1<sup>st</sup> (USA), 2<sup>nd</sup> (France, Germany, Japan and UK)<sup>2</sup> and 3<sup>rd</sup> (Italy and Spain)<sup>3</sup>
- At best, governments and payers will manage to slow down the rise of healthcare expenditure as a percentage of GDP but would not be able to stop it
- There is no optimal ratio of healthcare expenditure to GDP, it primarily results from:
  - Public health conditions
  - Governments investment prioritization
  - Citizens willingness to seek for care
  - Healthcare cost

Sources: World Bank, as of September 2017 – OECD, as of September 20117

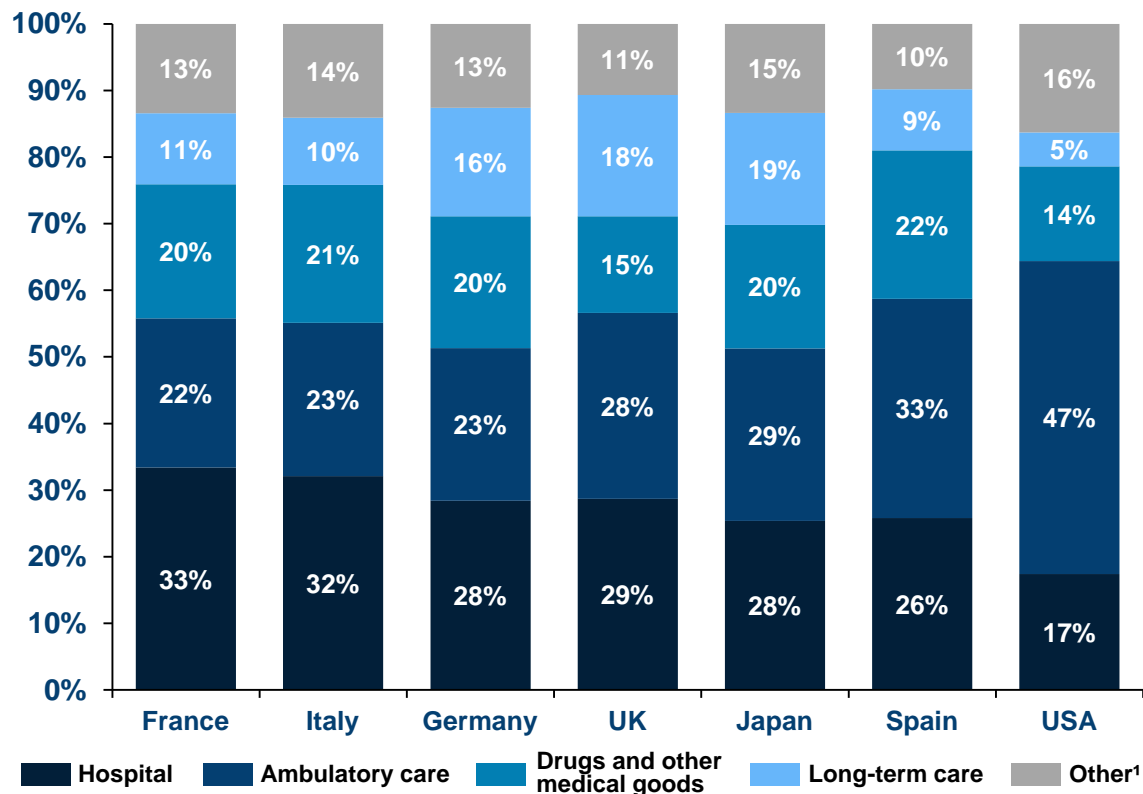
<sup>1</sup> Gross Domestic Product – <sup>2</sup> After social protection – <sup>3</sup> After social protection and general public services  
\* Note: 2014 data excepted for France and the USA, 2015

## KAM EXPERT WHEEL – Context

The cost of drugs is far behind that of hospital and ambulatory care, yet this segment is paradoxically targeted by governments because it is easier and quicker to reduce

### Breakdown of healthcare expenditure per country (2015)

% of total healthcare expenditure



- Drugs represent the 3<sup>rd</sup> largest source of healthcare expenditure in major developed countries
- Drugs are typically the easiest segment to apply cost-containment measures on, as decisions are:
  - Made by payers (either public and/or private), with a limited bargaining power of suppliers
  - Much better accepted by citizens than restriction measures on the other segments
- However, to significantly reduce total healthcare costs, governments will need to apply cost-optimization measures on all healthcare segments, irrespective of their relative importance

Sources: OECD Health Database as of February 2017 (Data 2015 excepted for Japan: 2014)

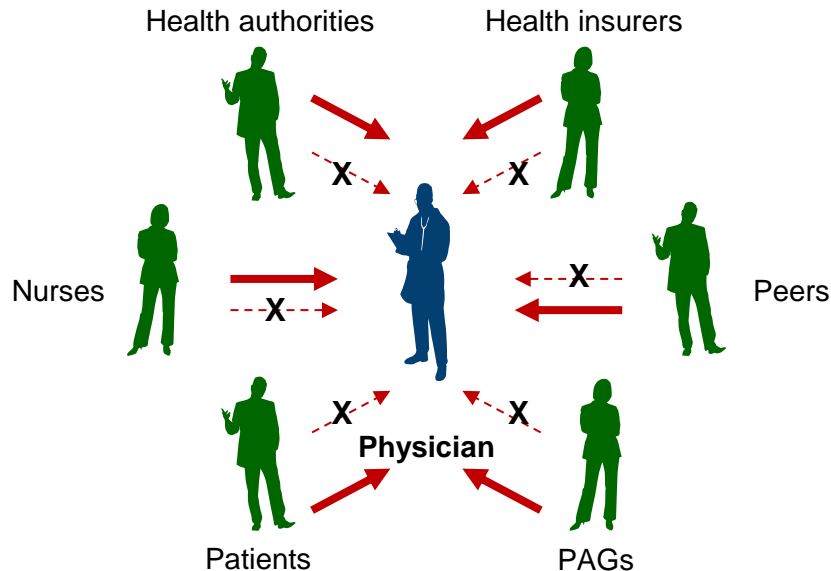
<sup>1</sup> Other expenditure include ancillary services (non-specified by function), preventive care & governance / health system / financing administration

# KAM EXPERT WHEEL – Context

The pharma market is increasingly driven by multiple stakeholders influencing physicians prescriptions and by secondary care drugs mainly prescribed at hospital

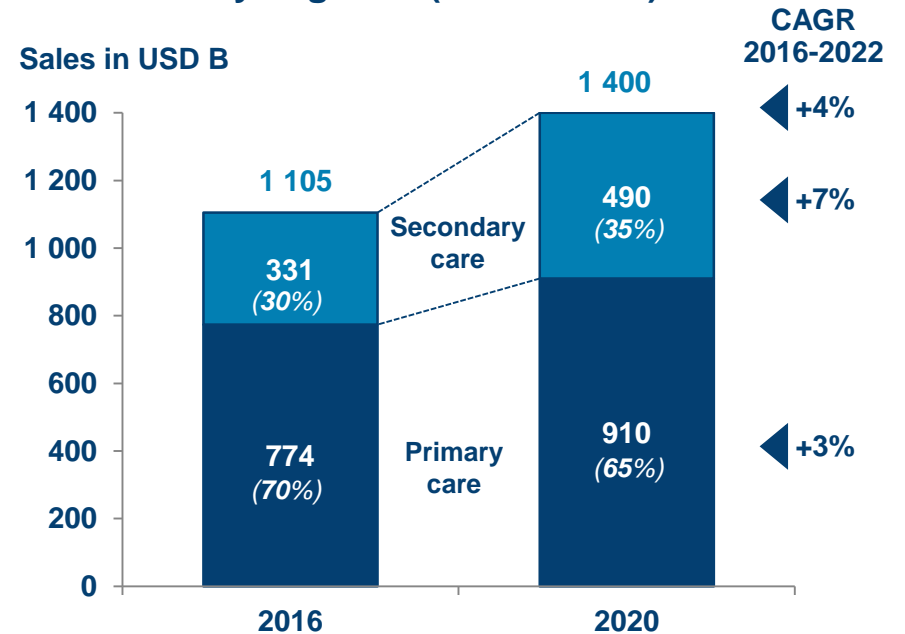
## Evolution of the pharma market structure

### Therapeutic decision-making process evolution



Physician prescribing decisions are more and more under the influence of multiple stakeholders such as: national / regional health authorities, health insurers and payers, PAGs<sup>1</sup>, etc.)

### Global pharmaceutical market growth by segment (2016 – 2022)



Secondary care products which are mainly prescribed<sup>2</sup> in hospital centers should grow faster than primary care products mainly initiated and prescribed by office-based physicians

Sources: Smart Pharma Consulting estimates after: "Outlook for Global Medicines through 2021", Quintiles IMS (December 2016)

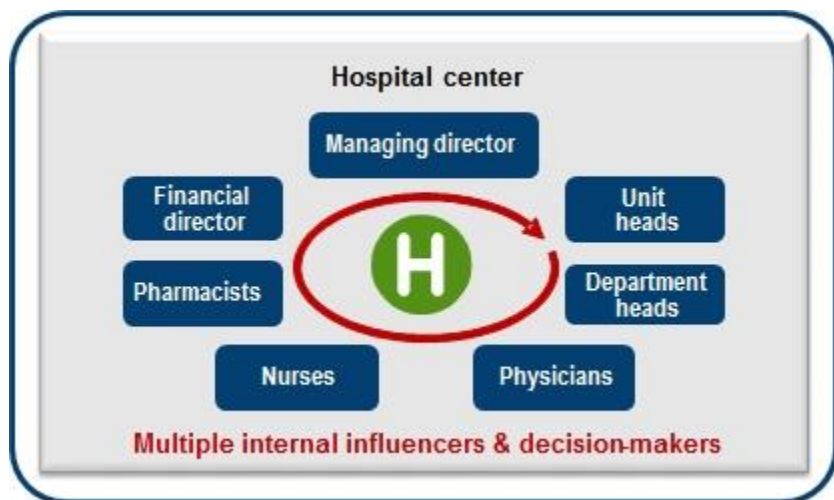
<sup>1</sup> Patient Advocacy Groups – <sup>2</sup> Secondary care products could also be initiated by hospital physicians and then renewed by office-based physicians, either specialists or GPs, depending on the treatment. In this case, the prescribing decision made by hospital physicians has a major impact on product sales

## KAM EXPERT WHEEL – Context

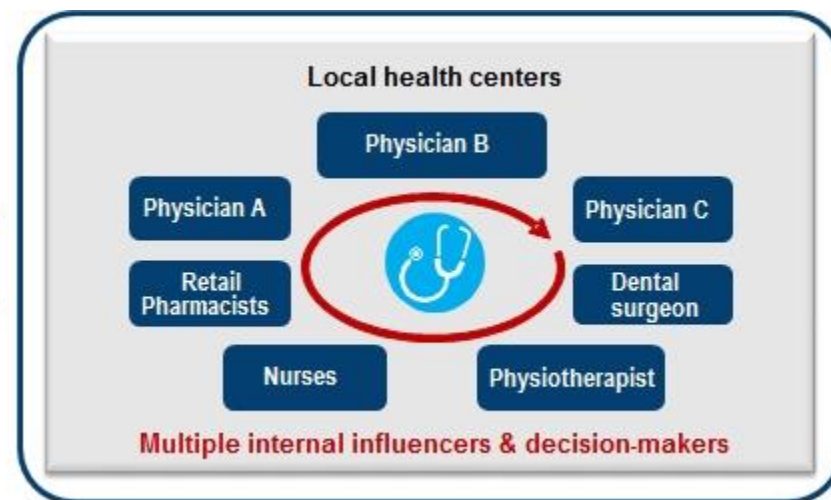
To get physicians prefer a brand is becoming more complex, in both hospital and open care markets, due to increased price sensitivity and the multitude of influencers

### Complexification and concentration of the business

#### Hospital market segment



#### Open care market segment



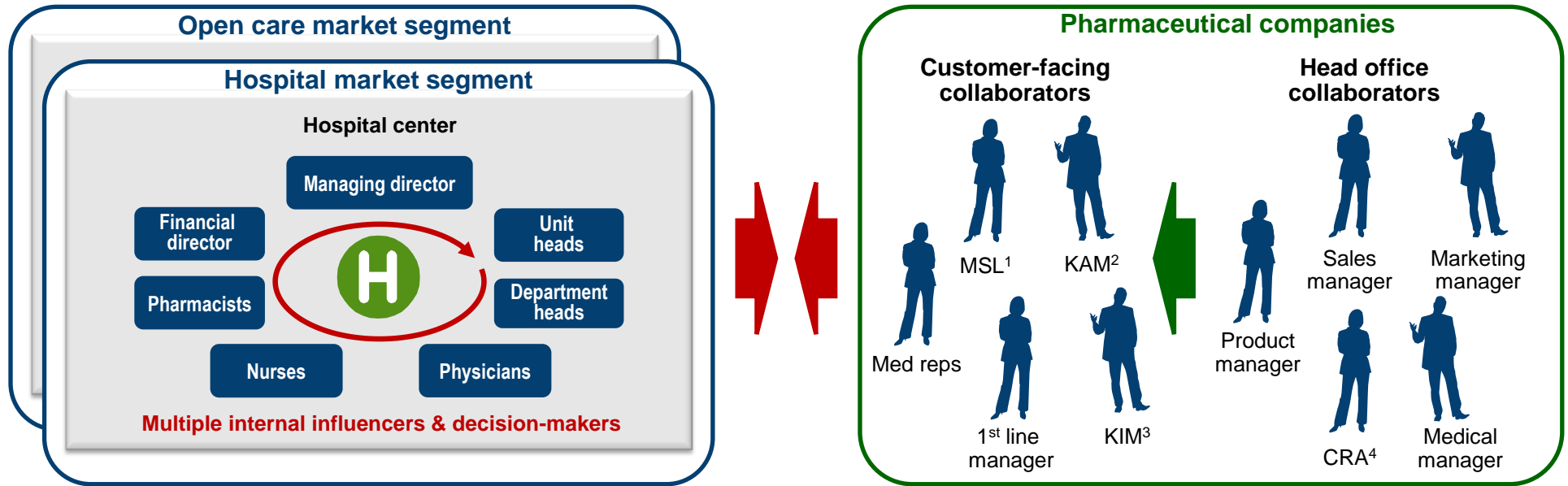
- Within hospital centers, physician prescribing decisions are more and more made in concertation, following protocols, and through the influence and pressure of various stakeholders, including payers
- Hospital centers are also regrouping themselves which increases their business importance and bargaining power

- More and more office-based physicians work in group practice for better efficiency and practicality
- Besides, an increasing number of them belong to networks sharing similar therapeutic approaches and drug choices
- In the open care market, physicians make decisions in concertation with other HCPs or payers

## KAM EXPERT WHEEL – Context

Pharma companies must adopt an efficient organization to deal with bigger accounts, more and more price-sensitive, in which decision-making processes are complex

### Implications for pharma companies



- The grouping of hospital centers and office-based physicians have led pharma companies to deal with bigger accounts benefiting from a stronger bargaining power...
- ... in a context of economic pressure, making customers more price-sensitive than ever

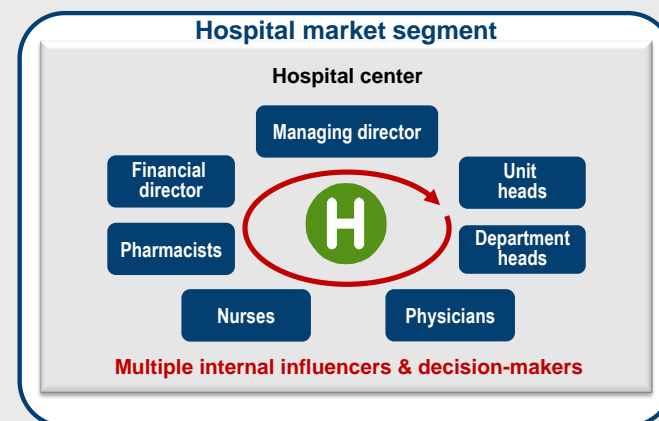
- Pharma companies have to address two key issues:
  - To protect, as much as possible, the price of their drugs
  - To move from a B-to-C to a B-to-B business model in which the prescribing decision is made by multiple stakeholders having different views and objectives

## KAM EXPERT WHEEL – Context

With the consolidation of their customers becoming bigger and more price-sensitive, pharma companies have created KAM positions to better protect their business

### Scope & Objective

- Suppliers of the FMCG<sup>1</sup> sector have created, long time ago, the position of **Key Account Managers** (KAMs) to better negotiate their global offering with the chains of distributors
- KAMs are not new in the pharma industry but their importance has recently increased to better cope with the increasing price-sensitivity, complexity and business importance of key accounts
- The purpose of this position paper is to introduce the **KAM EXPERT WHEEL** developed by Smart Pharma Consulting to **strengthen** the **competences** and **performance** of **KAMs**
- If this program, which includes **concepts**, **methods** and **tools**, has been specifically designed for **hospital** KAMs...
- ... **most** of its content **applies** to other key accounts such as:
  - Regional health authorities & payers<sup>2</sup>
  - Local health centers<sup>3</sup>
  - Pharmacy chains & VTOs<sup>4</sup>





## KAM EXPERT WHEEL – Context

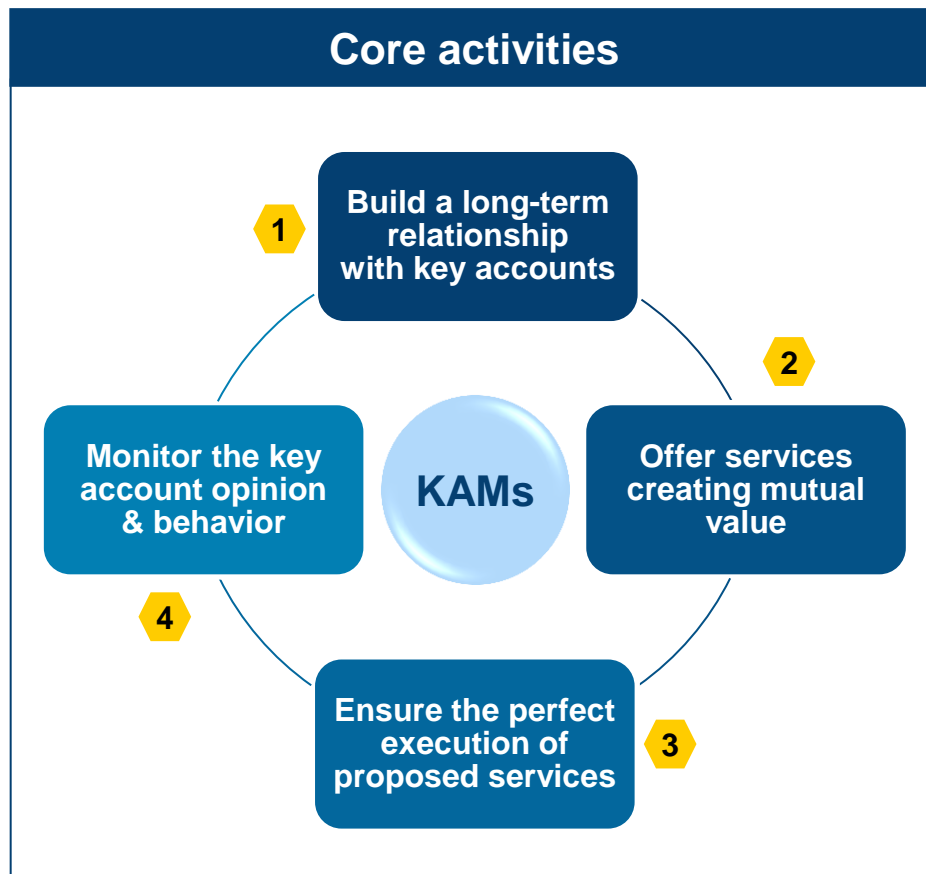
Hospital Key Account Managers role is to influence multiple stakeholders in a complex B-to-B environment by creating long-term mutual benefits

### Hospital Key Account Managers role and core activities

#### Role

- KAMs are one of pharma companies' field teams<sup>1</sup> interacting with hospital centers
- Their role is to **develop the business** of pharma companies **over the long-term** by **proposing services** to hospital influencers and decision-makers to meet some of their needs, such as:
  - Become a reference center in a given pathology
  - Attract more patients
  - Improve hospital organization and efficiency (saving cost and time)
- KAMs have most often a **background of first-line manager**<sup>2</sup> and are in general **affiliated to the commercial department**
- Due to their cross-functional responsibilities beyond commercial matters, KAMs should ideally report to the head of the Hospital Division or to the COO<sup>3</sup>

#### Core activities



Hospital KAM is a high level position requiring in-depth customer insights to determine their evolving needs and wants, and to propose solutions delivering mutual value

### Hospital Key Account Managers core competences

Competence = **K**nowing & **U**nderstanding x **D**eciding & **I**mplementing

#### Knowing & Understanding

- Set specific objectives per key account such as:
  - Getting listed
  - Modifying purchasing process
  - Minimizing price pressure
  - Gaining market share
  - Being prescribed to discharged patients
- Identify influence and decision paths at hospital level to secure the business of the pharma company
- Gather and analyze the needs and wants of key accounts to propose them services likely to create value to them, bearing in mind they can evolve overtime

#### Deciding & Implementing

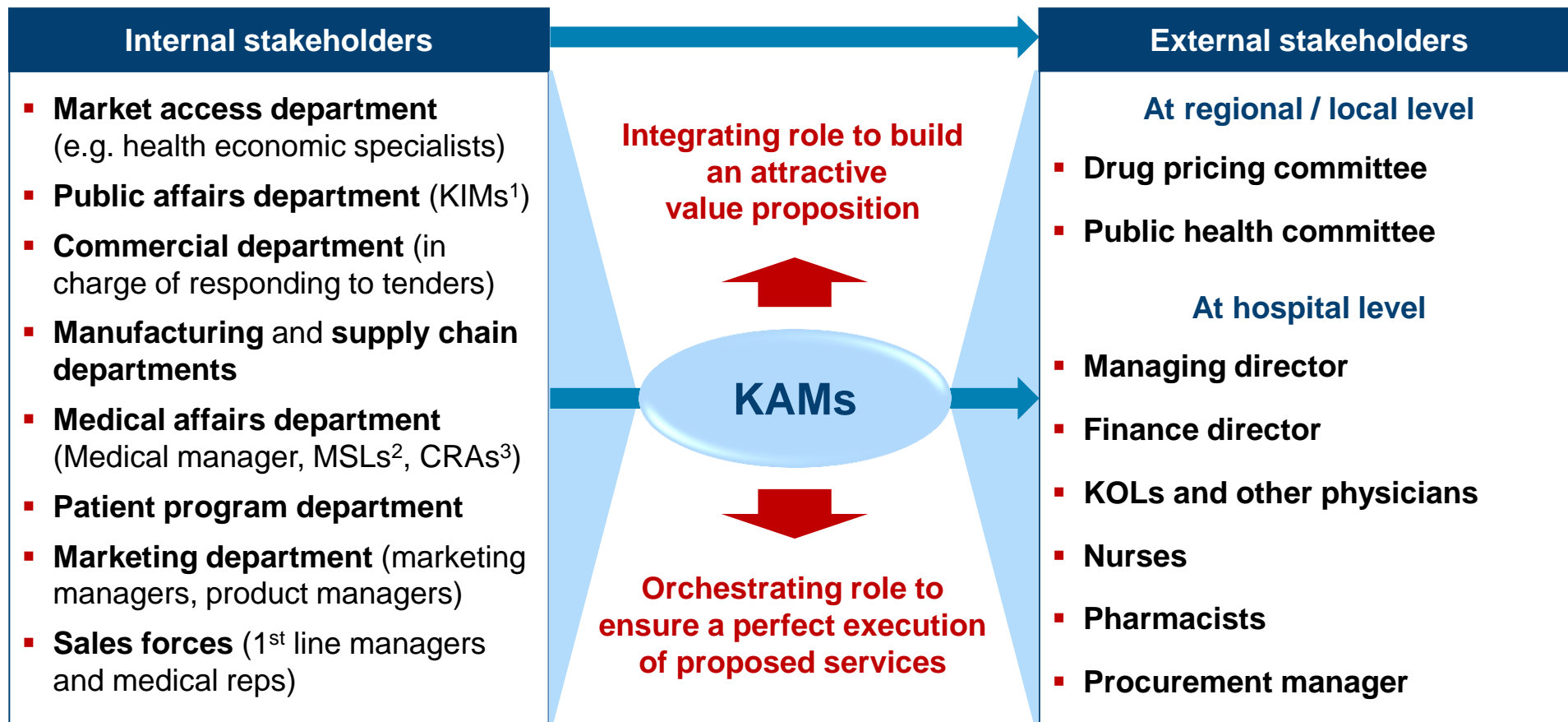
- Develop / co-develop<sup>1</sup> customized services associated (directly or indirectly) to the product portfolio which should deliver mutual value (benefit) for both the hospital and the pharma company
- Build a long-term relationship with key accounts
- Demonstrate leadership and ability to work with cross-functional and multidisciplinary teams
- Manage projects efficiently and effectively
- Monitor carefully the quality of execution and the impact of proposed services

*“Any fool can know. The point is to understand” – Albert Einstein*

## KAM EXPERT WHEEL – Context

The complexity of the Hospital KAM role lies in the fact that they have to deal with multiple internal and external stakeholders having different needs and priorities

### Cross-functional role of Hospital KAMs



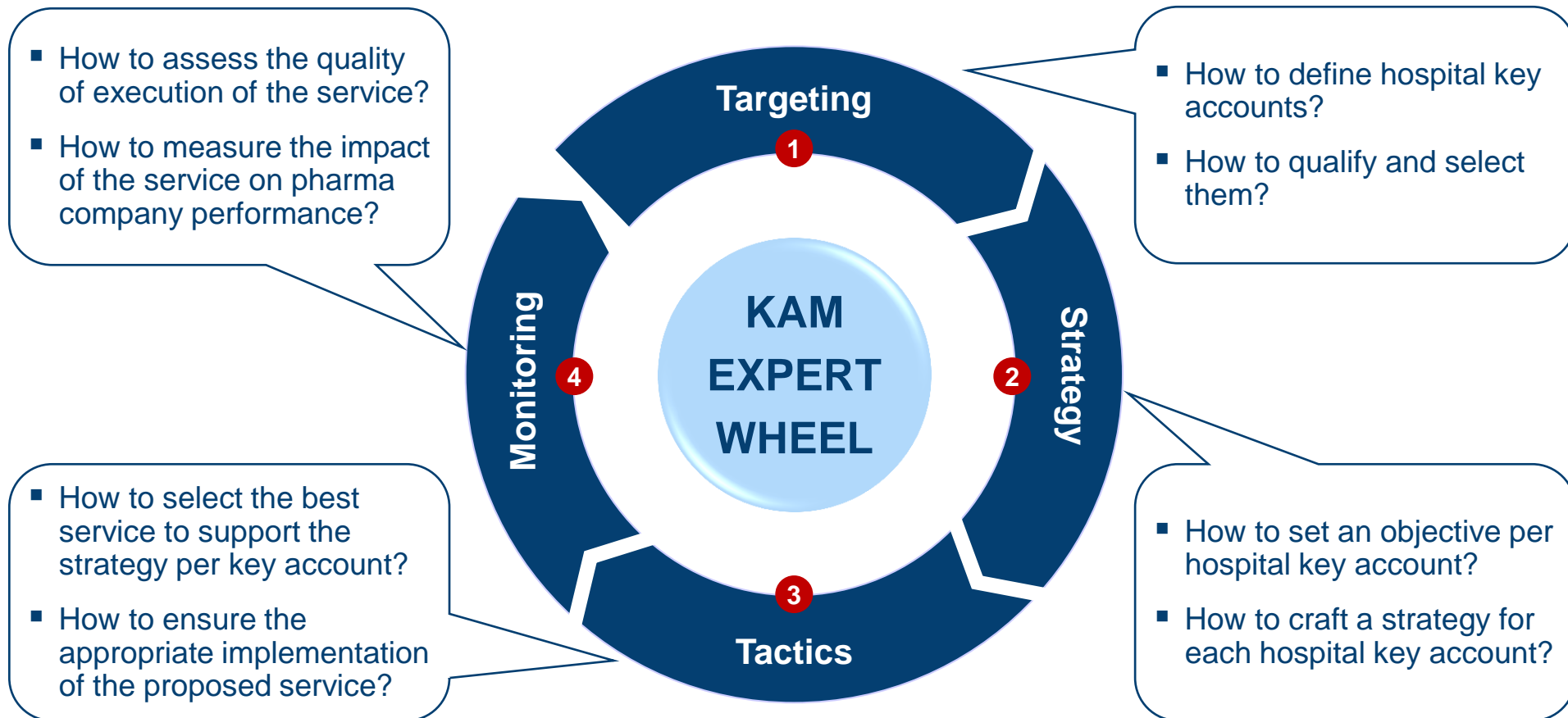
Sources: Smart Pharma Consulting

<sup>1</sup> Key Institution Managers in charge of relations with regional health authorities and payers –  
<sup>2</sup> Medical Science Liaisons – <sup>3</sup> Clinical Research Assistants

## KAM EXPERT WHEEL – Presentation

The KAM EXPERT WHEEL has been designed to structure the activities of the KAMs and help them cope with the complexity of their tasks

### The four steps of the KAM EXPERT WHEEL



Sources: Smart Pharma Consulting

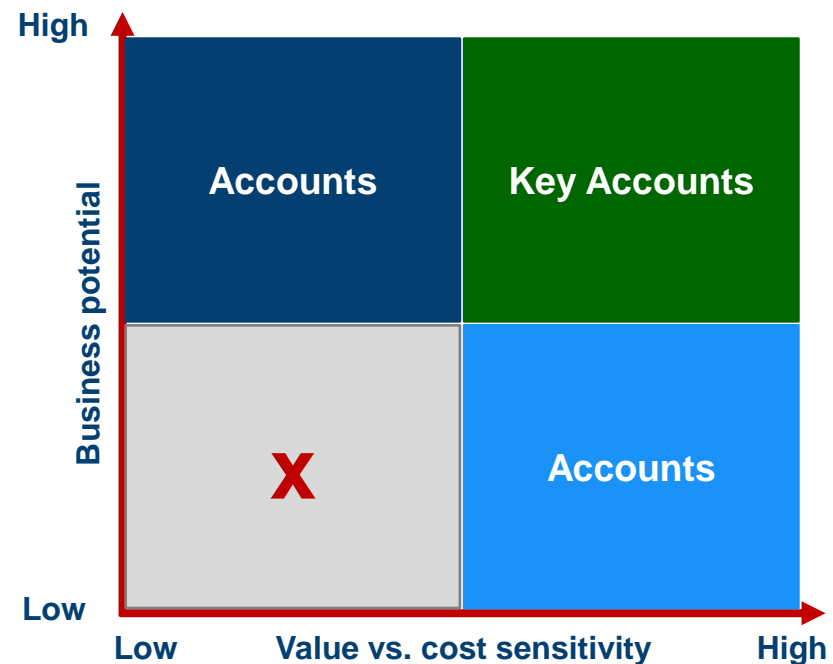
**Hospital key accounts should be critical to direct / indirect performance of pharma companies and value specific services associated to drugs, beyond their cost**

**How to define a hospital key account?**

**Specificities of Hospital Key Accounts**

- To be eligible to the status of **key account** by a pharma company, hospital centers **should**:
  - Represent a **significant share** of its direct and/or indirect<sup>1</sup> sales and profits with **favorable perspectives**
  - Value **solutions / services** that could be proposed
- The **objective** of **Key Account Management** is to:
  - **Optimize the performance** (sales and profits) of the pharma company product portfolio (e.g. minimize price pressure, maximize sales level and growth)...
  - ... by **developing / co-developing services** to help hospital centers **meet their long-term objectives** (e.g. increase the number of patients, become a reference center, reduce management cost of medical procedures, simplify processes, etc.)

**Hospital Key Account Targeting Matrix**



Sources: Smart Pharma Consulting

<sup>1</sup> Influence on prescribing habits of other hospital centers and/or on office-based physicians

Beyond business potential, KAMs must estimate the propensity of hospital centers to “reward” pharma companies having delivered extra value to them through services

How to qualify and select hospital key accounts? (1/2)

Business potential



- Before deciding to invest in services “around” their product portfolio, KAMs should carefully evaluate the long-term business potential (opportunities and threats) of hospital centers in the therapeutic areas covered by their product portfolio
- The following indicators will be useful to evaluate each account:
  - Five- to ten-year development plan of the hospital activities
  - Number of beds and healthcare professionals
  - Number of patients on the active list
  - Current and forecasted sales in the therapeutic areas covered
  - Level of inpatients and outpatients prescriptions and sales<sup>1</sup>
  - Influence of hospital prescribing habits on office-based physicians
  - Etc.
- To document these indicators, the KAMs must carry out desk research, interview regional health authorities, hospital managers, etc.; and then analyze the information gathered

## KAMs should carefully analyze each hospital center to determine its long-term business potential for their product portfolio with specific assessment tools

### How to qualify and select hospital key accounts? (2/2)

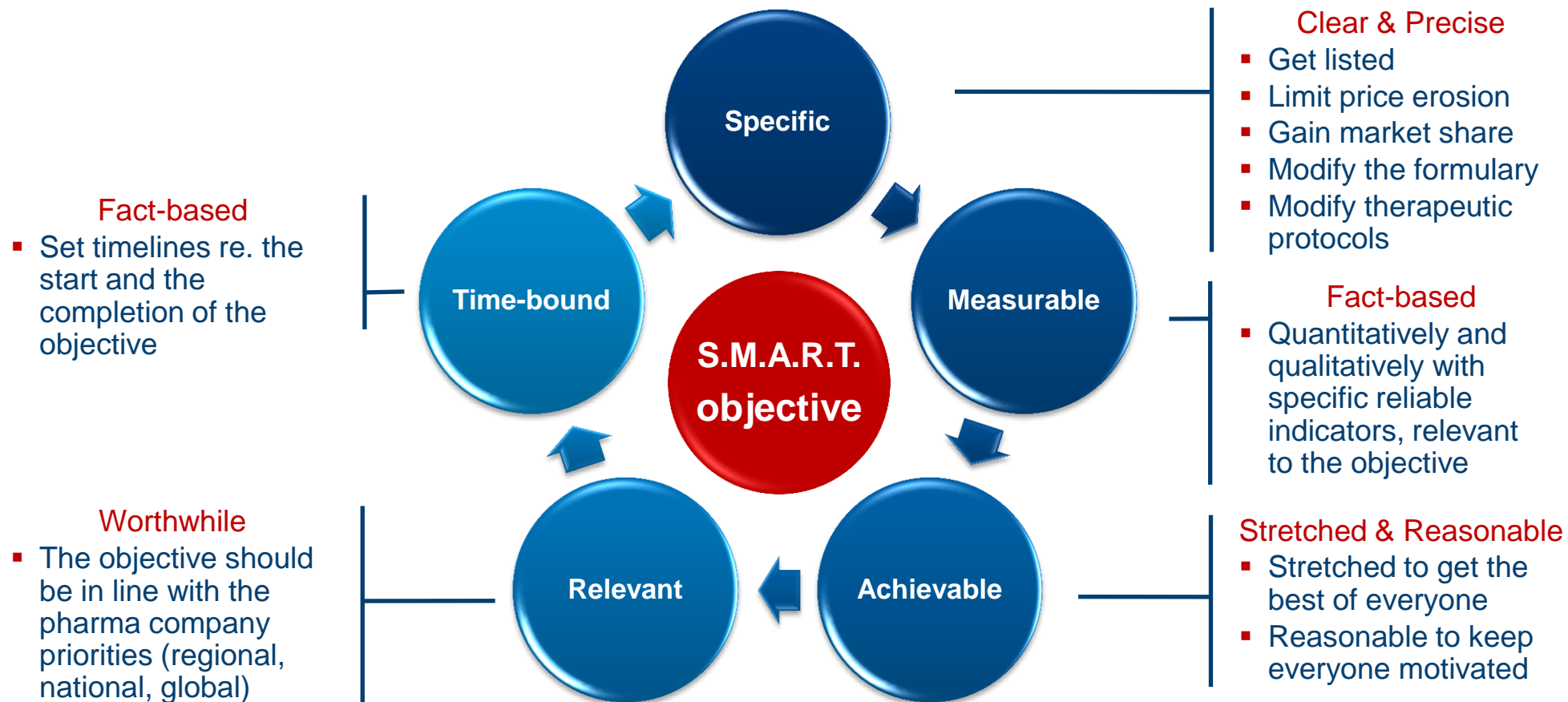
- Once the business potential has been estimated, KAMs should evaluate:
  - Hospital center needs for tailored services
  - Probability they accept to partner with a pharma company to develop and implement solutions
  - Value they will grant to these solutions
  - Rewards they will accept to give to the pharma company
- Developing and implementing solutions likely to create high value for key accounts require, in general, heavy investments for several years
- The relevance of such investments should be determined by their:
  - Suitability with assessment tools (e.g. SWOT chart) to evaluate losses and/or profits opportunities for the pharma company
  - Acceptability with analytical tools measuring their expected benefits (e.g. ROCE<sup>1</sup>, DCF<sup>2</sup> / NPV<sup>3</sup>, payback, risk sensitivity analysis)
  - Feasibility of the services / solution likely to be proposed on a financial (cash flow), regulatory (compliance) and practical (skills, competence, resources) point of view

#### Value vs. cost sensitivity



**To set an objective per hospital key account, the well-know S.M.A.R.T. rules should be carefully applied to facilitate the proper crafting of the corresponding strategy**

**How to set an objective per hospital key account?**

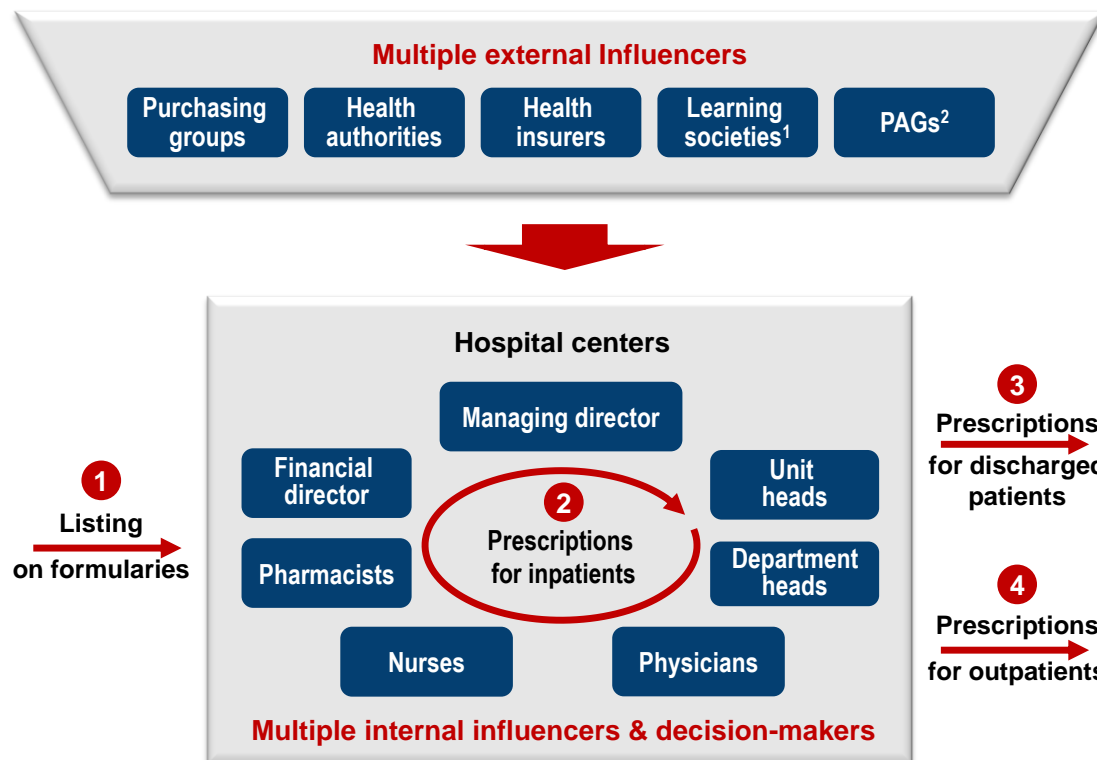


Sources: Smart Pharma Consulting



**Irrespective of the hospital key account, the strategy crafted by the pharma company should have a favorable impact on one or several of its four key performance drivers**

**How to craft a strategy per hospital key account? – Principles (1/2)**



- At hospital center level, to boost their performance, pharma companies should activate one or several of the following key performance drivers:
  1. The listing on formularies<sup>3</sup>
  2. The prescription for inpatients<sup>4</sup>
  3. The prescription for discharged patients<sup>4</sup>
  4. The prescription for outpatients<sup>4</sup>
- These drivers will be selected according to the objective set, and the actions to activate them will depend on:
  - Each hospital specificities (e.g. strategic priorities, procurement process and policy, degree of complexity, power games)
  - Product portfolio competitive position
  - Value of services offered to date
  - Corporate reputation

● Key performance drivers for pharma companies

Sources: Smart Pharma Consulting

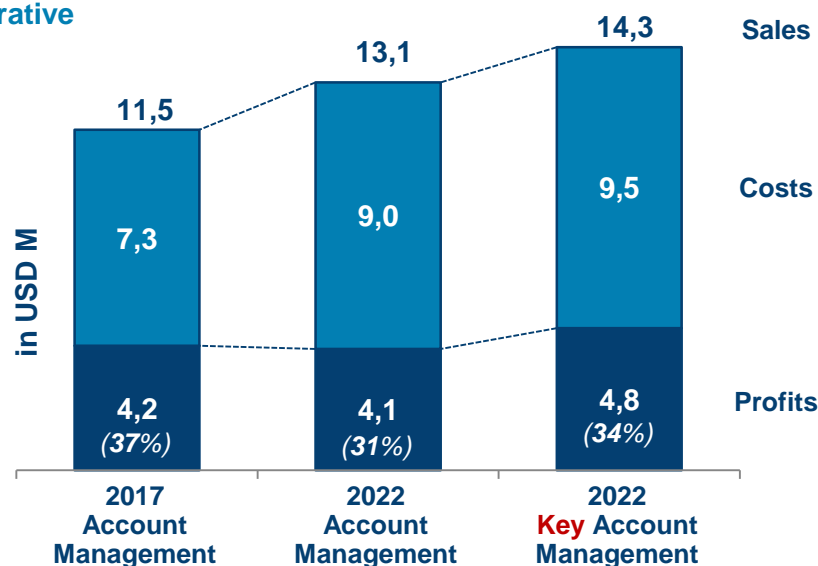
<sup>1</sup> Through the therapeutic guidelines they may publish – <sup>2</sup> Patient Advocacy Groups – <sup>3</sup> Under the direct responsibility of KAMs – <sup>4</sup> Under the direct responsibility of medical reps

**To get the expected return on investment from hospital key account management, pharma companies should focus on five critical success factors**

**How to craft a strategy per hospital key account? – Principles (2/2)**

**Expected impact from pharma company perspective**

Illustrative



The specific management of hospital key accounts by pharma companies will generate extra costs due to the proposed services but should generate more sales, more profits and possibly higher profitability than a standard account management

**Critical success factors**

- **#1:** The services (solutions) proposed should be tailored to important needs / wants of the most influential stakeholders of the hospital center
- **#2:** The partnership should lead to tangible and long-term “win-win” outcomes for both, the hospital center and the pharma company
- **#3:** The services should be perfectly planned and executed, while being carefully monitored with specific KEIs<sup>1</sup> and KPIs<sup>2</sup> to deliver the expected joint value
- **#4:** The services should be clearly communicated by the KAMs and related to the pharma company and its product portfolio
- **#5:** KAMs should be empowered and able to coordinate cross-functional multidisciplinary internal and external stakeholders

Sources: Smart Pharma Consulting

<sup>1</sup> Key Execution Indicators – <sup>2</sup> Key Performance Indicators

The activities of in-field collaborators interacting with the same hospital center should be integrated in a single key account management plan, including separated sections

How to craft a strategy per hospital key account? – Tools (1/2)

Integrated Key Account Management Plan

MSL<sup>1</sup> Section

- **Key clients:** KOLs
- **Key objectives:** build strong and sustainable relationships to develop advocacy at the hospital level and beyond
- **Key activities:** interactions with KOLs, scientific lectures at congresses, symposia, staff meetings, support of research clinical trials, training of speakers and collaborators from marketing and sales teams, competitive intelligence initiatives, etc.



Marketing & Medical Rep Section

- **Key clients:** physicians and pharmacists
- **Key objectives:** Increase prescription share
- **Key activities:**
  - **Marketers:** brand preference strategy crafting leveraging products attributes, perceived quality of associated services and corporate reputation
  - **Medical reps:** calls, invitations to medical meetings and congresses, and other services to boost preference

Key Account Manager Section

- **Key clients:** health authorities<sup>2</sup>, payers<sup>2</sup>, hospital directors, hospital purchase managers, etc.
- **Key objectives:** strengthen the sales and profits of the product portfolio per hospital center
- **Key activities:** propose / co-develop specific “win-win” projects (e.g. medico-economic studies to increase the access to the brands, patient support programs to improve adherence to treatment, etc.)<sup>3</sup>

Sources: Smart Pharma Consulting

<sup>1</sup> Medical Science Liaison – <sup>2</sup> At regional or local level – <sup>3</sup> At hospital center level, KAMs may be supported by local Key Institution Managers (KIMs) who have an expertise in market access and public affairs

**KAM activities should be formalized in an Integrated Key Account Management Plan per hospital center, in coordination with medical, marketing and sales collaborators**

**How to craft a strategy per hospital key account? – Tools (2/2)**

**Integrated Key Account Management Plan**



**Structure of the KAM section**

- **Situation analysis** (per hospital center)
  - Mapping of key stakeholders (level of influence – behavior)
  - Activity review (quantitative and qualitative analyses):
    - Relationships with key stakeholders (e.g. managing director, financial director, procurement manager, hospital pharmacists, heads of medical departments) of each hospital center re. services currently in place and the needs for new ones
    - Offering / development of services creating mutual value
    - Ensuring the perfect execution of services
    - Monitoring of opinion and behavior of stakeholders
  - Quality of execution and impact of activities measurement
  - Advanced SWOT<sup>1</sup> analysis of the KAM and his pharma company
- **Ambition & strategic priorities** (per hospital center)
  - Ambition setting
  - Strategic priorities to fulfill mid- to long-term ambitions set by the KAM
  - Key activities to support strategic priorities:
    - Shared activities with other departments (e.g. marketing, sales, MSLs, etc.)
    - Non-shared activities
  - Selection of KEIs<sup>2</sup> and KPIs<sup>3</sup> to monitor the services proposed

Sources: Smart Pharma Consulting

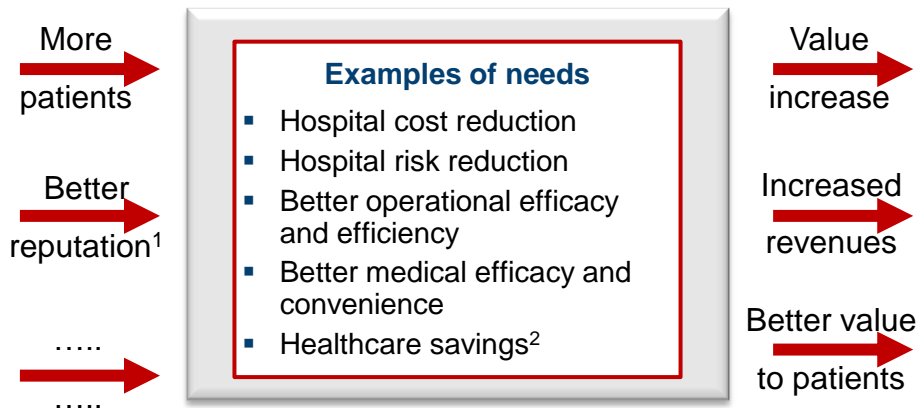
<sup>1</sup> Developed by Smart Pharma Consulting – <sup>2</sup> Key Execution Indicators – <sup>3</sup> Key Performance Indicators

**The services proposed by KAMs should fulfill highly valued customer needs and thus contribute to strengthen the business performance of the pharma company**

**How to select the best services to support the strategy? – Principles**

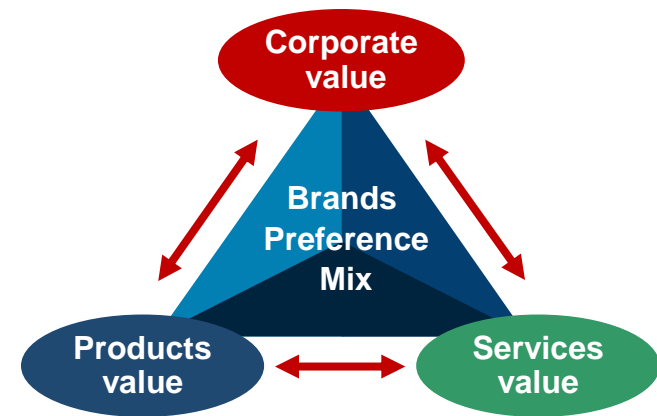
**Examples of potential hospital center highly valued needs**

**Hospital center**



- Pharma companies may create great value for hospital centers by helping them:
  - Reduce their costs (e.g. procurement process)
  - Manage their risks (e.g. preparation of chemotherapies)
  - Improve their operational efficacy and efficiency (e.g. reallocation of resources, process simplifications)
  - Increase their medical efficacy (e.g. modify protocols) and convenience (e.g. better patient quality of life)

**Potential impact of services on pharma company performance**



- By offering services – fulfilling hospital centers highly valued needs – pharma companies can expect to:
  - Improve their corporate reputation and
  - Strengthen the perception of their product portfolio and thus, be preferred at the expense of their competitors (i.e. increased likelihood of being listed, better price, higher prescription rate for inpatients and out-patients)

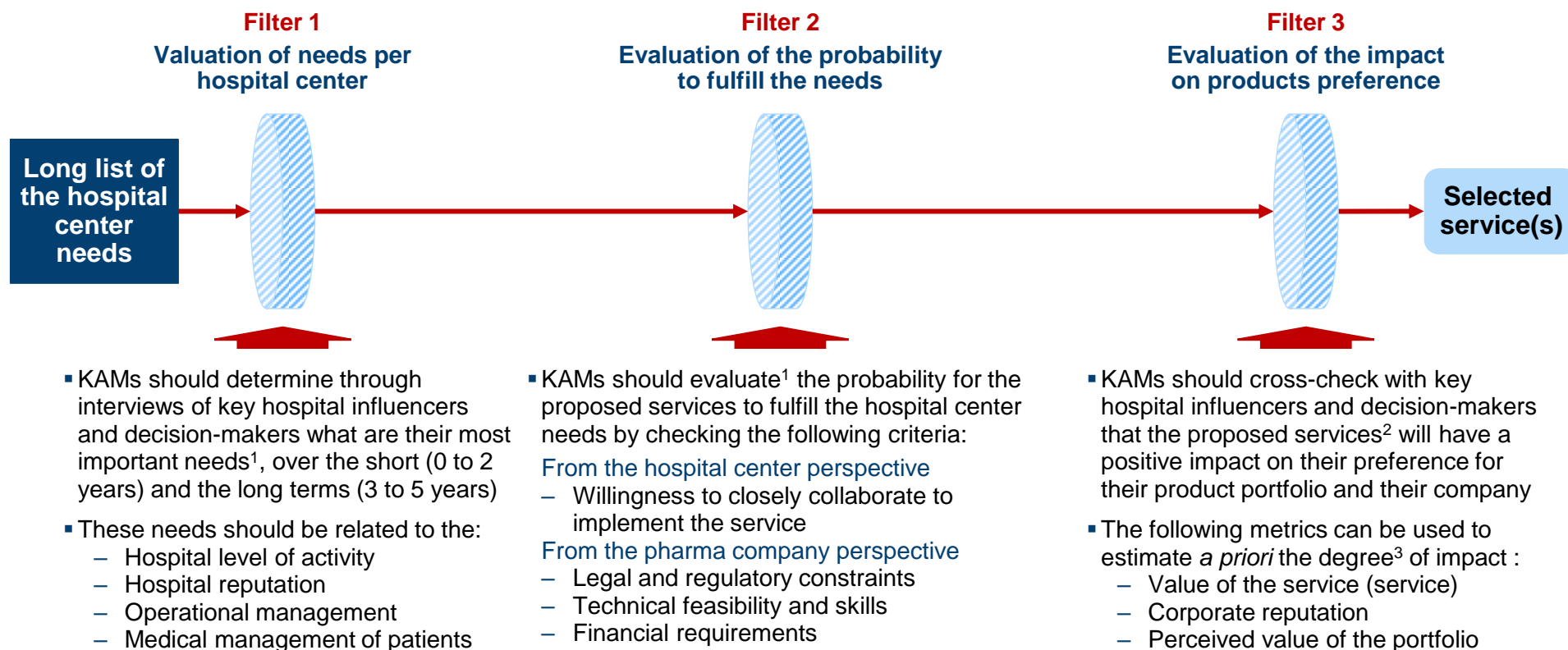
Sources: Smart Pharma Consulting

<sup>1</sup> As perceived by: national and regional health authorities, office-based physicians, other hospital centers, healthcare professionals working for the given hospital center and patients – <sup>2</sup> Beyond the sole savings at the hospital level

KAMs should ensure that the selected hospital needs they intend to fulfill are highly valued and the probability to fulfill them is high to expect a return on investment

How to select the best services to support the strategy? – Method

Selection of most appropriate services to meet hospital center and pharma company respective objectives



Sources: Smart Pharma Consulting

<sup>1</sup> A 10-point visual scale can be used for that purpose –  
<sup>2</sup> if properly implemented – <sup>3</sup> High – Medium – Low

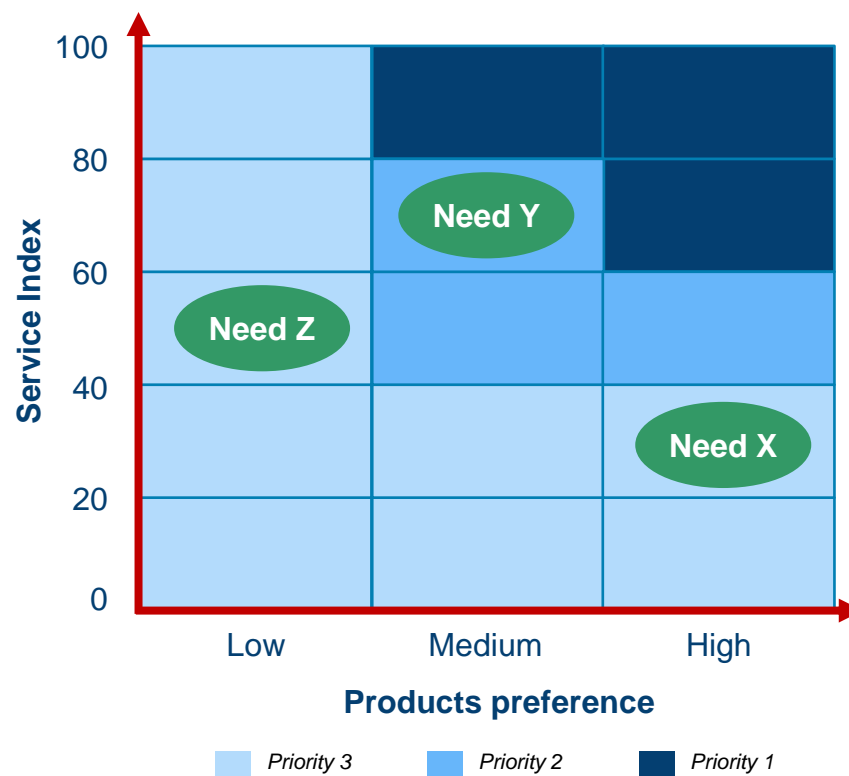
The assessment chart and the selecting map can help KAMs figure out which service they should preferably commit to offer to individual hospital key account

**How to select the best services to support the strategy? – Tools**

Assessment chart<sup>1</sup>

List of hospital center needs	Need X	Need Y	Need Z	-----
A. Valuation of needs	7	8	8	-----
B. Probability of fulfilling these needs	5	8	6	-----
C. Service Index (AxB)	35	64	48	-----
D. Likely impact on products preference	High	Medium	Low	-----

Selecting map

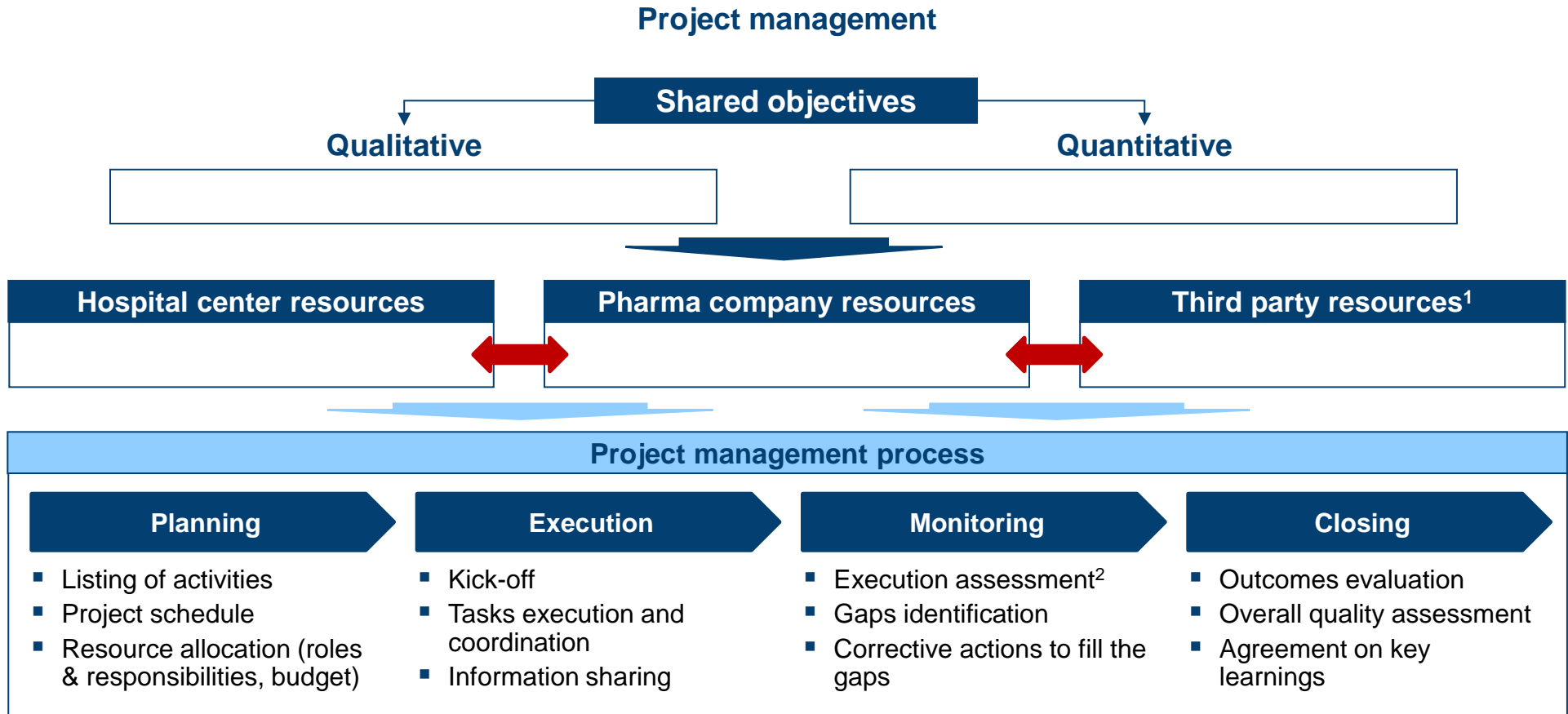


Sources: Smart Pharma Consulting

<sup>1</sup> A 10-point visual scale can be used to assess the two suggested dimensions of the chart (C–D)

**It is essential to follow a rigorous project management process to ensure the smooth implementation of the services and increase the chance to get the expected results**

**How to ensure the appropriate implementation of the proposed services? – Method**



Sources: Smart Pharma Consulting

<sup>1</sup> External expert or consultant appointed to carry out the service – <sup>2</sup> With the help of tools such as: Gantt chart, labor report, dashboard with specific Key Execution Indicators (KEIs), etc.



The “Hospital Service Card” is an enabling tool to ensure that hospital stakeholders and the pharma company are aligned on the purpose of the proposed service(s)

**How to ensure the appropriate implementation of the proposed services? – Tool**

**Hospital Service Card (HSC)<sup>1</sup>**

<b>Hospital center name and address</b>		<b>Hospital center key stakeholders</b>		<b>Key issues</b>	
<b>Hospital key activities</b>		<b>Hospital center project manager<sup>2</sup></b>		<b>Key needs</b>	
<b>Hospital influence</b>		<b>Pharma company KAM<sup>3</sup></b>		<b>Key wants</b>	

<b>Description of the proposed service</b>				
<b>Objective of the service</b>	<b>For the hospital center</b>		<b>For the pharma company</b>	
<b>Duration of the service</b>	<b>Start date</b>		<b>End date</b>	

Sources: Smart Pharma Consulting

<sup>1</sup> If several services are proposed for the same hospital center, thus several HSC should be filled up –

<sup>2</sup> Key contact point regarding the partnership and the service(s) included in this partnership –

<sup>3</sup> In charge of the service(s) proposed to the hospital center

**The services proposed must create tangible value to the most powerful individuals to increase access and usage of the product portfolio within the hospital key account**

**– Examples of potentially highly valued services by hospital centers and pharma companies –**

Co-creation of a specific program to increase the number of referred patients, leading to more activity for the hospital center, more drug prescriptions for the pharma company and more income for both

Co-development of a patient registry and offering of a technical support to collect and analyze data to help the hospital center increase medical outcomes in a specific disease covered by the pharma company

Creation and funding of a support program to improve the adherence of patients to their treatment in exchange of a preferred supplier status on the hospital drug formulary

Design and implementation of a specific process to reduce the distribution and inventory costs for both, the hospital center and the pharma company

Help the key account re-engineer the journey of hospitalized patients to reduce the duration of their stay and the time allocated by the HCPs to look after them

The quality of execution of the service should be subject to a dual assessment by the hospital center which benefits from it and the pharma company which proposes it

**How to assess the quality of execution of the services? – Tool**

Service description		Service objective		Hospital center stakeholders			
<b>Dual valuation by the partners (key hospital stakeholders &amp; pharma company)</b>							
Valuation of the Service*		Rationale		Valuation of the Execution*		Rationale	
Impact on hospital costs	1 2 <b>3</b> 4 5			Quality of planning	1 2 <b>3</b> 4 5		
Impact on operational management	1 2 <b>3</b> 4 5			Quality of execution	1 2 <b>3</b> 4 5		
Impact on medical (patient) management	1 2 <b>3</b> 4 5			Quality of monitoring	1 2 <b>3</b> 4 5		
Impact on healthcare savings	1 2 <b>3</b> 4 5			Quality of budget control	1 2 <b>3</b> 4 5		
Gap analysis		Recommendations		Gap analysis		Recommendations	

Sources: Smart Pharma Consulting

\* 1 & 2 below expectations – 3 as per expectations – 4 & 5 above expectations

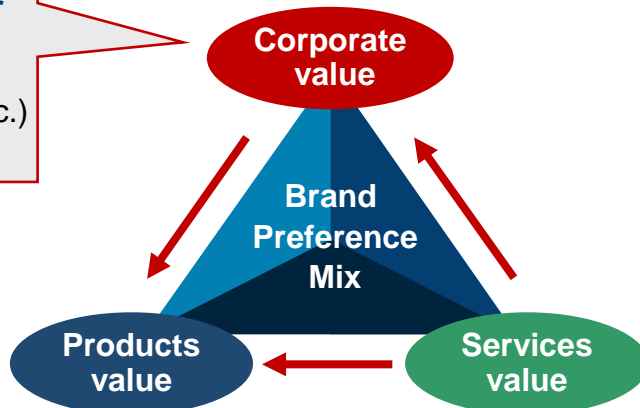
From the pharma company perspective, the value of the proposed services should be translated into higher product sales and associated profits

— How to measure the impact of the services on pharma company performance? – Method —

The ultimate objective of the services proposed to the hospital key account is to fulfill one of its highly valued needs to enhance its preference for the product portfolio marketed by the pharma company

- The KAM should **communicate once or twice a year information about his company** (e.g. R&D news, CSR<sup>1</sup> initiatives, specific services delivered, etc.) to the hospital stakeholders

- The direct or indirect<sup>2</sup> **impact of services** on the pharma company will be **objectivized** by the **positive evolution** of its **performance drivers**:
  1. Listing on formularies
  2. Prescription for inpatients
  3. Prescription for discharged patients
  4. Prescription for outpatients within the hospital key account



- The **perceived value** of the proposed **services** by the hospital key account will **depend on their ability** to:
  - Reduce hospital costs
  - Improve operational management
  - Improve medical management...
- ... and on their **quality of execution**:
  - Planning
  - Execution *per se*
  - Monitoring
- These services should have a **positive impact** on **corporate reputation** and **products perception**

Sources: Smart Pharma Consulting

<sup>1</sup> Corporate Social Responsibility – <sup>2</sup> Through corporate reputation

To objectivize the benefits provided by the services to hospital centers, metrics based on tangible and robust data should be selected and agreed upon *a priori*

Measurement of service value for hospital centers – Tools (1/2)

Qualitative and quantitative assessment tools

**Perceived value of the services**  
(Qualitative assessment)

- The perception of hospital stakeholders should be carefully measured to identify and address the potential weaknesses
- The strengths will also be gathered to leverage on them, especially for communication purpose at hospital center level and at the pharma company level to testify the relevance of the service and the quality of its execution

**Impact on key hospital center needs**  
(Quantitative assessment)

**Hospital center**

The impact of services<sup>2</sup> should be measured – before and after – implementation with robust and tangible metrics selected according to the targeted needs of the hospital center to be fulfilled:

1. **Cost reduction** (e.g. treatment cost per patient, lower wastage)
2. **Risk reduction** (e.g. rate of nosocomial infections, death rate)
3. **Operational management**<sup>3</sup> (e.g. shorter patient length of stay)
4. **Medical management**<sup>3</sup> (e.g. pain management of patients)
5. **Healthcare savings**<sup>4</sup> (e.g. improvement of patient adherence)

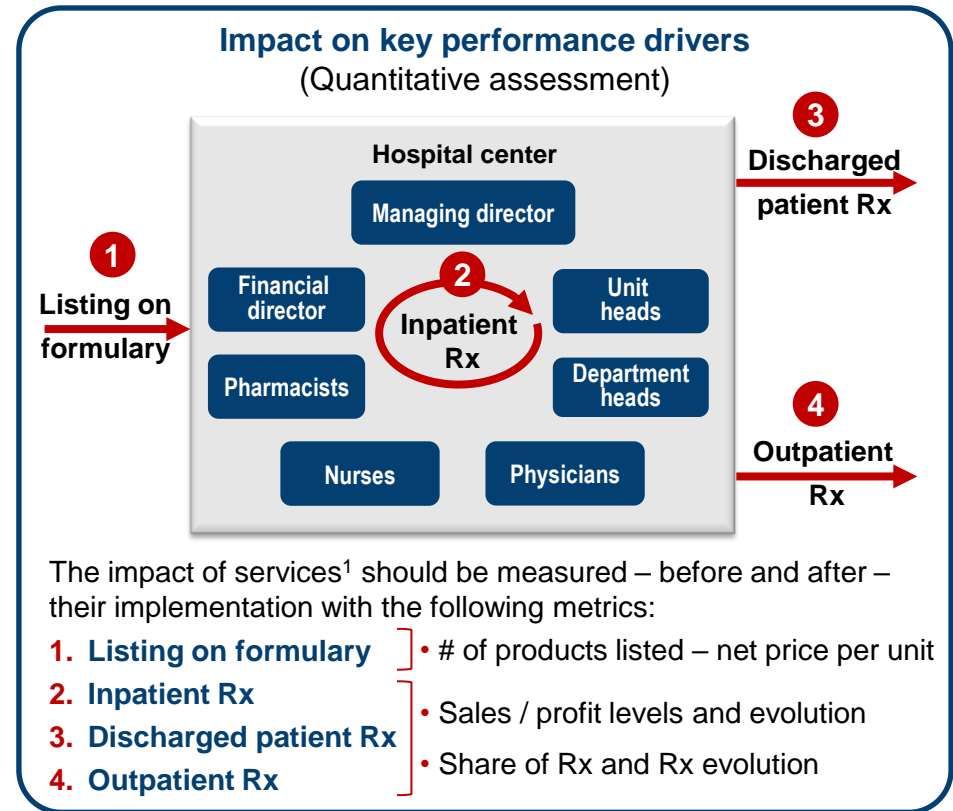
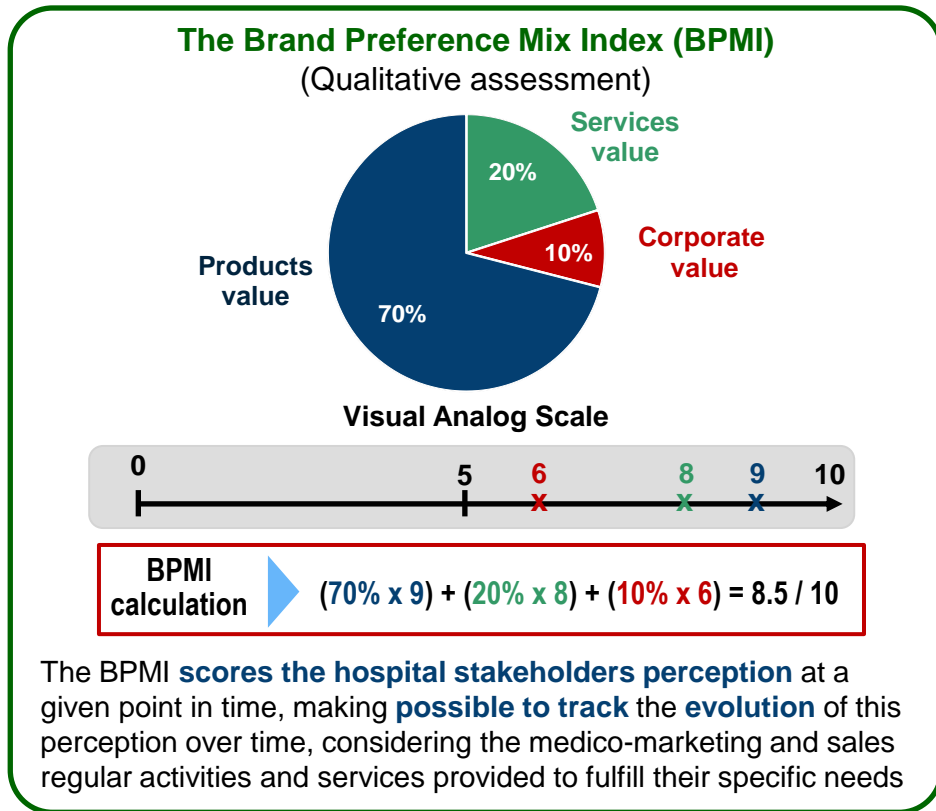
Sources: Smart Pharma Consulting

<sup>1</sup> As perceived by: national and regional health authorities, office-based physicians, other hospital centers, healthcare professionals working for the given hospital center and patients – <sup>2</sup> As well as the impact of regular medico-marketing and sales activities – <sup>3</sup> Management includes efficacy and efficiency, amongst other components – <sup>4</sup> Beyond the sole savings at the hospital level

The impact of services proposed by the KAMs to hospital centers should be carefully measured with qualitative and quantitative metrics as proposed here-below

— Measurement of the impact of services on pharma company performance – Tools (2/2) —

Qualitative and quantitative assessment tools



● Key performance drivers for pharma companies

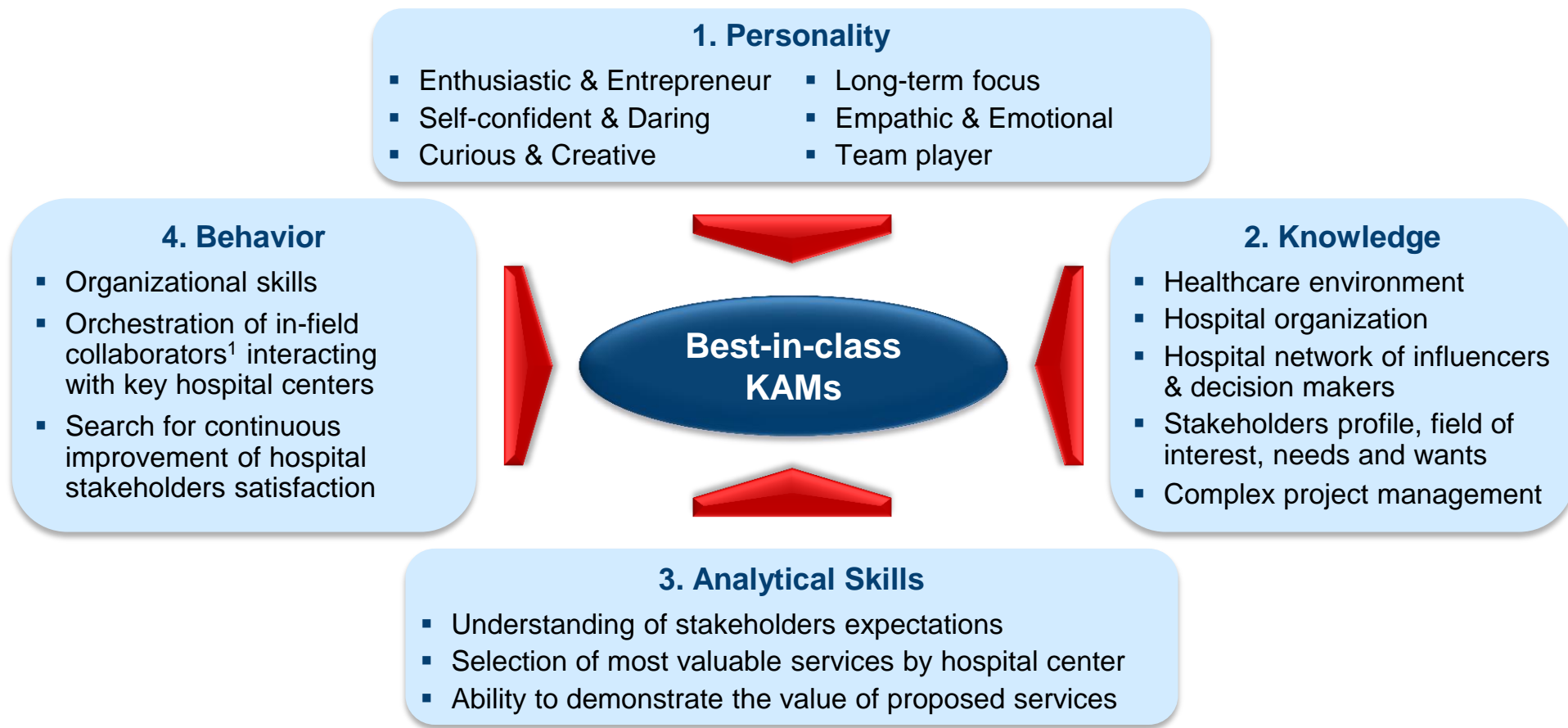
Sources: Smart Pharma Consulting

<sup>1</sup> And of the regular medico-marketing and sales activities

## KAM EXPERT WHEEL – Conclusion

**KAMs must have an in-depth understanding of hospital center organizations and needs, be able to manage cross-functional teams and to build trusted long-term relationships**

### Profile & competences of “best-in-class” hospital KAMs



## KAM EXPERT WHEEL – Conclusion

Irrespective of their competence, KAMs should dramatically improve their performance if they implement the KAM EXPERT WHEEL in a rigorous and systematic way

### KAM EXPERT WHEEL implementation



#### The key success factors

1. Carefully **define** hospital **key accounts** according to:
  - The **business potential** they represent for your current and future products
  - The **importance** they attach to **services** provided by **pharma companies** to **avoid investing at loss**
2. Set a **shared objective** with each key account which, if reached, is likely to **lead** to **“win-win” outcomes** for both parties
3. The proposed **services** should **fulfill important needs / wants** of the hospital key stakeholders and contribute to **strengthen** the pharma company **performance**
4. While **executing** the service, it is **essential to**:
  - **Communicate internally** (to keep informed and aligned the collaborators in contact with the hospital center) and **externally** (to ensure that the key hospital stakeholders link the service with the pharma company and its product portfolio)
  - Comply with the **highest standards** of **quality**
  - **Measure** the **value** (benefit) of the **services for the hospital centers** and their **effect** on the pharma company **business performance**



**As the author of the KAM Expert Wheel and considering their operational experience, Smart Pharma consultants are well positioned to facilitate its implementation**

**KAM EXPERT WHEEL implementation**

- Smart Pharma Consulting has an **in-depth expertise** in **improving efficiency of in-field teams** coming from:
  - **General management experiences** in France and abroad for pharma companies
  - **Numerous** operational effectiveness consulting **projects** on the hospital pharma market segment
- The KAM EXPERT WHEEL which has been developed by Smart Pharma Consulting proposes a **rigorous** and **practical** approach to **obtain** a significant **improvement** of **KAMs efficiency** and **efficacy**
- Smart Pharma Consulting can help pharma companies introduce the KAM EXPERT WHEEL as follows:

- 3. **Support methodologically** and **with specific tools** the **selection of services** per hospital key account
- 4. **Develop tools** to **assess** the **quality of execution** of the **services** proposed...  
... and to **measure** their **impact on** pharma company **performance**



- 1. **Customize** the proposed **targeting method** and **tools** to the specific context of **the pharma company**
- 2. **Help setting objectives** per hospital key account and **craft** an appropriate **strategy** (incl. the **design** of specific **hospital key account management plans**)

## Smart Pharma Consulting proposes a two-day masterclass to introduce and familiarize participants with the four steps of the KAM EXPERT WHEEL

### Masterclass<sup>1</sup>: The KAM EXPERT WHEEL

#### Day 1

- 9:00 Introduction to the masterclass
- 9:10 Review and discussion of the concepts, methods and tools sent to participants as a pre-read
- 10:15 Lecture by and discussion with an expert:  
“How to manage key accounts in FMCG<sup>2</sup> markets?”
- 11:15 *Break*
- 11:30 Case study #1: Targeting hospital key accounts:
  - Teaching hospital (group A)
  - Private hospital (group B)
- 13:00 *Lunch*
- 14:00 Case study #2: Objective setting & strategy crafting per hospital key accounts:
  - Teaching hospital (group A)
  - Private hospital (group B)
- 15:30 *Break*
- 15:45 Presentation of the working groups A & B outputs re. case studies #1 and 2, discussion and agreement on key learnings
- 18:00 End of the 1<sup>st</sup> day

#### Day 2

- 9:00 Introduction to the 2<sup>nd</sup> day
- 9:10 Case study #3: Developing specific services to support the strategy set per hospital key account
  - Teaching hospital (group A)
  - Private hospital (group B)
- 11:15 *Break*
- 11:30 Case study #4: Monitoring the services delivered and measuring the impact on products sales
  - Teaching hospital (group A)
  - Private hospital (group B)
- 13:00 *Lunch*
- 14:00 Presentation of the working groups A & B outputs re. case studies #3 and 4, discussion and agreement on key learnings
- 16:15 *Break*
- 16:30 Co-development with participants of general key learnings re. the KAM EXPERT WHEEL and its implementation
- 17:30 End of the masterclass

## The Best-in-Class Series

- This series intends to share concepts, methods and tools to boost the efficiency and efficacy of executives having operational responsibilities in the pharma business
- We have yet published three Best-in-Class issues:
  - The Medical Science Liaisons
  - The Pharma Marketers
  - The Medical Reps

## Issue #4: Best-in-Class Hospital KAMs

- The fact that hospital KAM has to deal with multiple internal and external stakeholders makes its role particularly complex
- Hospital KAM is a high level position requiring in-depth customer insights to determine their evolving needs and wants, and to propose solutions delivering mutual value
- We have designed the KAM EXPERT WHEEL to structure KAMs activities and help them cope with complexity
- If rigorously implemented, the KAM EXPERT WHEEL should dramatically improve the KAMs performance

## Smart Pharma Consulting Editions



- Besides our consulting activities which take 85% of our time, we are strongly engaged in sharing our knowledge and thoughts through:
  - Our teaching and training activities
  - The publication of articles, booklets, books and expert reports
- As of today, more than 100 publications in free access can be downloaded from our website
- In 2016 we have published more than 770 pages of documents covering Pharma market insights, strategic and marketing expert reports, as well as management concepts, methods and tools
- Our research activities in pharma business management and our consulting activities have shown to be highly synergistic
- We expect that this new publication will interest you and remain at your disposal to organize training seminars or carry out projects to help your collaborators improve their operational excellence

Best regards

Jean-Michel Peny