

From KOL to COL: REGIONAL INFLUENCERS ARE CRITICAL TO COMMERCIAL MODEL RE-INVENTION

The commercial model in pharmaceutical sales is under dramatic pressure that necessitates a radical shift in how drug companies interact with key customers. Primarily, marketers must explore more effective conduits for accessing physicians who have organized into ever more complex networks and now resist — or are restricted from — traditional relationship-building approaches.

The Shifting Commercial Landscape

Key opinion leaders have always been instrumental to standard pharmaceutical sales and marketing platforms. Companies rely on their knowledge and expertise in evaluating treatments, as well as their credibility and national visibility in shaping medical discourse and, subsequently, prescribing habits. However, several developments have severely dampened company reliance on national KOL-focused strategies.

First, a call for general transparency in the financial relationship between industry and physicians led to particular scrutiny of pharma-funded speaker programs. As a result, legislators and academic governing bodies have enacted policies to reduce what they consider conflicts of interest by severely limiting honoraria payments to KOLs and other doctors. On a federal level, the Physician Payments Sunshine Act requires drug manufacturers to report any payment or exchange of goods greater than \$100 to a medical professional. Several state governments have enacted similar legislation that also restricts how pharmaceutical representatives can interact with physicians.

Academia soon followed. According to the

Conflict of Interest Policy database at the Institute on Medicine as a Profession (IMAP), virtually every U.S. academic medical center has issued mandates regarding physician-industry interactions, limiting compensation amounts per pharmaceutical company to an average of \$15,000 to \$20,000. This range is significantly lower than the usual allotment for such activities, and will force drug manufacturers to be more strategic in engaging thought leaders.

Shrinking Access: From KOLs to the Rank-and-File

As the limits on KOL interaction become more rigid, pharma companies have found it harder to access rank-and-file clinicians via their field forces. With escalating patient volumes and heavier administrative workloads, doctors have less time for pharmaceutical representative visits. According to the 2010 AccessMonitor™ report, only 58% of prescribers are accessible, down 18% from spring of 2010.

Of those physicians who are still receptive to visits from representatives, many are demanding greater value and more service. Several companies are restructuring their field forces to include highly trained and credentialed specialists who can provide physicians with unbiased help on practice management, medical education and patient-care issues. In addition, some have made commensurate

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changes in how they incentivize their sales representatives. Last fall, GlaxoSmithKline (GSK) announced that it was completely overhauling its sales compensation program to place less emphasis on sales targets and more on positive physician feedback in terms of transparency, integrity and respect for the patient. The announcement mirrors a shifting philosophy that addresses all aspects of down-economy commerce — particularly that customers everywhere are placing more importance on an emotionally satisfying buying experience.

GSK is not the only company making efforts to connect more meaningfully with physicians. Marketing leaders across the indus-

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try are re-evaluating their traditional view of physicians as merely customers, and evaluating them as valuable partners who can help navigate the choppy waters of managed care, patient compliance and other dynamics within the rapidly evolving medical landscape.

But despite growing recognition that the pharmaceutical industry must partner with physicians, the perceived conflicts of interest and formidable barriers to access have made this increasingly hard to do, most certainly with academic thought leaders and nationally recognized key opinion leaders. These trends and challenges point to an opportunity to begin the shift toward mutually beneficial partner relationships with physicians by identifying and building value-driven relationships with highly influential medical leaders at the community level.

Rise of the COL

Every community has a network of physicians who informally interact to share medical information and clinical experience. As practice and institutional consolidation continue, these networks will become more powerful. At the top of the chain are community opinion leaders (COL) who drive practice behaviors within their peer circles.

COLs are individuals considered by their peers to be the “go-to” sources for clinical treatment insights. They have a measurable impact on therapeutic decisions in specific disease states within their circles. In breast cancer, for example, just under 14% of physicians influence the behavior of 75% of the balance of physicians seeing patients in this disease state. In rheumatoid arthritis (RA), around 36% of physicians impact the practice behaviors of 75% of the balance of physicians treating RA.

Likewise, these leaders can be credible and instrumental in delivering the type of non-punitive feedback that has been shown to alter suboptimal practice in regional care. And as the attitudes and demands of consumers continue to shape managed-care policy, COLs will gain additional clout as the voice for ever-ex-

panding networks of patients within growing regional medical systems.

Treatment options are explored and discussed every day in every community, and treatment decisions are often the result of shared experiences between peers. Engaging COLs can be instrumental to overcoming many of today’s sales and marketing challenges and achieving a broad range of key objectives including jump-starting the partner-centric commercial model.

An Analytic Approach to COL Engagement

Use of advanced analytics and predictive modeling enables companies to identify the most influential physicians by territory, specialty, and disease state. Our approach enables us to provide metrics revealing “tiers of influence” — i.e., the physicians most responsive to COLs — so that brand teams can design initiatives and begin to engage in a more meaningful way with the COL and their extensive network. Models can also work up and down the network enabling, for example, engagement with the inner circle of a non-responsive COL, via touch points, with his closest peers.

“This all sounds good in theory,” states

Jeff Keller, senior VP and general manager of MMEG, a full-service clinical communications agency. “The question is, can we apply these insights to drive a higher return for our customers? The short answer is yes. We recently executed a series of programs designed to activate the COL and their network. The results were excellent. We had well over 30 participants — quality participants — at each program. In some locations we exceeded 50 participants. This is a significant improvement over traditional programming that barely yields a handful of participants, many of whom are non-targets. We’re eagerly awaiting the ROI analysis, but are confident we had the right people in attendance to drive results beyond the single event.”

Engaging COLs builds a broader, more diverse base of professional advocates with actionable relationships “on the ground.” It will enhance the positive effect across sales and marketing initiatives, from speaker programs to PR to managed care pull-through, by establishing relationships with the most effective local communicators.

At a time when pharmaceutical companies must accomplish more with fewer resources, COL-driven strategies also provide opportunities to direct leaner sales teams and slimmer marketing budgets toward targets that offer the greatest reward. In fact, COL-based programs offer a “repercussive return” by which messaging reverberates up and down the regional chain of physicians, patients, and even payors. Local medical leaders are typically less likely to be affiliated with institutions with restrictive policies, therefore unlikely to trigger the restraints that have significantly limited some traditional KOL-focused initiatives.

In many ways, COLs offer an innovative avenue for quickly adapting sales and marketing strategy to current industry pressures. Key community opinion leaders may very well function as a critical hub in the industry’s evolving commercial model. **PV**

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