

CASE STUDY

MAXIMIZING SALES OPPORTUNITIES FOR A NEW DRUG LAUNCH

DESIGNING SALES TERRITORY ALIGNMENT FOR A GLOBAL BIOPHARMACEUTICAL COMPANY



Effective territory alignment ensures equitable allocation of sales opportunities, focusing on high-potential targets and increasing responsiveness to emerging trends while balancing sales force workload.

INTRODUCTION

The effectiveness of a go-to-market strategy can make or break the commercial success of a drug launch. New products/drugs, new competitors, and a new target audience can quickly render existing sales territory alignment less relevant, needing a recalibration of sales forces and structures. When sales territories are not well balanced, too much effort is deployed against low potential customers, and too little is spent on high potential customers. The result – companies may leave millions of dollars on the table.

Go-to-market plans typically become the center of drug launches. Meticulous planning is needed across drug, branding, pricing, and sales force structures. Speaking specifically of sales operations, where the rubber-hits-the-road, end-to-end detail across geographies, alignment through territories and pin codes, call plans and travel routes, and finally, incentive payouts across territories are a critical part of the launch plan. Missed planning, design or execution across any of the steps may lead to a drop in sales, increased cost, or wasteful efficiency. Territory alignment is one such critical operational activity. Misaligned territories typically lead to a loss of efficiency, effort, and discrediting sales, and more importantly, it creates differences between sales reps.

Therefore, it is critical that sales territories are optimized before each drug launch. Effective territory alignment ensures equitable allocation of sales opportunities, focusing on high-potential targets and increasing responsiveness to emerging trends while balancing sales force workload. It is the only way sales organizations can ensure commercial agility, customer-centricity, and flexibility that are critical in today's dynamic environment to drive sales and stay competitive.



The client needed expertise and support in creating well-balanced, optimized sales territories. They recognized this to be a critical step before the launch.

BUSINESS SCENARIO

The client, a global biopharmaceutical company, was developing the go-to-market strategy for launching its new ophthalmology drug. Having been through the launch planning process of geo identification, creating heat maps across regions to identify focus areas, and developing a reasonable plan for the sales force size; the client needed expertise and support in creating well-balanced, optimized sales territories. They recognized this to be a critical step before the launch.



The decision the company needed to arrive at was:

Whether to go for a full-fledged or phase-wise launch of the new drug while ensuring the territories were aligned in a way that maximizes effort on high-potential targets.

The company identified these additional needs:

- A territory alignment design must be efficient, minimizing overlaps and containing well-structured route maps.
- Flexible alignment structures that can be calibrated based on feedback for sales forces and revenue opportunity.
- Relevant to the market need, or to create competitive elbow room.

The company also articulated two major constraints in play:

1. **Tight budget:** Meaning, every dollar had to be spent on the right, high potential target.
2. **Operational limitations:** The client had limited administrative and manpower resources. Therefore, the launch plan had to be optimized and phased to ensure maximum effort utilization.



AXTRIA APPROACH

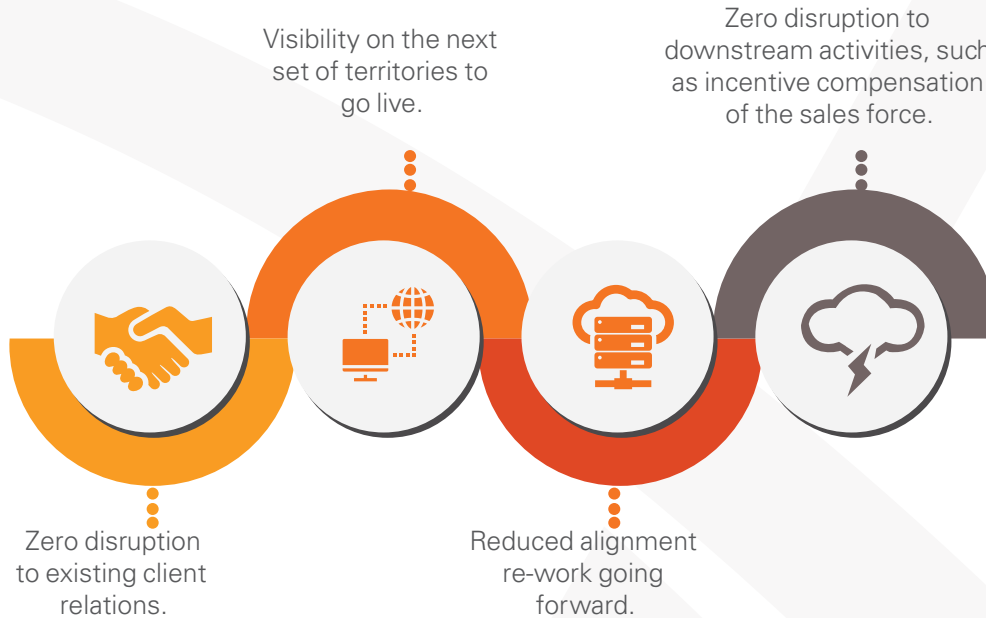
The client mandate was to focus on high potential targets. So Axtria used customer potential (driven via information from retail and provider channels) as a base to carve territories, instead of taking a blanket outreach approach.

Ophthalmology has a sizeable target market with a broad presence of ophthalmologists across geographies. Hence, considerable effort was spent in identifying potential targets and assessing the market opportunity to design territories.

The sales territory alignment design was carried out for 50+ territories. **Axtria recommended a phase-wise launch, focusing on 30+ select high-target territories in the initial phase and scaling it to 50+ territories in a year.**

Axtria ensured that the territory design accounted for the budget and operational challenges, and provided the client with:

With focus on identifying high potential targets, Axtria used customer potential as a base to carve territories, instead of taking a blanket outreach approach.



There was also a need to create a clear hierarchy with clear spans of control for field sales managers. This was also critical to driving maximum information transmission if there was a need for calibration of territories to speed up implementation. The decision, therefore, was to roll up the territories into four geographic regions based on physician density, market, customer potential, and route efficiency.



By leveraging Axtria's robust yet highly flexible step-by-step territory alignment methodology, the solution was delivered within five weeks.

RESULTS



A robust sales territory alignment design for all 50+ territories, including identifying 'priority' territories for the initial launch and subsequent step 2 to expand to the rest of the territories spread over a year.



The designed territories were not contiguous, but high on target potential with the equitable workload for the sales force.



A territory-level summary and region-wise heat map that identified 10-12 high potential territories within each region, ensuring there was no imbalance amongst them.



In-person alignment sessions for the organization and sales leadership team detailing sales force ranking with a hierarchy map charting each territory and region design.

The following technology and processes were used to develop the territory design:

- Data acquisition was done with SQL.
- Database was processed using MS Excel.
- Alignment design and visualization was done with AlignStar.
- The territories were carved out manually considering geographical and territory sizing rules.



CLIENT BENEFITS

- At the critical stage of a new drug launch, a new territory alignment and sales organization structure brought in the required flexibility to implement an effective go-to-market strategy.
- Administrative/operational constraints and budget limitations were managed within expectations.

The alignment provided the following additional benefits:

Enhanced coverage for high-priority customers –

Pushing revenue potential up by 2-7%.

Increased sales rep productivity and efficiency –

Ensuring the sales force engages with the right target and focuses on high potential customers.

Minimized travel time –

Optimizing the travel time for reps by factoring in highways and driving distance while optimizing territories.





CONCLUSION

Creating and implementing creative and custom sales territory alignments are needed for success, especially at the drug launch stage. Keeping therapy area nuances in scope ensures covering 'low-end misses,' which can lead to generating several potential million-dollar sales revenue opportunities or saving several thousand in costs. Geospatial data allows for real-time data crunching and feedback to home offices and reps as a next step.

Sales force hierarchies are often an afterthought. However, including organization structure design and execution in the plan at the beginning of the exercise, drives information, change management execution, and overall sales forces like well-oiled machines.

Finally, minimizing the time to market is a must for the success of a drug launch, especially when implementing changes and making significant hand-offs between the sales force and home offices.

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