

# Beat the Trend: New Commercial Habits Required



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The orthodox thinking for commercialising pharmaceuticals is that the sales trend established in the first six months post-launch determines the product's performance in the long-term. For those accountable for on-market products, this can be dispiriting – what can I do to 'beat the trend' if the evidence says that it is impossible? In this paper we first discuss how this 'Trend Orthodoxy' stifles innovation and limits thinking. Then we describe how commercial leaders can create the habits that enable their organisations to consistently beat the trend for their products.

A great product launch has many benefits, not least strong revenue in early months. So it not surprising that launching important products typically involves heavy upfront investment, an assignment of top talent, and frequent executive oversight. Yet conventional wisdom suggests that the trend for the product is set after this early post-launch period, so little can be done to change it. Companies can therefore reduce focus after the initial six months post-launch: top talent can move, teams can be re-assigned, and investment can decrease.

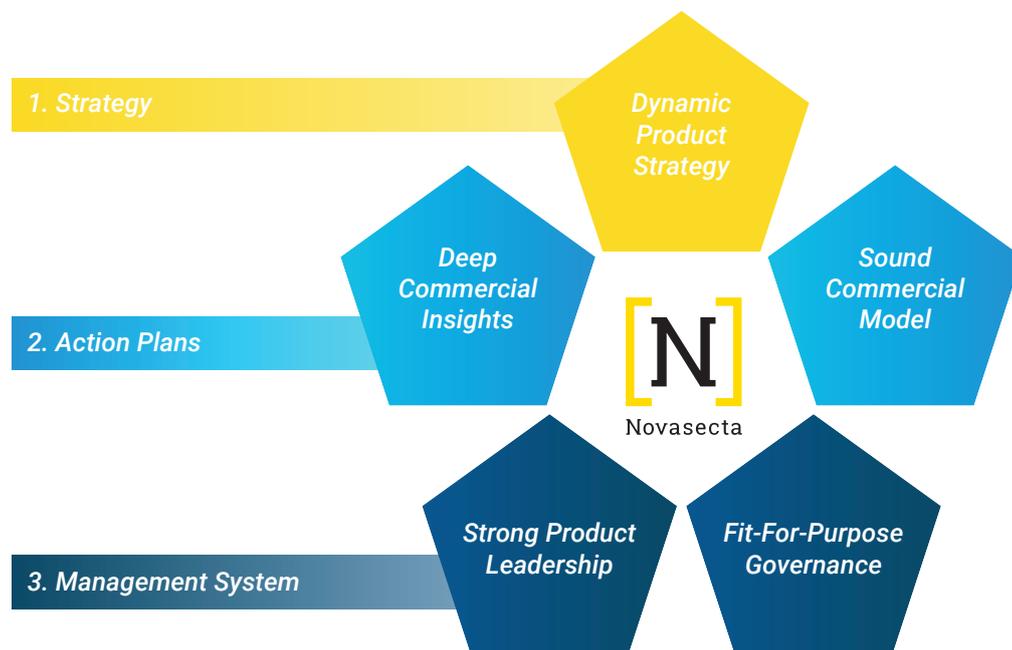
The focus on the trend set by the early launch period risks creating self-fulfilling prophecies. Pre-launch there are no facts about future market uptake, only assumptions and forecasts. Yet because the initial forecasts are the numbers that commercial organisations are motivated to hit, the

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numbers to hit can implicitly drive the actual sales performance. It takes a brave marketer to use the customer insight that is gathered post-launch to change the forecast either upwards or downwards. So the trend can stick simply because of organisational habits rather than because of any particular commercial insight.

Novasecta firmly believes that commercial leaders have the potential to get much more value from their products, but to do so requires first a mindset shift to actively break free from the trend orthodoxy and second new habits in commercialisation.

## Management of commercialisation requires attention to strategy, action plans, and the management system



Beating the trend requires a clear view of what success must look like. Developing a dynamic product strategy is the starting point, but it is only when a strategy is translated into action plans with concrete measures and goals that it becomes effective. And such action plans need a coherent management system to move the action plans into reality. It is these three layers of managing commercialisation that ultimately drive performance. The new commercial habits that are created when the three layers are integrated successfully will deliver the best possible performance from products, both post-launch and thereafter. Below we discuss these in turn.

### 1. Create dynamic product strategies based on existing strengths

Aligning a commercial organisation behind a new strategy requires a good sales job – the strategy must be clearly understood, credible and realistic –

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so that relevant employees accept and support the approach. Commercial strategies, therefore, must account for the strengths and weaknesses of the organisation and its products, and leverage the strengths in the pursuit of realistic commercial gains. Simply demanding growth is not a strategy; it is akin to telling Tiger Woods to 'hit the ball into the hole more often'. Good strategy provides the details of how. Too often we see organisations that have left their products to be sold without fresh and dynamic strategic consideration: the trend orthodoxy and flat performance have combined to sustain mediocre revenue outcomes and lost opportunities.

An example of how new strategic clarity delivered increased performance for a product that had been flat for a number of years was the transformation of a dermatology treatment for a global pharmaceutical company. By asking fresh questions concerning the product and how it was commercialised, leaders found a summary of sales force activity measures and marketing messages masquerading as strategy, such as 'The strategy is to see three doctors per day and help them understand our brand messages of efficacy, tolerability and patient preference'.

Following an exploration and deepening of understanding of the business's strengths, product benefits, and the market context, a new and more focused commercial strategy was then developed: to win share of initiations from the strongest competitor, by establishing faster onset of action and linking this to the suggestion that a patient seeing rapid results would be more likely to make the necessary long term commitment to therapy. This brand strategy was then supported operationally by targeting physicians who were existing heavy users of the strong competitor.

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### 2. Develop insightful action plans and commercial models

The consistent habit of customer curiosity that is characteristic of successful commercial organisations is always reflected in clear action plans that enhance the understanding of the market, patients, customers and competitors. These clear action plans are practical sets of activities that the organisation wishes to do differently.

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The first requirement for successful action plans is deep commercial insights. With these, teams have the spark necessary to define the practical actions that continually optimise product strategy. The second requirement of great action plans is a sound commercial model that clearly defines how the product will go to market. This often requires new skills and habits, which must be defined and then embedded in the commercial organisation.

The good news is that modifying the go-to-market commercial model in pharma today is becoming increasingly feasible, supported by a broader set of channels and greater operational flexibility. With variable sales forces, dynamic territories, remote detailing, and real-time targeting it is possible to pilot new commercial models and thereby adapt the go-to-market approach to drive great brand performance.

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As one example of getting more from an already high performing speciality product, a large pharma company identified a cohort of physicians who became brand loyal after receiving positive feedback from patients and an endorsement from peers. To accelerate product performance beyond the trend, action plans were created to alter the balance between direct physicians detailing in favour of hosting virtual roundtable webinars that allowed physicians to discuss their clinical experience of the brand. These meetings were found to be almost five times more effective than then a product detail in terms of generating new business.

### 3. Create management systems that drive performance improvement

A clear strategy and a robust set of action plans are in themselves insufficient to deliver performance improvement. The people who make up the organisation must begin to behave and act differently. Strong product leadership is central to the task of motivating an organisation to do things differently, whether through an individual or a collection of leaders. The key leadership habit and skill in this context is a strong capability to explain, convince and cajole the broader organisation to get behind a new strategy and set of action plans.

Fit-for-purpose governance is the second critical feature of the management systems in excellent commercial organisations. The old adage of 'what gets measured, gets done' is indeed important here, if managed carefully. Organisations need to define what gets measured in the

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form of key performance indicators (KPIs), and check frequently that these measures are reinforcing the desired actions and behaviours throughout the organisation. Done the wrong way, measures can sadly drive the opposite behaviour to what is desired. However with fit-for-purpose governance, individuals and teams align behind the activities that bring the strategy and action plans to life.

### **Beating the trend orthodoxy through new commercial habits**

'Trend Orthodoxy' in the pharmaceutical industry says that once launched, drugs are set on a sales trend that cannot be exceeded. This creates self-fulfilling prophecies of products for which performance is measured by how closely sales revenue tracks the forecasts rather than whether revenues grow beyond what is expected.

We therefore urge commercial leaders to instil new habits that enable their organisations to 'beat the trend' through an integrated combination of dynamic strategies, clear and practical action plans, and great management systems.