

At a time when many firms are cutting back on their sales forces, Ashfield In2Focus is continuing to resource. *Mark Greener* talks to Julian Tompkins, Business Unit Director, on why the company is bucking the trend

DEVELOPING THE SALES MODEL

At first sight, it might not seem to be an especially auspicious time for medical representatives. Many companies are reducing their headcount, especially in primary care. Traditional skills are waning as companies focus increasingly on key account management and specialists. And the imminent demise of patent protection on some major brands, a rapidly changing NHS, and differential resourcing models can engender a feeling of uncertainty about the future.

On closer examination, however, there are some bright spots for the sector. For example, Ashfield In2Focus still recruits medical representatives, invests heavily in sales forces and is actively acquiring companies. Apart from bolstering its sales offering, the acquisitions allow Ashfield In2Focus to expand into new areas, such as conferences, events and training. Indeed, the company built its success and fuels its expansion by believing firmly in a simple premise: a representative sitting in front of a customer is, and will remain, the most effective means to generate sales.

Accelerating pace of change

“The trends and themes that have characterised the pharmaceutical market for the past few years will continue,” Julian Tompkins, Business Unit Director, remarks. “The market will remain highly sensitive to price – especially as demand rises – driven by the aging population, greater treatment choice and better access to information for patients. There’ll be a move away from large primary care sales teams and continued refocusing on specialist areas. None of this is new, however the pace of change will accelerate.”

Meanwhile, primary care sales teams face additional pressures. In particular, the patents on several blockbuster brands will expire over the next two to three years and some companies have little to fill the gap. “Therefore, to maintain shareholder value even the major players are being more flexible in their sales and marketing activities,” Tompkins comments.

Indeed, sales forces have constricted in recent years and the entire pharmaceutical sector in the UK now employs only around 6,000 medical

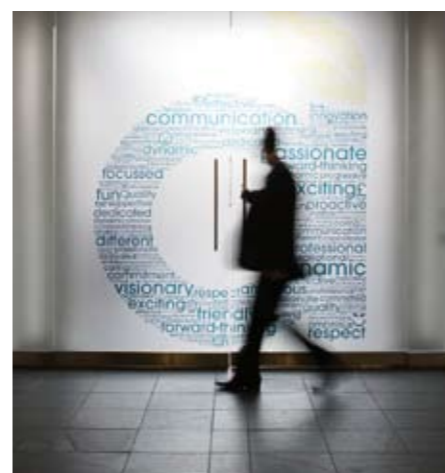
representatives, 20% of which are employed by Ashfield In2Focus – and the proportion is growing. Most in-house sales forces now have fewer tiers than in the past and many increasingly focus on key account management. The latter is the common response to primary care trusts that are exerting their commissioning influence and flexing their purchasing muscles with growing confidence, increasing collaboration between primary care organisations, and stakeholders that are even more demanding.

“In some cases, a pharmaceutical advisor in one PCT may reject a drug and the neighbouring Trusts then follow suit,” Tompkins comments. “Articulating cost-effectiveness arguments that persuade drugs and therapeutics committees or the PCT pharmaceutical team can prove particularly problematic. In response, companies need to develop sophisticated programmes that offer additional value to the NHS and, in some cases, implement cost guarantees and other innovative pricing schemes.” Often KAMs implement these schemes locally.

“Primary care commissioning and other



Julian Tompkins, Business Unit Director





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changes are rewriting the sales rulebook,” Tompkins says. “Takeda took the lead when it engaged Ashfield In2Focus to run its Regional Account Director programme. Many companies simply cannot compete unless they up-skill their representatives to be able to articulate a compelling, overwhelming clinical and commercial case to PCTs or secondary care. This demands a new and different set of skills from those needed by the classic medical representative.”

Meanwhile, the modern NHS is ‘locally sensitive’. So different PCTs face different health issues locally and have different local influencers. In response, differential resourcing in line with the product’s potential in each PCT is now the norm. “A company may not have any representatives in some territories,” Tompkins comments. “In other cases,

they may want several in one area for six months and then shift the headcount to a different part of the country. Executing differential resourcing is very difficult with internal headcount. Contract sales organisations, however, can easily redeploy staff to a different product, which allows us to flex headcount locally as the client requires.”

The importance of differential, responsive resourcing means that outsourcing is still growing as a key strategic and tactical tool for sales. “Companies appreciate the marked cost savings that can accrue from these models,” Tompkins says. “Over the years, we’ve accumulated considerable experience in these areas, and companies now often ask our advice relatively early in their planning. They want our expertise and experience to develop a more sophisticated and sensitive sales model than a representative simply knocking on surgery doors 210 days a year.”

Investing in the salesforce

The shift in the portfolios of many pharmaceutical companies from primary to secondary care places further pressure on primary care representatives. “The shift to specialist products and an increasing focus on secondary care reduces the costs of sales and marketing,” Tompkins adds. “A company may need 10 representatives to cover secondary care nationwide, but five times that in primary care.” The specialism shift is another reason why the sales forces of many companies are shrinking rapidly. However, unlike many pharmaceutical companies and most rival CSOs, Ashfield In2Focus is actively recruiting representatives. “We are the only CSO that consistently invests in contract sales representatives and continues to do so,” Tompkins stresses. “We’ve invested some £50 million in the past 10 years.”

Indeed, their broad client and portfolio base means Ashfield In2Focus often finds rewarding roles for those squeezed out by the reconfiguration of sales teams. “KAM and specialist representatives need specific skills and attributes that not all sales personnel have or can gain. Yet these may still be superlative sales representatives,” Tompkins comments. “So in some cases the client transfers the entire sales force to us. We then deploy the representatives in a manner that best matches their skills set. In some cases, this may be as a KAM, in

others it might be as a traditional primary care sales representative for a new client. We can redeploy people, especially those with more traditional skills, to rewarding careers in a way their original employer cannot.”

An ambitious plan of acquisitions

Over the past couple of years, Ashfield In2Focus has embarked on an ambitious plan of acquisitions. “Sales remains the focus of our offering,” Tompkins says. “However, we have acquired several companies that expand our business into sales force training and development, conference and event management and key opinion leader development. We are now able to offer our clients a broader range of services that play to our strengths, while allowing us to offer them the cost and other efficiencies that arise from synergies.”

Tompkins also told *PharmaTimes Magazine* that United Drug, which owns Ashfield In2Focus, plans to acquire further organisations in the USA, building on three recent acquisitions, as well as in continental Europe. “We are keeping our core services,” he says. “Indeed, we are strengthening our core competencies in contract sales. However, we plan to build a wider, stronger belt of supporting capabilities around our core sales function that adds value for our clients.”

Apart from offering clients a greater range of services and leveraging price and other efficiencies, the expansion bolsters Ashfield In2Focus’ security in an increasingly turbulent world. “United Drug has the cash to fund these expansion plans,” Tompkins comments. “Within five years, Ashfield In2Focus’ will be a major CSO in the USA and across continental Europe, not just in the UK and Ireland.”

In the meantime, pharma companies will continue to explore new channels and new mechanisms for communicating with customers. However, according to Tompkins, medical representatives will remain, in one form or another, the single most important element in the marketing mix. After all, a KAM is fundamentally a specialised representative. “Advertising, electronic channels and medical education are all important elements in the mix,” Tompkins concludes. “But the fact remains that a medical representative is the single most efficient way to increase prescription of a drug.”