What are the Factors that Cause Call Plan Adherence to Fail and How to Address the Problem

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1. Why is Call Plan Adherence Important?

1.1 Introduction

The sales force for a pharma company still represents one of the largest line items in the budget and is the most significant driver of sales relative to all other individual sales and marketing channels. Direct sales forces have the highest cost per contact relative to other channels (thus the lowest efficiency). However, this inefficiency is made up for by having the greatest effect on sales per contact (thus the highest effectiveness). So, making sure this channel is fully utilized to drive maximum effectiveness is critical to company financial success, among an array of other potential outcomes driven by excellent execution of the call plan by the sales force. Call plans are used by pharma companies to direct sales reps to ensure they achieve the necessary detail execution on healthcare professionals (HCPs), which is linked to the sales response analysis and activity necessary to achieve strategic and financial objectives for the portfolio and key brands.

Traditionally, a pharma call plan has the following key components and business rules:

1. **Targeting –** Which HCPs get a call versus do not get a call. The genesis of HCP targeting comes from each brand team segmentation necessary to achieve financial sales and contribution. Each HCP targeting by brand is then merged into an operational portfolio solution necessary to achieve the strategic and financial goals as determined by the outcomes from the sales force optimization process. A key business rule is that brand sales are generally concentrated among proportionally fewer HCPs. Therefore, targeting allows the pharma company to focus detailing effort on the HCPs that matter at a higher frequency in order to generate higher sales according to the promotion-response relationship. The alternative is trying to broaden the reach of detailing across more HCPs at a lower frequency and on HCPs that will generate overall lower sales.

2. **Frequency –** The number of face-to-face calls for each HCP. This frequency is derived from the promotion-response analysis necessary to achieve desired sales and what is operationally feasible for a sales rep to deliver in a year. Assumptions on annual call production by a sales team are pre-determined and periodically reviewed for their accuracy based on a range of factors, e.g., different call production numbers by specialty versus primary care sales team, sales rep access restrictions to physicians, experience and skills of sales reps, etc. Frequency is directly related to targeting and reach of sales force effort on HCPs. Higher detailing frequency will result in reducing the reach of the sales force on HCP targets that matter the most. Greater financial outcomes will result through focused targeted (smaller reach) detailing at a higher frequency than broadening the reach at a lower frequency per HCP target.

3. **Call Composition –** The breakdown on which products to the details on each HCP call. Call composition includes a merge of each brand team segmentation when deriving a portfolio solution, and practical solutions for a sales rep to deliver HCP quality details in a single call. Also, pharma companies typically have business rules as to the maximum number of products and therapy areas that can be expertly detailed by a sales rep.

4. **Detail Order –** The order for which details are delivered on a call to an HCP. Order is often derived by what makes sense in terms of sequencing and smooth transition of product details and messaging on a call. For example, if a sales rep has two cardiovascular drugs and one diabetes drug to detail to an HCP, it likely makes better sense to sequence the two cardiovascular drugs together on the call either in the 1st and 2nd or 2nd and 3rd detailing order than splitting the two drugs in the 1st and 3rd order.

5. **Call Emphasis –** The priority or weight given to individual product details on a call to an HCP. A call is typically broken down by weighted product discussions defined as a primary (greatest emphasis), secondary, and tertiary or reminder (lowest emphasis) details. Call emphasis or weight is directly tied to the proportion of call time devoted to detail each product.

Thus, a key factor in ensuring the sales force generates maximum effectiveness is making sure that the sales reps execute product details according to the call plan, or in technical terms, achieve the minimum call plan adherence rate (CPAR) necessary to drive plan sales revenue and contribution.

1.2 What is the Call Plan Adherence Rate (CPAR)?

An important factor necessary for each sales rep to reach their planned revenue goal is the achievement of the threshold or minimum level CPAR. CPAR simply stated is defined by the following relationship, where CPAR is expressed as a percentage:

(1) CPAR = [(Calls completed by the sales rep on Plan HCP targets) / (Total Plan calls requested on HCP targets)] * 100

subject to the business rule that there is no credit given for over-delivery of calls per a Plan HCP target.

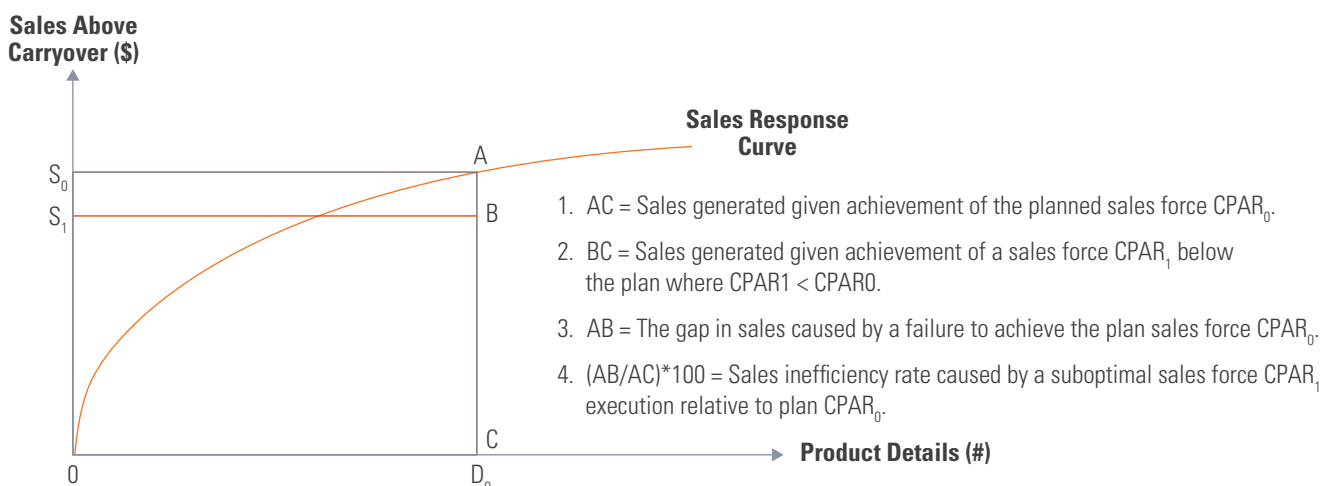The "subject to the business rule" is important for a few reasons:

1. Over-delivery of calls on HCP targets will likely mean under-delivery of calls on other HCP targets (not to mention lower quality of sales rep-physician engagement).

2. The implication of point 1., especially given the concave shape of each HCP segment sales-response curve, means the marginal sales effect of over-delivery (even for the top segment HCPs), will be lower than the marginal sales response for the next lower-segment HCP when calls are under-delivered.

3. The implication of combining points 1. and 2. is that optimal sales effectiveness will not be achieved relative to the projected level.

1.3 Why is Call Plan Adherence Important to Drive Sales?

Figure 1 depicts what happens, all else being equal, when sales reps fail to follow the call plan by not achieving the minimum CPAR necessary to derive projected sales (according to the figure, S_0). When $CPAR_1 < CPAR_0$, $S_1 < S_0$. It is also important to note that proper sales force optimization analysis accurately depicts what a well-incentivized, coached, and informed sales rep will do under actual conditions. An optimal $CPAR_0$ to drive target sales revenue does not mean that sales reps perfectly follow the call plan or a CPAR of 100%. We know for a variety of reasons in actual practice, and as explained later, that sales reps will deviate from the call plan, even under excellent sales force management control conditions. The $CPAR_0$ is a rate that is high enough that will still achieve S_0. So, a realistic analysis builds in some "slack" into sales force execution. This is also why it is critical for individuals involved in sales force operations analysis to engage closely with sales leadership, and a sample of first-line sales managers and sales reps (by sales team), to understand fully how sales reps actually behave in the field and then incorporate that insight into the modeling.

Figure 1: The Effect on Sales of Reps Executing the Call Plan Below the Optimal CPAR

1. AC = Sales generated given achievement of the planned sales force $CPAR_0$.

2. BC = Sales generated given achievement of a sales force $CPAR_1$ below the plan where $CPAR1 < CPAR0$.

3. AB = The gap in sales caused by a failure to achieve the plan sales force $CPAR_0$.

4. (AB/AC)*100 = Sales inefficiency rate caused by a suboptimal sales force $CPAR_1$ execution relative to plan $CPAR_0$.

1.4 White Paper Objectives

Thus, given this backdrop, the objective of this white paper is to provide sales operations planners with the many reasons why sales reps fail to achieve the minimum level of CPAR and what steps can be taken to address this problem.

2. How Do You Improve the Call Plan Adherence Rate?

There are multiple reasons why the CPAR is not meeting the threshold level to achieve planned sales goals. This section will extensively (though not exhaustively) list the reasons into segmented broad areas for the CPAR to achieve the threshold level. Many of the reasons are interrelated. These reasons have been grouped into key areas.

2.1 First-Line Sales Manager (FLSM)

1. **Insufficient sales rep coaching and mentoring by the FLSM.** The FLSM needs to demonstrate effective skills to coach and mentor sales reps under their span of control (number of sales reps directly reporting to the FLSM) on why following the call plan is important. This importance is not only for the company's benefit and meeting strategic objectives but also for the gain of sales reps since traditional incentive compensation (IC) plans give greater at-risk rewards tied to greater sales achievement.

2. **FLSM having inadequate knowledge of the sales rep territories.** Expanding on the previous point, the FLSM needs to have regular visits with their sales reps in the field while seeing HCP targets, talk to key customers, and observe how the sales reps leverage tools/training/data in their possession. The FLSM should review sales reps routing plans of their territory, preparation by reps for calls planned for the day, post-call notes entered into the customer relationship management (CRM) system, and interaction/collaboration with sales rep counterparts, especially if involved in sales team calling on the same targets.

3. **Deficient FLSM hiring and training.** FLSMs hold the key to many activities important to achieving the CPAR. Substandard FLSMs selected through the hiring and training processes will generate significant adverse consequences cascading onto sales rep effectiveness. FLSMs must translate key messages from headquarters and deliver executable messages to the field, coach/mentor their sales reps, and be knowledgeable of all critical HCP targets in their districts. One of these key messages delivered by FLSMs is the strategic importance of sales reps following the call plan.

4. **Poor sales force management review and control processes.** Sales reps need to be reviewed through a rigorous and robust sales force management control process with formal periodic sessions to ensure they are on track to achieving their sales goals. A rigorous and robust sales force management review and control process are essential to determine the reasons why sales reps are not meeting their sales goals. A skilled FLSM is also essential to interpret the implications of sales rep input metrics gathered from the sales force management review and control processes, determine the reasons for sales reps not meeting their goals, and then prescribe remedies to address the problem(s). Prior practical experience and evidence show that not following the call plan is a critical reason why sales reps do not achieve sales goals.

2.2 Sales Operations Processes

1. **Poor territory alignment design.** Territories that are designed with excessive workload and/or key targets that are more challenging to call efficiently through routing may cause sales reps to underperform on visits to more time-consuming HCPs in order to work their territory. These issues can be minimized by having a collaborative step between the sales operations team, FLSMs, regional sales directors (RSDs), and sales reps by going through a draft territory alignment design before the rollout.

2. **High span of control for the FLSM.** A high span of control for the FLSM means that there is less time for effective coaching and mentoring, thereby adversely affecting sales rep effectiveness. A prior published pharma empirical study affirmed the effect of a high span of control on reducing sales rep performance.[1]

3. **Poor call plan development.** Call planning is the sales operations process that connects what product details sales reps must make to target HCPs in order to achieve the strategic outcomes from the sales force optimization analysis. Sales reps must understand this connection and why call plan execution is critical to the achievement of strategic sales force objectives. Adding in a collaborative step between the sales operations team and FLSMs/sales reps is important to ensure call plans are followed. Also, the "directiveness" of a call plan is dependent upon many factors, such as company culture, the experience of the sales force, the complexity of the selling process, the need to connect strategic and tactical plans to financial performance, and other factors to name just a few.

4. **Misaligned objective setting (OS) incentive compensation (IC) design systems work against call plan achievement.** Both the OS and IC design systems may work against sales reps following the call plan and detailing key HCP targets. Both the OS and IC designs must be clearly articulated and understood by the field and how they relate to call plan achievement. Beta-testing of the OS and IC plans with the field is critical to ensure the right incentives are signaled to the field that will encourage diligent call plan execution.

2.3 Data and Technical Matters

1. **Building inaccurate sales force productivity assumptions into the call plan.** The sales operations team must work closely with sales leaders by reviewing past call execution data to affirm or adjust sales force productivity assumptions. The following examples come to mind for review:

   a. *Not thoroughly vetting annual call productivity by the sales team.* The existence of overly-aggressive call productivity assumptions may give incentives for sales reps to skip high-valued HCP targets that take more time to see in exchange for seeing lower-valued HCP targets can be more easily detailed. While annual call productivity may be met, targeting quality and the CPAR will suffer, thus producing fewer sales per the call plan.

   b. *Ignoring sales rep-physician access restrictions.* Third-party data exists on sales rep-physician access restrictions at the industry level. This data can be augmented with a company's call execution data and intelligence on access restriction policies at the health provider system level. A call plan that ignores such access restrictions will lead to a reduction in the CPAR.

   c. *Not properly reviewing business rules that can directly and adversely affect the CPAR.* Often some of the biggest disruptions that adversely affect sales force execution come from internally-produced business rules. A non-exhaustive list of business rules includes the following sales force execution matters: product detail order, product detail position, and assumptions on how many products and across how many therapy classes a sales rep can effectively detail, to name a few examples.

   d. *Emphasis on call quantity over sales rep-physician engagement and call quality.* The attainment of sales revenue S_0 from **Figure 1** presupposes that not only the quantity of details is delivered according to the call plan but also the quality or effectiveness of those calls. Call plans that emphasize call quantity over physician engagement/call quality will cause sales reps to deliver less-effective details meaning sales revenue generated would be less than what is planned according to the sales force optimization outcomes. Traditionally, call plans simply note the allocation of calls per HCP target. Call plans should also denote the market research segment each HCP target is in and what message(s) will most resonate with that physician. The latter information will help with improving physician engagement and call quality. The messaging of scientific, medical, and clinical information to HCPs and other healthcare system stakeholders will be increasingly vital to generate sales and demonstrate value for specialty medicines to treat more complex conditions such as cancer as explained by recent empirical evidence in the academic journal article literature.[2-5]

2. **Call planning tool not adequate in alerting sales reps early of execution issues.** It is not enough to have a call plan that simply lists the allocation of calls. Technological developments now allow call plans to be dynamic and periodically updated, with easy-to-read colorful dashboards with speedometer-like readouts on key performance metrics (red=significant risk of not reaching goal; yellow=possible risk of not reaching goal; green=on target to reach goal; blue=on target to exceed goal) showing current execution relative to plan, what needs to be improved, and by how much. The data can be fed into each sales rep dashboard (and throughout the span of control and chain of command up to the VP of Sales and heads of marketing for each brand) on a weekly basis. This way any deficiencies relative to goal attainment can be identified early and addressed within the call plan period.

3. **Sales-response analysis does not capture how sales reps will actually perform in the field.** An important assumption behind the depiction of **Figure 1** is that sales reps will not follow the call plan. People are not robots – they will deviate from the call plan. Therefore, the sales-response analysis behind the call plan must incorporate the amount of suboptimal behavior into the call plan that will still allow the achievement of strategic sales force outcomes. This means including members of the sales operations team involved in call plan development to be versed with practical field knowledge and insight. Team members that have been in the field and/or sending individuals out in the field to observe daily sales rep preparation and execution, along with interactions with physicians, would bring immense insight that can be incorporated into the analysis. Even better would be an institutional framework whereby rotational assignments for individuals in sales rep roles and sales operations team members can swap positions to help with aligning the analysis with actual sales execution.

2.4 Brand Team Matters

1. **Brand segmentation and messaging required to deliver sales.** The call plan is a direct result of the segmentation derived by the brand team, and subsequently, the messages required to deliver on product sales. If, for example, the segmentation is inaccurate or the messages constructed are too long to be delivered within the time constraints on a sales call, then call plan adherence will suffer. This is why having a close alignment between marketing and sales is essential in order to derive a call plan that is actionable by the field to deliver strategic and financial goals.

3. Importance of Call Plan Adherence to Brand Performance

This section provides the perspectives of a former brand director, Devesh Verma, Ph.D., Principal at Axtria, on the importance of call plan adherence for the achievement of brand goals. The sales force is a company asset for which brand teams must pay to use. Brand teams are required to cover the cost of sales rep promotion in their profit and loss (P&L) statement. In a typical accounting philosophy, the cost apportioning overall selling expenses is done based on planned sales force effort (% of the overall effort that is allocated to a particular brand from the sales team(s)). Hence, the cost apportioning is based on the call plan numbers. If a sales rep deviates from their call plan and puts greater effort behind low-value targets, the brand team suffers because the incremental sales generated from a low-value target is significantly lower than a high-value target. Since the brand team needs to pay for the sales force effort from its P&L, the brand will not realize the full "return" from all calls delivered. It is not a major issue if a few calls are delivered to low-value targets. But if hundreds of thousands of calls are delivered to low-value targets, the sub-optimal execution of the call plan can lead to millions of dollars of adverse impact on the brand's topline.

The two lead authors of this article have significant experience managing call planning at large pharmaceutical companies. The response of brand teams was likely typical, as seen at other companies that they were rarely satisfied with sales team call plan execution. Such sub-par execution can lead to constant friction between the brand teams and their sales leaders. The brand teams continuously pressure sales leaders to work with their sales reps to improve the overall call plan execution through the chain of command down to the FLSM. This relationship between sales and marketing is made worse by the siloed environment of pharmaceutical companies. It can lead to internal bickering and disruption, loss of morale, and finger-pointing on accountability when the sales team does not achieve planned goals. Companies can mitigate these adverse effects by

having both the sales force strategy and sales operations processes where marketing and sales leaders work collaboratively toward strategic goals and execution plans. Brand teams that have a liaison on their leadership team to the sales organization and national sales director responsible for delivering brand calls can also increase communication between marketing and sales that will work to ensure alignment and better achievement of brand goals. Timely reporting of brand sales execution data and key performance indicators that go to marketing and sales leaders is also critical to ensure better alignment.

4. Dynamic Tools Available to Ensure Call Plan Adherence

This section provides comments from an internal expert at Axtria and consultant to companies on this topic, Rakeshkumar Shingala, Associate Director, on dynamic tools available to ensure call plan adherence. Call plan adherence is not typically tracked on a monthly basis, and many times, not even quarterly. There are two ways to improve adherence through dynamic tools:

- Analyze adherence from past quarters at the physician level and use that to provide suggestions through the call plan refinement tool for reps to take corrective action for the next quarter. For physicians with a high deviation in adherence, reps should increase/decrease call frequency based on their local knowledge to reallocate effort.

- At the monthly level, an effort to increase adherence should be used in conjunction with other datasets and limited to only high-value immediate opportunities. Use promotion data along with sales data, claims/diagnosis data, and managed market data to identify subsets of physicians that are threats or opportunities and low adherence. Dynamic rep triggers can inform sales reps on the best subset of their targets to focus on, and how to tailor and optimize their encounters. Since the scope of dynamic triggers goes beyond call plan adherence, it may suggest them to deviate from the current call plan in some instances and slightly decrease adherence for the current quarter. However, this latest insight will get incorporated into the next cycle call plan, and sales reps will be in a better position to increase call plan adherence next quarter by acting on this trigger before the start of the next cycle. **Table 1** provides some insights/events that can be sent through Veeva CRM Suggestions.

Table 1: Providing Prescriptive Targeting and Message Advice in a Real-Time/Ongoing Basis (Illustrative)

Trigger Type	Triggering Situation	Action	Message
Managed Market	40% of prescriptions from a Payer with recent formulary win	Pull Through	Highlight change in coverage
	60% of prescription with Payers where Brand A has better formulary coverage as compared to key competitors	Pull Through	Emphasize overall coverage
	50% of commercial prescriptions from Payers where we have higher co-pay	Threat	Support through co-pay
	Dr. Lee's market share for Payer A is well below his/her overall market share even though we have better (or equally good) formulary coverage	Understand	Emphasize coverage on Payer A
HCP Prescription Trend	Actively switching patients from competitor Product A	Opportunity	Emphasize safety/efficacy
	Increased writing for my competition	Threat	Emphasize safety and clinical information
	Started writing at the Tier 1 level in market (Tier 3 target)	Opportunity	Emphasize safety and clinical information
	Non-target practicing in the same practice as Dr. Wood started writing at the Tier 2 level	Opportunity	Emphasize safety and clinical information
Promotion	Dr. Smith (tier 1) has not been called for one month	Adherence	–
	Dr. Wood/Account A may not have enough samples left	Adherence	–

The following summary of the business need for dynamic rep suggestions notes that such tools can significantly improve call plan adherence and sales effectiveness:

1. Providing dynamic rep suggestions complements and reinforces call plans by providing highly tailored, very timely information on priority opportunities with specific direction on actions to take to capture these opportunities.

2. Suggestions can include the following messages:

   a. Recommendations on priority calls to high-value HCPs to improve call plan compliance.
   b. Notification of a recent customer touchpoint with other marketing tactics that indicates high receptivity to an in-person call.
   c. Insights into the recent prescribing activity that relates to recommended brand messaging.

3. Successful deployment requires a combination of data availability, analytical capability, and integration with operational systems.

5. Conclusions

Management of the sales force in today's pharma environment is still critical to company success. Ensuring sales reps deliver on call plans developed is vital if strategic sales force outcomes are to be achieved. While this paper focused on the brand achievement of sales, an added benefit of improved call plan adherence is improved sales force morale. The reason for this is improved call plan adherence results in higher sales rep performance relative to goal. Thus, with any typical IC plan that rewards sales reps for better performance relative to goal, an improved CPAR by the sales rep translates into higher at-risk IC compensation, thus

eliminating any dissatisfaction of the sales force caused by insufficient sales rewards.

This white paper laid out why call plan adherence is extremely important for the sales force to deliver on its objectives and what pharma executives in sales and marketing operations can do to address this problem. The problem is likely multifaceted where the causes are often interdependent to each other, so careful analysis needs to be undertaken to diagnose the problem and then what to do about it. Working with an external group can sufficiently address this problem provided the following areas of expertise are covered:

- Deep understanding of sales force call planning.

- Practical knowledge and insight into the overall pharma sales force environment.

- Sales force analytical and technical experience.

- Sales force strategy and operational expertise.

- Marketing strategy and operational expertise.

- Technological skills to develop tools and dynamic call plans.

Axtria has all of the above areas of expertise, understanding, and experience working with a wide variety of pharma clients and product portfolios that will allow executives to achieve maximum returns for this expensive resource in the pharma company's sales and marketing arsenal to deliver on commercial strategic objectives.

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