

Med Reps Survival Post-Covid-19

MARKET INSIGHTS SERIES (#15)

Vision & Recommendations

**“Give people what they need
and not what you want”**

Introduction

The Covid-19 crisis should lead, more than ever, pharma companies to rethink the short-term effectiveness of their sales forces and anticipate, or even participate to, their mid-term evolution

- Over the past 15 years, the number of med reps has fallen by 40 to 50%
- The **downsizing** of pharma companies' sales forces is mainly **explained** by:
 1. The **portfolio structure** shift from primary care to secondary care products, mainly prescribed by GPs and by specialist physicians, respectively; the latter being fewer and therefore requiring fewer med reps to be called upon
 2. The increasing number of **physicians limiting** or **forbidding medical calls** because they have easily access to high, and even better, **quality** drug-related **information** on **Internet** and are overloaded with an **ever-increasing** number of **patients**
- This **trend** should not only continue but **accelerate** as a result of the Covid-19 crisis
- In this context, **pharma companies** should **redefine** the **activity** and **size** of their **sales forces** and for so doing, Smart Pharma Consulting proposes to answer the **two** following **questions**:
 1. **How** to **maintain effective interactions** with physicians (2020 – 2021)?
 2. **How** to **anticipate / participate** to Med Reps' **job evolution** (2021 – 2024)?

Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Situation Analysis (1/3)

In-person interactions are decreasing and more and more complemented by remote interactions and/or non-personal interactions orchestrated by Med Reps

Med-Reps 3-D interactions

In-person interactions

- In 2019, ~50% physicians were estimated to refuse access to Med Reps in person...
- ... while they were ~70% restricting this access
- An additional 10-15% of physicians is likely to refuse calls from Med Reps, following the Covid-19 crisis
- This trend will continue, over the coming years, with an expected acceleration

Virtual interactions

- Contrary to common beliefs, less than 10% of physicians have experienced remote calls before the Covid-19 crisis
- The number of remote calls is likely to increase, but slightly, to reach 12 to 15% by end of 2021
- Physicians are not very keen on this communication channel they do not find very convenient and very well executed

Non-personal interactions

- Emails is the non-personal channel preferred by 68% of physicians¹
- With 70% of physicians using search engines daily, to keep informed about advancements in their field of medical expertise...
- ... it is essential for Med Reps to guide their research by sending them links to relevant content²
- 52% of physicians use regularly pharma companies' digital resources

“Med Reps are still the best means to engage physicians, but for how long?”

Sources: Smart Pharma Consulting – FirstWord Pharma study carried out in March 2020 in the USA and EU5 countries at 245 physicians – “Why it’s hard to reach physicians”, BlueNovius, 2018

¹ Pharma companies may use rep-triggered email software (e.g. Veeva), especially following a medical call –

² Such as patient education content, latest RWE data, etc.

Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Situation Analysis (2/3)

To keep on convincing physicians to prefer the brands they promote, it is essential for Med Reps to maintain effective in-person interactions

Why do Med Reps meet Physicians?

- Ultimately, Med Reps meet physicians to convince them to prescribe, whenever they have an opportunity, the product they promote, but in the best interest of their patients and within the scope of the SmPCs¹
- Thus, during medical calls, Med Reps:
 - Highlight information regarding the features of their products (i.e. indications, efficacy, safety, dosage forms, dose regimen, price, reimbursement conditions)
 - Propose services facilitating the use of their products (around-the-pill) or related to the disease or the patient care (beyond-the-pill)

Why do Physicians meet Med Reps?






- To get new and useful information regarding the products promoted by Med Reps
- To get information related to the disease addressed by the promoted product
- To get materials (e.g. Apps, leaflets) and services (e.g. website addresses, hotline access) for patients and or to help them better interact with and manage their patients
- Because they have good historical relationship with Med Reps and/or know that their job is at risk, and they do not want to jeopardize their future

Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Situation Analysis (3/3)

Several studies have shown that the number of physicians refusing to meet Med Reps in person is increasing, for multiple reasons, reaching in 2019 an average of more than 50%

Barriers to physicians in-person access

- | | | |
|---|--|--|
| <p>1 Stale information conveyed</p> |  | <ul style="list-style-type: none"> ■ Physicians say that Med Reps waste their time by sharing information they already know |
| <p>2 Product-focused information</p> |  | <ul style="list-style-type: none"> ■ Physicians complain that they receive too much product-related data, that is canned and not objective enough |
| <p>3 Too many patients</p> |  | <ul style="list-style-type: none"> ■ Physicians are meeting more and more patients per day, while shortening the consultation time per patient |
| <p>4 Too many paperwork</p> |  | <ul style="list-style-type: none"> ■ 2/3 of physicians' working hours is spent on bureaucratic tasks (e.g. EHR¹, EMR², EPR³, reimbursement form) |
| <p>5 Hospital / institution policy</p> |  | <ul style="list-style-type: none"> ■ Internal rules banning / restricting access to physicians are set to limit distraction and influence by Med Reps |

Sources: Smart Pharma Consulting – “Why it’s hard to reach physicians”, BlueNovius, 2018 – DRG’s 2019 ePharma Physician Report

¹ Electronic Health Record – ² Electronic Medical Record – ³ Electronic Patient Record

Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?





Recommendations (1/6)

It is possible to remove some barriers to in-person access, but the impact is likely to be limited to a small proportion of physicians and for a limited period of time

Removal of barriers to physicians in-person access

Barriers

Barrier Removal

<p>1 Stale information conveyed</p>		<p>1 Provide physicians with new proprietary clinical and RWE data that are useful and of interest to them</p>
<p>2 Product-focused information</p>		<p>2 Deliver unbiased product-related information and relevant non-promotional content¹</p>
<p>3 Too many patients</p>		<p>3 Help physicians better manage their time (e.g. offer a training on time management)²</p>
<p>4 Too many paperwork</p>		<p>4 Propose a specific support to manage more efficiently their administrative work (e.g. software and/or training)²</p>
<p>5 Hospital / institution policy</p>		<p>5 Develop / co-develop services around- or beyond-the-pill in exchange of a privilege access to physicians³</p>

Sources: Smart Pharma Consulting – “Why it’s hard to reach physicians”, BlueNovius, 2018 – DRG’s 2019 ePharma Physician Report

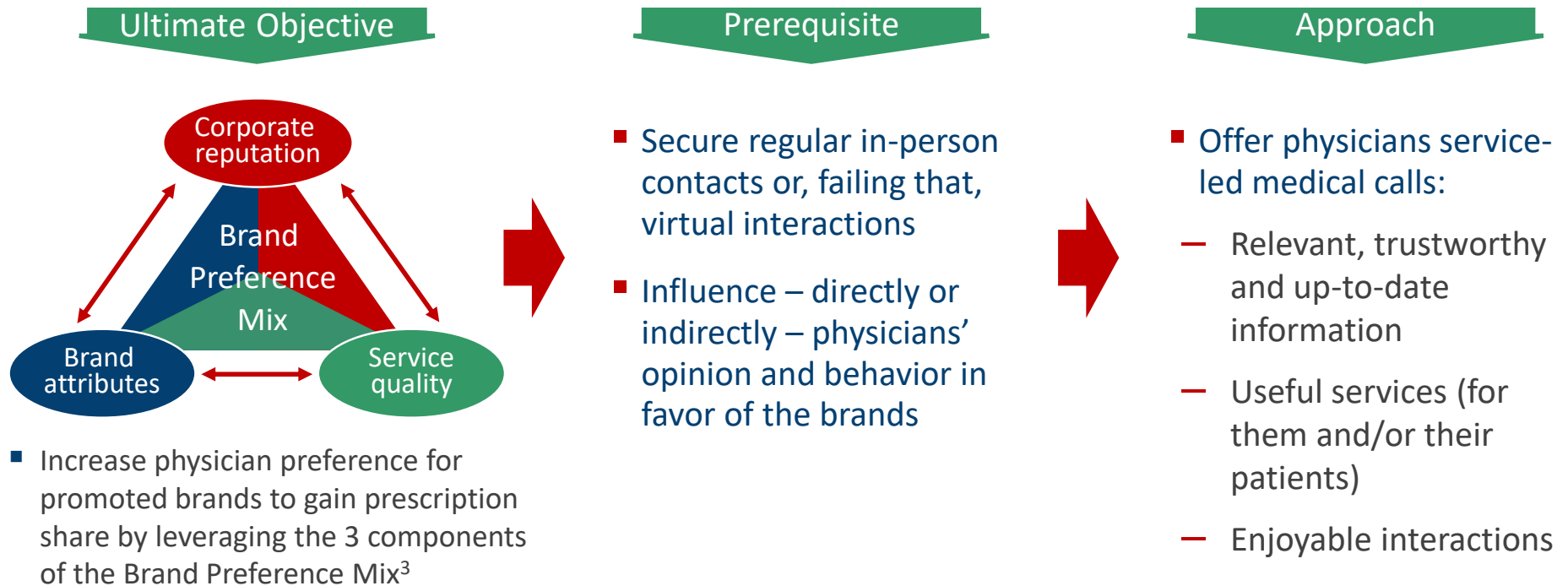
¹ Related to diseases, patient care, etc. – ² Depending on national regulations, hospital / institution policies and pharma companies’ compliance rules – ³ Especially for key account hospitals / institutions. See our position papers: <https://smart-pharma.com/wp-content/uploads/2019/07/KAM-KIM-Relationships-in-Regions-VW.pdf> and <https://smart-pharma.com/wp-content/uploads/2019/07/Best-in-class-KAM-VF.pdf>

Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Recommendations (2/6)

If well designed and executed, medical calls may offer physicians an outstanding experience¹ that will help Med Reps secure regular and impactful interactions

Creation of service-led medical calls²

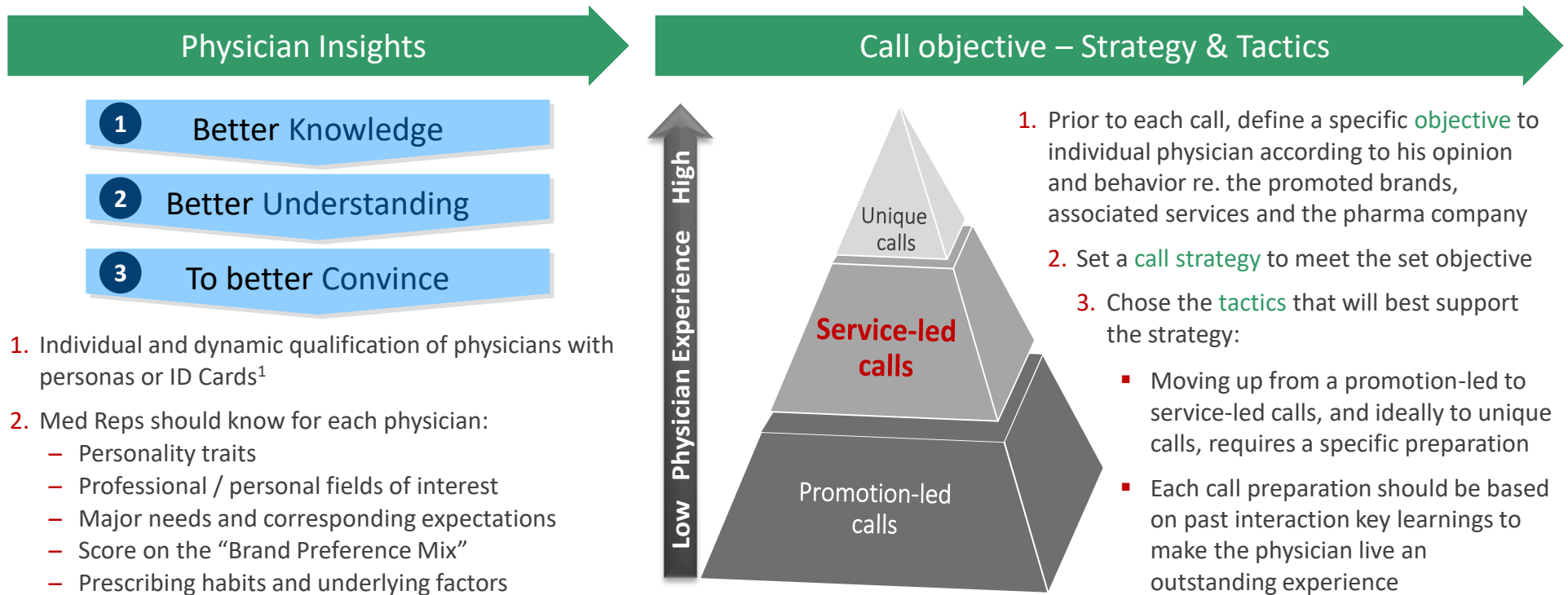


Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Recommendations (3/6)

While preparing each call, Med Reps should ask themselves what benefits the physician is likely to get from it

Creation of service-led medical calls – Preparation



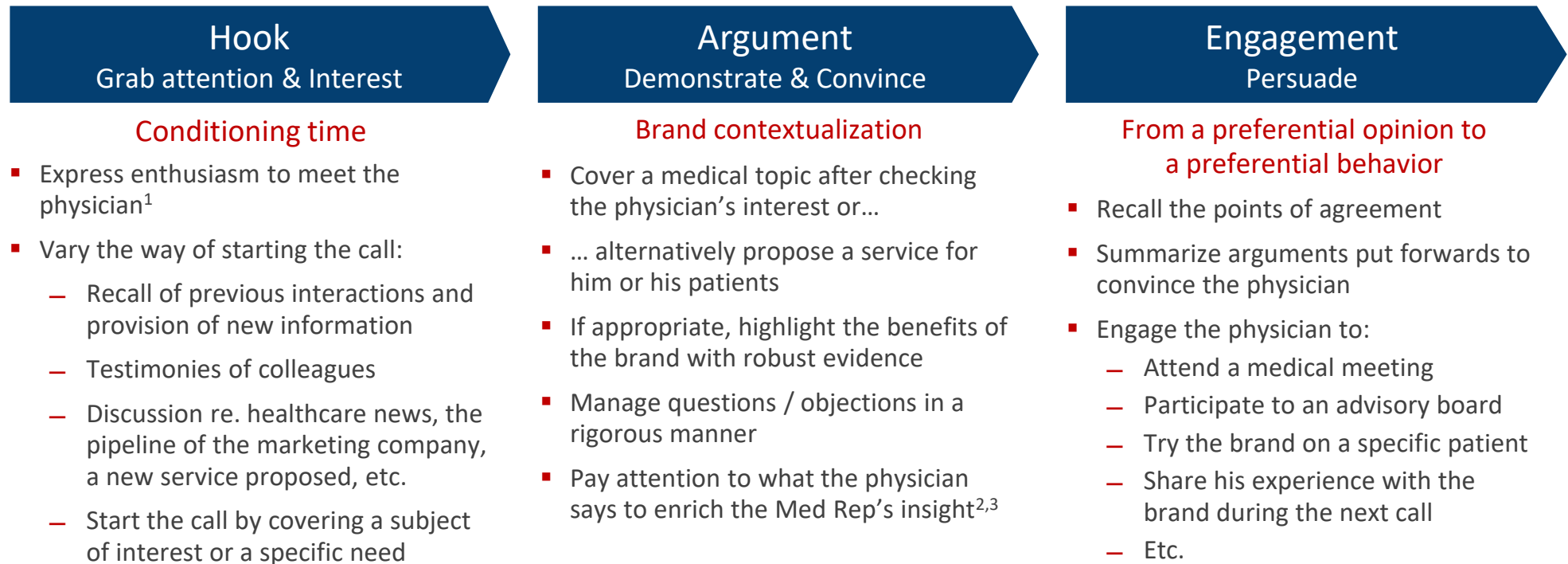
Sources: Smart Pharma Consulting

Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Recommendations (4/6)

Medical calls should be implemented so that to be perceived by physicians as interesting, useful and well executed to be positively remembered and have a preferential impact on their behavior

Creation of service-led medical calls – Execution



Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Recommendations (5/6)

Med Reps should measure once a year, during a face-to-face meeting, the opinion of each physician, and its evolution, regarding the quality of their interactions

Creation of service-led medical calls – Follow-up

Evaluation of the physician perception

- Auto-evaluation by the Med Rep after each call with a 5-point scale, completed by the rationale supporting the mark
- Evaluation of the calls, by each physician, once a year, on a 10-point scale, completed by the rationale supporting the mark, during a medical call carried out by the Med Rep, completed by the rationale supporting the mark

Analysis and summary of key points of the call

- Evaluate if the objective has been met or not; and why
- Write down the key learnings:
 - New specific information collected re. the physician (e.g. his fields of interest, problems, needs, expectations, opinion, behavior), his patients' profile, the institution where he works
 - Reasons underlying these facts
 - Engagements of the physician and the Med Rep ones (services)

Objective and strategy setting for the next call(s)

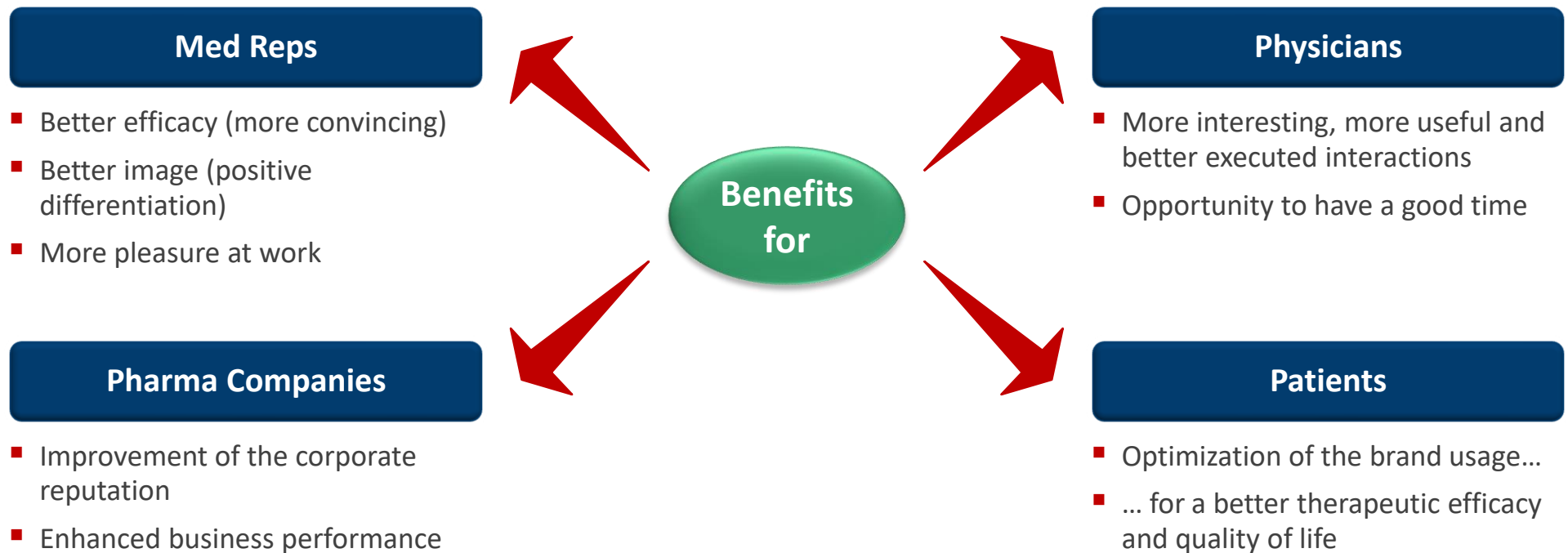
- Set the objective(s) of the next call(s) and / or interactions (e.g. follow-on emails) based on the new information collected and analyzed; ideally as soon as the call is over
- Anticipate and plan the searches to be carried out or the material to be gathered to implement – during the next call – the strategy which would have been set

Part 1 – How to Maintain Effective Interactions with Physicians (2020 – 2021)?

Recommendations (6/6)

Service-led medical calls will benefit not only physicians and Med Reps but also patients through services delivered; and the pharma companies by enhancing their reputation

Creation of service-led medical calls – Expected benefits

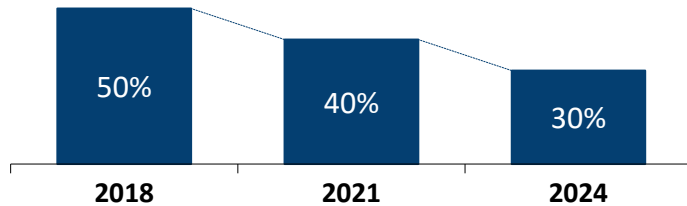


Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

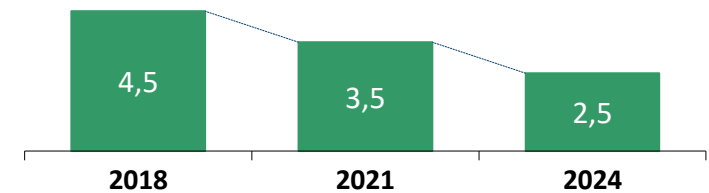
Vision

The drop of physicians accepting in-person calls, along with their more drastic limitation and the shortening of their duration, would lead to the disappearance of Med Reps, unless they evolve

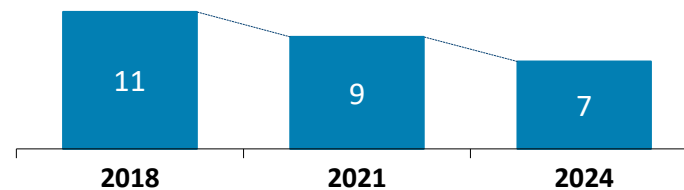
Accessible physicians to Med Reps
(% of total)



Limitation of access to Med Reps
(# of calls per physician p.a.)



In-person call duration per physician
(in minutes)



➔ If the Covid-19 pandemic is not going to disrupt the pharma companies’ commercial model, it is going to accelerate the need to downsize sales forces and raise the issue of their efficacy and efficiency

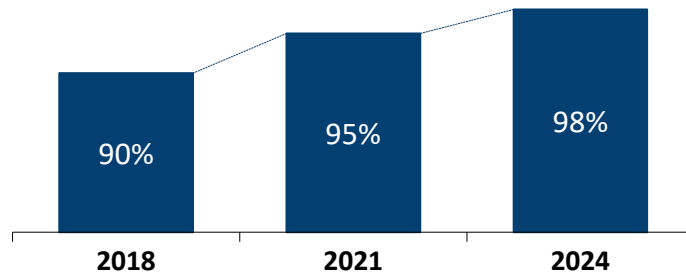
Sources: Smart Pharma Consulting estimates and analyses based on multiple historical studies (e.g. DRGs – ZS – McKinsey)

Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

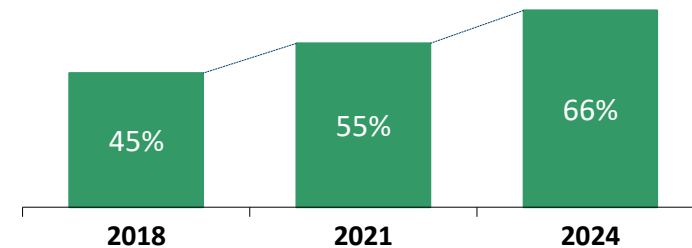
Vision

For scientific data, including those related to products, online websites is the first source of information, while pharma companies’ websites are gaining credibility with physicians

Online scientific search by physicians
(% of total)



Credit given to pharma websites by physicians
(# of total physicians)



- Physicians becoming more familiar with Internet, they are increasingly finding information online, as needed
- The Covid-19 crisis has accelerated the usage of digital channels by physicians to find scientific information
- Product-related is the most accessed website resource

- 50% or more physicians using search engines, rely on pharma companies’ digital resources
- Most of pharma companies have designed product-related websites, with objective and well-presented information
- Thus, these websites exert a certain influence on physicians’ prescribing decision

➔ Med Reps are not considered by physicians as a robust, updated and convenient source of information re. products, which means that they must bring high-value services to stay connected to them

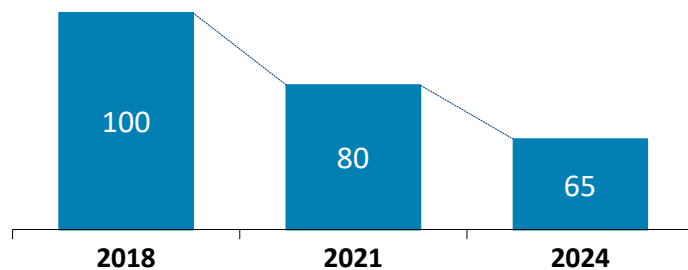
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Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

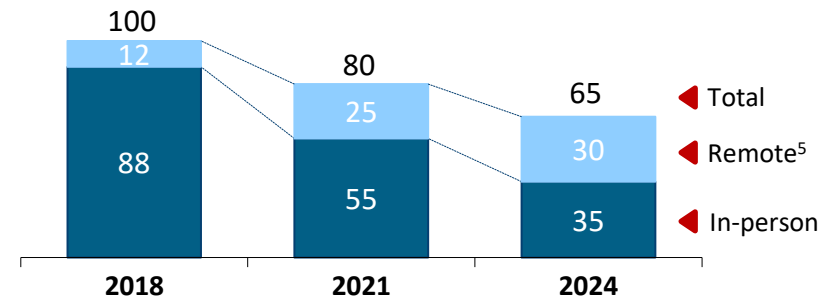
Vision

The number of Med Reps should be reduced by 35% over the 2018 – 2024 period, while remote interactions should account for ~46% of the total interactions carried out by Med Reps in 2024

Sales force size
(Index based on 2018 situation)



Med Reps interactions
(Index based on 2018 situation)



- The increasing difficulties for Med Reps to carry out in-person calls will force pharma companies to reduce over the 2018-2024 period their sales force size by ~1/3
- The sales force size evolution will vary significantly according to the countries¹, the therapeutic areas², the profile of prescribers³ and their mode of practice⁴

- We assume that the total number of interactions per Med Rep will remain constant at 750 p.a. over the period
- The number of in-person contacts should be reduced by 60% while remote interactions by Med Reps will grow by 150%
- Remote interactions include phone calls, web / video calls, text messaging, emails, etc., carried out by Med Reps

➔ Med Reps will still play an essential role in 2024, despite their decreased number, provided they take into consideration physicians preferences in terms of channels and needs in terms of content shared

Sources: Smart Pharma Consulting estimates and analyses based on multiple historical studies (e.g. DRGs – ZS – McKinsey)

¹ The decrease will be more important in the USA and Southern European countries than in Northern European countries – ² In oncology and hematology where many innovation are expected, the number of Med Reps may increase while in pulmonology or diabetes it will be the opposite – ³ According to their age, to their opinion vis-à-vis pharma companies sales forces in general – ⁴ Independent, in an hospital or institution

Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

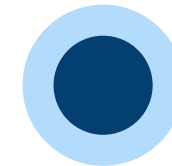
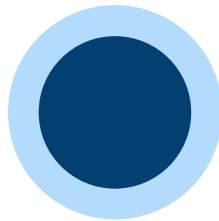
Recommendations – Principles (1/3)

To survive, Med Reps need to become the special partners of each individual physician by sharing high-quality information¹ and offering essential services¹, fulfilling his needs and expectations

2021 Med Reps

2024 Med Reps

- In-person interactions
- Remote interactions



#1 → Offset the decrease of in-person interactions by an array of remote engagement channels

#2 → Apply an individual and dynamic segmentation of physicians based on their opinion and behavior

#3 → Define the content of interactions according to individual physician’s needs and expectations

#4 → Determine the optimal level of resources (time and money) based on each physician sensitivity

#5 → Transform Med Rep mindset and develop his skills to create high-value experiences

Sources: Smart Pharma Consulting

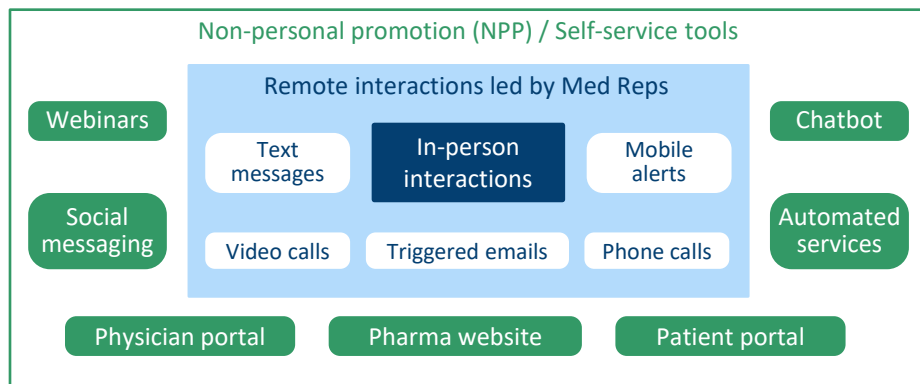
¹ For the physicians, the patients, the hospitals and other relevant stakeholders (e.g. payers, pharmacists, nurses)

Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

Recommendations – Principles (2/3)

Med Reps need to shift from physical to digital channels and online platforms to engage with physicians, while maintaining the right balance according to individual physician portrait

#1 Offset the decrease of in-person interactions by an array of remote engagement channels



- Remote interactions led by Med Reps can amplify and / or complement the impact of in-person interactions
- Combination of in-person and digital channels lead to more touchpoints and thus ensure a more regular level of interactions
- Med Reps should be able to find the right balance, per physician, between in-person calls, remote interactions and NPP channels

#2 Apply an individual and dynamic segmentation of physicians based on their opinion and behavior

Physicians	Expectations / Priorities / Preferences				
	In-person calls	Information	Services	Digital channel	Frequency of interactions
A	No access	Patient & disease only	HCP-focus	Personalized emails	10 p.a.
B	Limited access	Product & disease	Patient-focus	Remote detailings	12 p.a.
C	Unlimited access	No limitations	Institution-focus	HCPs portals	< 20 p.a.

- Segment each individual physician based on his needs and wants¹ regarding his interactions with Med Reps
- For so doing, pharma companies should collect insights with the help of its in-field collaborators (med reps, MSLs, KAMs, etc.) and if necessary, the external support of a market research company
- A continuous collection of data will enable regular adjustments

Sources: Smart Pharma Consulting

¹ For more details, see our position paper “Outstanding Physician Experience”: <https://smart-pharma.com/wp-content/uploads/2019/10/Outstanding-Physician-Experience-EV-VW-1.pdf>

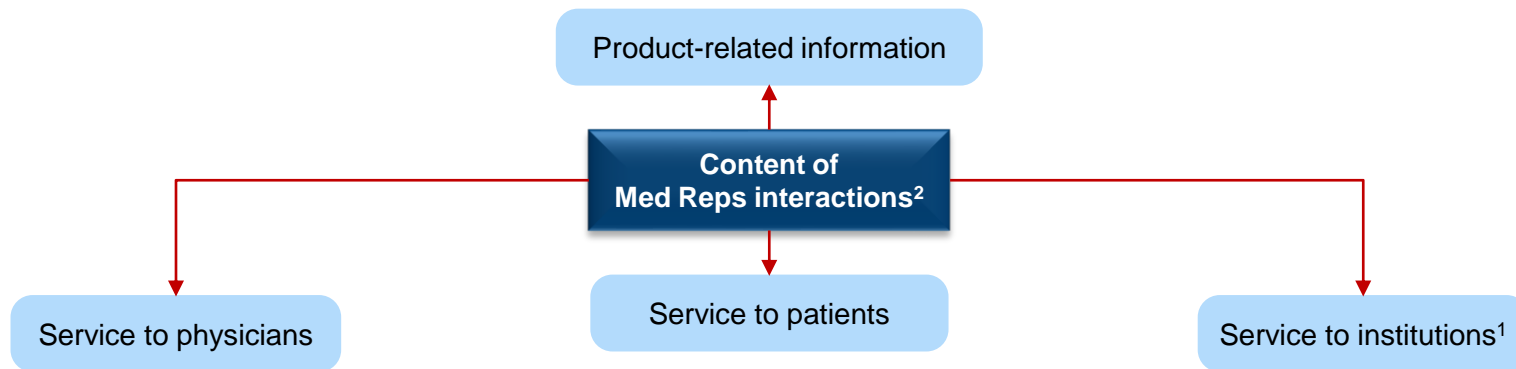
Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

Recommendations – Principles (3/4)

When interacting with Med Reps, physicians expect a better quality and balance between product-related information and services proposed to them, their patients or their institution¹



Define the content of interactions according to individual physician’s needs and expectations



- Product-related information should focus on bringing new clinical or RWE data useful for the physician’s practice
- Services to physicians could, for instance, consist of:
 - Helping them manage the huge amount of scientific data available
 - Providing them guidance on telemedicine
 - Inviting them to attend webinars or peer-to-peer virtual meetings
- Services to patients are mainly educational materials (presentations, brochures, Apps, etc.) – that can be downloaded – to improve their adherence, their quality of life, their overall care
- Services to institutions, that are today the responsibility of KAMs³ should be handled by Med Reps – in their new role of service provider – to help them meet their long-term objectives (e.g. increase the number of patients, simplify processes, reduce costs)

Sources: Smart Pharma Consulting

¹Hospital, healthcare center, group practice, etc. –²Either in-person or remote interactions –³Key Account Managers

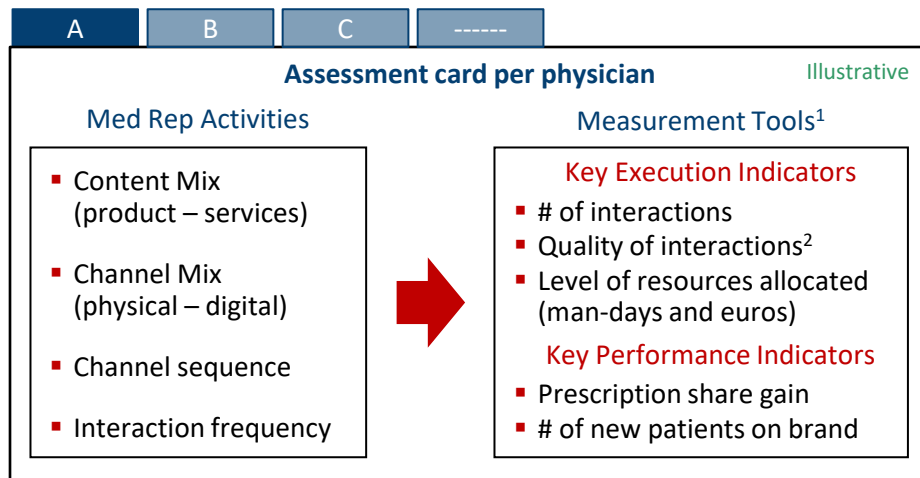
Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

Recommendations – Principles (4/4)

The judgment of Med Reps, based on rigorous analysis is important to determine the right orchestration of interactions to be executed and evaluated with each physician

#4 Determine the optimal level of resources (time and money) based on each physician sensitivity

#5 Transform Med Rep mindset and develop his skills to create high-value experiences



- Resource allocation needs to be optimized – by adjusting content, channels, sequence and frequency of interactions – to lead to a tangible and sustained impact on brand preference
- Coordination with medical and marketing departments is required

Mindset

- Self-confident
- Organized / Rigorous
- Enthusiastic
- Empathic / Emotional

Knowledge

- Healthcare environment
- Disease environment
- Therapeutic approaches
- Promoted brands
- Physicians profiles, fields of interest, needs, wants, etc.

Competencies

- Physicians’ expectations understanding
- Analysis of interactions with physicians
- Definition of specific actions to execute
- Assessment of the quality of execution

- Med Reps should have a good knowledge and understanding of the healthcare system, the patient journey and the physician needs
- The evolution of the job will require an adaptation of Med Reps’ profile and the set up of specific training programs

Sources: Smart Pharma Consulting ¹ Quality of execution and performance can be measured by Key Execution Indicators (KEIs) and Key Performance Indicators (KPIs), respectively. See our position paper regarding KPIs & KEIs: <https://smart-pharma.com/wp-content/uploads/2019/07/Smart-Management-Series-KPIs-KEIs-VW.pdf> –² Such as the Brand Preference Mix Index (BPMI) or the Net Promoter Score (NPS) as described in the following position paper “Outstanding Physician Experience”: <https://smart-pharma.com/wp-content/uploads/2019/10/Outstanding-Physician-Experience-EV-VW-1.pdf>

Part 2 – How to Anticipate / Participate to Med Reps’ Job Evolution (2021 – 2024)?

Recommendations – Implementation

To implement the paradigm shift required to maintain, or even boost, the efficacy and efficiency of Med Reps while interacting with physicians, Smart Pharma proposes the following approach

Proposed approach

Identification of individual physician portrait

- For each physician, the pharma company will collect, store and analyze data on the physician:
 - Position re. current interactions with Med Reps
 - Expectations from Med Reps:
 - Information sharing (product- and/or non-product related)
 - Service offering to him, his patients, his institution, etc.
 - Preferred communication channels (in-person / digital)
 - Frequency of interactions

Development of an interaction plan per physician

- Design an interaction plan per physician to engage them
- Develop a short-term plan (≤ 1 year) per physician, formalizing:
 - The objective set
 - The engagement strategy
 - The tactics expressed in terms of:
 - Information sharing
 - Service offering
 - Channel mix and frequency
 - Metrics to measure the quality of execution and the performance¹

Execution of an Individual interaction plan

- Execute the individual interaction plan while emphasizing the importance of the quality of execution
- Allocate enough time to prepare and follow up the interactions carried with each physician (either in-person or digital)
- Measure and analyze carefully and regularly the quality of execution and the impact of the interactions¹ to ensure a continuous optimization
- Coordinate Med Reps activities with medical and marketing departments

Sources: Smart Pharma Consulting

¹ Quality of execution and performance can be measured by Key Execution Indicators (KEIs) and Key Performance Indicators (KPIs), respectively. See our position paper regarding KPIs & KEIs: <https://smart-pharma.com/wp-content/uploads/2019/07/Smart-Management-Series-KPIs-KEIs-VW.pdf>

Consulting firm dedicated to the pharmaceutical sector operating in the complementary domains of strategy, management and organization

The Market Insights Series

- The Market Insights Series have on common to:
 - Be well-documented with recent facts and figures
 - Highlight key points to better understand the situations
 - Determine implications for key stakeholders
- Each new issue is designed to be read in 15 to 20 minutes and not to exceed 20 pages

Issue #15

Med Reps Survival Post-Covid-19

Vision & Recommendations

- Smart Pharma Consulting addresses in this position paper the two following questions:
 - Part 1 – How to Maintain Effective Interactions with Physicians?**
 - Med-Reps 3-D interactions
 - Barriers to physicians in-person access
 - Removal of barriers to physicians in-person access
 - Creation of service-led medical calls
 - Part 2 – How to anticipate / participate to Med Reps' job evolution?**
 - 2021 – 2024 vision: limitation of access – physical vs. digital interactions – sales force size
 - Recommendations: 5 principles
 - Approach to implement the recommendations

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
- More than 80 publications, in free access, can be downloaded from our website, of which:
 - 18 business reports (e.g. The French Pharma Market)
 - 9 position papers in the “Best-in-Class Series”
 - 15 position papers in the “Market Insights Series”
 - 8 position papers in the “Smart Manager Series”
 - 10 position papers in the “Smart Tool Series”
- Our research activities in pharma business management and our consulting activities have shown to be highly synergistic
- We hope that this new publication will be useful for you
- We remain at your disposal to carry out consulting projects or training seminars to help you improve your operations

Best regards

Jean-Michel Peny