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INVENTIV HEALTH

FROM INDIVIDUALS TO INSTITUTIONS:
THE PATH TO BECOMING A BEST-IN-CLASS ACCOUNT MANAGEMENT ORGANIZATION

By Christian Bennett and Howard Brock

A sales and marketing effort focused solely on doctor-to-rep exchange is no longer a winning strategy. Rising cost pressures and anticipated changes as a result of healthcare reform are driving increased consolidation and integration of physician groups and hospitals and increased payer focus on cost, quality outcomes, and risk-bearing partnerships. Drug manufacturers are under pressure to move away from a focus on individual decision makers to a broader focus on organized customers. Organized customers can take many different forms, including integrated health systems, integrated delivery networks, accountable care organizations, physician networks, group practices, regional payers, and national payers.

To adapt to the changing needs of these new organized customers, the industry must evolve to become both more customer centric and more efficient. This requires an understanding of the increasingly complex landscape and customers, the ability to develop relationships with the most influential customers, and the capability to provide coordinated solutions, service, and support.

Most importantly, customer centricity requires an evolution from transactional selling to mutually beneficial partnerships through effective account management. This article will examine the need to shift from transactional selling to account management in order to address the needs of today's new breed of organized customers. The article will then detail five best practices that companies should follow as they strive to develop a best-in-class customer-facing team.

From Transactional Selling to Account Management

Implementing account management successfully requires a shift from transactional selling principles (Figure 1). Traditional transactional selling is characterized by messages focused on brand features and benefits. In this model, highly specialized customer-facing teams are deployed, focused on a brand or category, customer, or function. Basic sales or engagement processes are completed in a single call, with an undifferentiated value proposition across customers and only a few simple tools to support brand messages.

Engagement via account management, on the other hand, is based on a deep understanding of customer goals and priorities—and delivering mutually beneficial partnership opportunities or tailored solutions. Account managers will typically be responsible for carrying a portfolio versus individual products. A team-based approach is used to coordinate engagement by account leads responsible for ensuring the team is providing information grounded in high science and delivering services that meet the customer's unique needs.

Account management is a more integrated process that requires multiple meetings with multiple stakeholders to complete, and reinforce, the development of a long-term relationship. A customized and appropriate value proposition must be developed for the portfolio based on a deep understanding of customer needs that demonstrates how the company can solve customer challenges. And a robust suite of sophisticated tools and templates is required to support customer engagement at all stages of the engagement process.

Characteristics of Organized Customers

Across the range of organized customers, common characteristics exist that require account management capabilities. Organized customers typically have a unique account structure and organizational dynamics that require a robust understanding for effective navigation. Other common characteristics of organized customers include:

- Mix of clinical and administrative decision makers
- Complex network of relationships
- EMR systems with different levels of adoption
- Interest in portfolio and brand partnerships
- Interest in outcomes and risk-bearing partnerships

Figure 1

Shifting From Transactional Selling

From Transactional Selling...	...To Account Management
Messages focused on brand features and benefits	Engagement based on a deep understanding of customer goals and priorities
Highly specialized customer-facing teams focused on a brand or category, customer, or function	Team-based approach to coordinated engagement by account leads
Basic sales or engagement process that is completed in a single call	A more integrated process that requires multiple meetings with multiple stakeholders
An undifferentiated value proposition across customers	Customized and appropriate value proposition development based on a deep understanding of customer needs
Few (or simple) tools to support brand messages	Sophisticated tools and templates that support customer engagement at all stages of the engagement process

Account Management Best Practices

Successfully implementing an account management model will require fundamental changes to a pharmaceutical manufacturer's sales and marketing organization. Campbell Alliance has identified the following five best practices that comprise the fundamental requirements for driving successful implementation of an account management model.

Organize the team structure in a way that streamlines customer contact points

An optimal team structure in an account management model is designed around a team-based approach (i.e., account teams). There are numerous design considerations, including variations on reporting lines, roles, and responsibilities. A well-designed account team concentrates deep customer knowledge, supports a more robust leveraging of offerings, clearly delineates customer "ownership," and generates efficiency across customer-facing roles.

Account teams typically consist of a mix of dedicated and shared resources coordinated by an account lead who is ultimately responsible for managing the customer relationship. Often, an account team structure includes an account lead responsible for "owning" one or multiple customer relationships and who coordinates the activities of field sales representatives as well as subject matter experts. Final account team design is determined by the unique characteristics of the overall account environment.

> BEST IN CLASS: A single point of contact (account lead) for strategic or complex organized customers who is responsible for "quarterbacking" the customer relationship across all lines of business with a support team of specialists delivering in a coordinated manner for their respective customers

Differentiate customers based on unique "local market" characteristics

Large, complex customers are often differentiated mainly based on their overall value and potential (i.e., future opportunity). Differentiating customers in an account management model should also include consideration for local differences based on a customer's unique situation and needs, such as the ability to influence within an account.

A local market is a geographic area in which market drivers combine to produce a "common business environment" that may ultimately impact patient care, prescribing behaviors, and reimbursement. In each local market, a variety of interconnected drivers and influencers shape, and ultimately impact, customer behavior and needs at the local level. These drivers and influencers include institutions, physicians, Affordable Care Act (ACA) implications, medical groups and integrated delivery networks (IDNs), payers, political influences, demographics, opinion leaders, Medicare Part D, non-retail channels, and competitors. Differentiating customers based on local market dynamics supports more precise planning (i.e., ability to adapt strategies, tactics, and tools).

Rigorous data analysis, customer research, and market knowledge are required in order to develop a deep understanding of the drivers and influencers and, ultimately, identify different customer types based on the unique characteristics of a local market.

> BEST IN CLASS: Local market strategies and planning that integrate multiple sources of data as well as customer and customer-facing team input to formulate ideal team structures, develop clear and coordinated plans of action, and customize engagement in order to drive higher performance within accounts and geographies

Employ a customer approach that develops strong customer partnerships

Implementing a customer engagement process is a critical step in making the shift to an account management model. Approaching customers in a rigorous, systematic way requires a detailed engagement process that integrates the activities of the entire account team (core and extended team members).

A well-designed account management process not only coordinates the activities of the account team but also deepens customer understanding. In addition, the process should raise the visibility into and understanding of the customers' challenges.

An account management process to support an account management model should include several design elements:

- A set of clearly defined process steps (usually 5 to 10 steps in the overall process)
- Detailed activities at each step of the process (including internal and customer-facing activities)
- Clearly defined roles and responsibilities (decision maker, accountable, informed) for all activities at each step in the process
- Clarity around compliance issues

> BEST IN CLASS: A closed-loop process that continuously builds the business-to-business relationships; identifies key customer business issues; and facilitates the development of appropriate value propositions, programs, and offerings that support customers' needs

Leverage tools that support engagement activities across the account management process

Well-designed tools facilitate engagement activities (both internal and customer-facing) that are outlined in the account management process. Tools should focus on advancing an opportunity through the account management process, not necessarily just on customer performance measuring or monitoring.

Tools should be created that support planning, business driver identification, offering development, and status updates. Examples of account management tools include:

- Account plans focused on customer business issues and needs in addition to account performance
- Presentation templates that facilitate discussions on customer business issues and needs
- Project management applications (online or local) that ensure consistent implementation of programs
- Assessment tools for tracking progress and performance metrics

> BEST IN CLASS: Account planning templates to review progress and impact of the relationship and tools that support all critical engagement activities at each stage of the account management process and enable the account team to work collaboratively to deliver the best solutions to customers

Emphasize and train on the development of overall business acumen

In an account management model, many traditional engagement skills are transferable and important to have, but adding new skills that focus on developing overall business acumen is also required. The core competencies required for effective account management focus on the development of business-to-business (B2B) account management skills.

B2B engagement skills prepare account teams with the ability to develop deep customer partnerships (beyond product features and benefits) by understanding the customer's model and challenges in a robust way. A few of the more critical B2B skills required for an account management model include:

- An understanding of how to conduct account planning for large, complex customers with multiple stakeholders (e.g., influencers and decision makers, among others)
- The ability to accurately uncover customers' key business issues and needs that are meaningful
- The ability to develop customized value propositions, solutions, or offerings that align with (or address) customers' issues and needs

BEST IN CLASS: An apprenticeship model, complementary to traditional engagement skills training, that develops the necessary business-to-business account management skills in real customer situations with an experienced mentor

Conclusion

As the healthcare space becomes more integrated and the decision-making funnel narrows, the pharmaceutical industry must adopt a more customer-centric account management model. Getting there, however, will require that the right people, processes, and systems are put in place.

Companies will need to clearly define account team roles, ensure new team members bring critical skills to the account team, and develop customer landscape and role-specific training for successful account management. A shared approach to customer engagement needs to exist across the account team while coordinating internal and customer engagement activities and providing a clear linkage between customer engagement activities and the support roles/services and systems. To ensure a coordinated approach across field, medical, and marketing relationships, touch points must be captured across all resources. Companies should develop an account-management-focused customer relationship management interface to capture a deeper level of customer intelligence and deploy pull-through strategy across all support roles to educate and inform on customer behavior and preferences.

By putting in place the necessary people, processes, and systems and by following the five best practices outlined in this article, companies will find themselves on the right path toward becoming best-in-class account management organizations.

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