

CASE STUDY

COMMERCIAL MODEL DESIGN FOR A LEADING GLOBAL BIOPHARMACEUTICAL COMPANY

SALESFORCE RESTRUCTURE AND CUSTOMER TARGETING STRATEGY
FOR A NEW ONCOLOGY INDICATION LAUNCH IN THE US



As per the WHO, cancer is the 2nd leading cause of death globally resulting into estimated 9.6 million death in 2018.

~300,000 new cases of cancer diagnosed annually among children below 19 years of age.

INTRODUCTION

The global oncology market is highly competitive and crowded, with several diversified and niche players. Global oncology drugs spending continued to expand with therapeutic and supportive care use estimated at \$133bn in 2017. Spending on oncology drugs is heavily concentrated among a handful of therapies, with the top 35 drugs accounting for 80% of total expenditure, while over half of cancer drugs have less than \$90m in annual revenue.¹ In 2018, the top 10 oncology drugs achieved \$63.6bn in sales, a growth of 17.5% as compared to \$54.1bn in 2017.²

Mid- and small-size companies are also increasing their market presence due to technology advancement and innovative products with targeted therapy. According to a report by IQVIA³, almost 500 emerging biopharma companies and academic institutions are exclusively working on developing anti-cancer molecule.

The growing number of oncology product pipeline and launches will pose a significant challenge to the established market players and products. Further, with the rise of specialty pharma, the interactions between sales reps and healthcare stakeholders are becoming more profound, more productive, and much more scientific. As a result, pharma companies would not only need to come up with better products or therapies but will also need to assess their overall go-to-market strategy. It will better suit the product launches, making it successful and increasing the sales of current portfolios.

This illustration details how Atria helped a leading global biopharma client in building a go-to-market strategy for a new indication launch and helping it to be successful in the market.

BUSINESS SCENARIO

US-based, biopharmaceutical drug manufacturer with a combined portfolio of multi-billion dollars in Oncology market wanted to evaluate its existing commercial structure for effectively competing with the competitors' biosimilars entering the market for one of its blockbuster drugs. The objective of the project was:



Recommend an optimum sales force size and structure for the Oncology product portfolio, given multiple market events.



Develop a customer target strategy for the launch of a new indication of an existing brand.

CHALLENGES

The organization faced several challenges, which included:

- Resolving multiple levels of affiliations and rolling up the data at the account level
- Aggregating responsiveness at account level when calls are made to its parent as well as child accounts
- Measuring the impact of a new indication on the existing portfolio
- Accurately estimating the effect on sales for a blockbuster drug due to the launch of competitive biosimilars
- Estimating targeting strategy for low-value affiliated accounts that have been historically promoted

The client wanted to address the following critical questions for their sales force teams:

- Are the sales forces optimal to ensure the right coverage on targets?
- Which targets should the sales rep primarily focus on the various brands in the portfolio?
- What are the target overlaps and geographical coverage?
- How should the sales reps focus their detailing efforts (what is the optimal number of calls by the different customer segments, which products should be detailed and in what position)?
- Are there alternate, more efficient, and/or cost-effective structures?





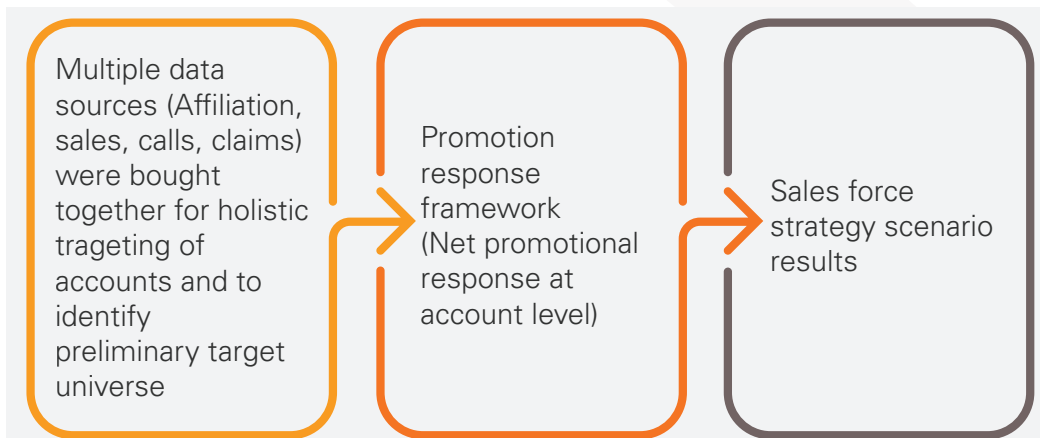
AXTRIA'S APPROACH

This evaluation involved:

- Incorporating existing customer segmentation for the brands in scope
- Assessment of promotion response to salesforce detailing efforts
- Determination of optimal sales effort requirements for promoting the brands
- Establishment of optimal sales force size and structure strategy for the brands

Axtria followed the detailed approach to meet the client's objective

- Multiple levels of **affiliations** were brought down to three levels – Parent, self, and child accounts subject to the radius of influence
- Calculated the overall **responsiveness** of an account as the sum of impact of detailing to self, a part of the impact from detailing to its parent and child accounts
- Developed pseudo response curves to **estimate revenue of the launch indication**
- Analyzed the adoption of one of the **competitor's biosimilars** as an indicator of the quantum of revenue loss due to the upcoming launch of other biosimilars
- Estimated opportunistic **detailing frequency** to low value affiliated accounts to minimize disruption



CLIENT BENEFITS



EFFICIENT:

Salesforce size for each team and the brands to be carried for each group by position



CAPABLE:

The client was able to promote its portfolio of drugs more effectively



MEASURED:

Axtria's analysis recommended shifting some effort to KAMs (Key Account managers) to allow coverage for more essential decision-makers



STRATEGIC:

The recommended salesforce structure implemented in the field

KEY TAKEAWAYS

Axtria was able to achieve the following:

Recommended the optimal sales force size and structure for different scenarios based on future market events

Reported the long-term revenue, profit and optimal PDEs (primary detail equivalents) for all portfolio brands and the launch indication

Suggested multiple scenarios with revenue impact for the new indication on recommended salesforce

CONCLUSION

Market dynamics and performance drivers for pharmaceutical companies have been evolving. The market is moving from volume to value – with an increased focus on patient health outcomes. In the oncology space, the intricate treatment patterns make the overall landscape very dynamic. Complex oncology treatment also means that there is a need to influence multiple stakeholders or specialties such as general physicians, oncologists, surgeons, KOLs, radiologists, nurses, caregivers, reimbursement manager, advocacy groups, and hospital/clinic admin.

This convolution of the oncology market poses significant challenges/opportunities for sales and marketing. As a result, managing commercial model transitions in oncology calls for designing solutions around the highly complex and dynamic environment. There is a need for a more evolved commercial model that combines multiple personal selling roles as well as non-personal channels of engagement with the customer.

Axtria's considerable expertise in Promotion Response Model (PRM) and Sales Force Structure and Strategy (SFSS) execution made the engagement successful. Axtria was a partner of choice for this engagement as it had done SFSS for the same business unit in the past.

At Axtria, we begin our commercial model design engagements by first acquiring in-depth knowledge of the factors that drive brand and company performance. We engage in a consultative process to determine whether existing roles in the commercial organization are sufficient/appropriate, or whether a role definition needs to change, and/or new roles need to be introduced.

In our journey over the last two decades working with the top pharmaceutical companies across the globe and multiple therapy areas, we have brought this creativity to bear, helping to transform commercial selling models in dramatic ways, such as:

- Evolving the selling models from "share of voice" to "share of care."
- Implementing comprehensive changes across the entirety of sales operations to reflect the evolution of the sales representative from being a "one size fits all product detailer" to a diversity of roles –
 - o Portfolio representative
 - o Sample/service representatives
 - o Institutional directors
 - o Key account managers
 - o Medical science liaisons
 - o Field reimbursement managers

REFERENCES

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2. <https://www.genengnews.com/a-lists/top-10-best-selling-cancer-drugs-of-2018/>
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Founded in 2010, Axtria is a global provider of cloud software and data analytics to the Life Sciences industry. We help Life Sciences companies transform the product commercialization journey to drive sales growth and improve healthcare outcomes for patients. We continue to leapfrog competition with platforms that deploy Artificial Intelligence and Machine Learning. Our cloud-based platforms - Axtria DataMAX™, Axtria SalesIQ™, Axtria MarketingIQ™, and Axtria InsightsMAX™ - enable customers to efficiently manage data, leverage data science to deliver insights for sales and marketing planning, and manage end-to-end commercial operations. We help customers in the complete journey from Data to Insights to Operations.

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