



the

PHARMACEUTICAL INDUSTRY

A Compilation of Peppers and Rogers Group
articles and ideas on **Customer Based Initiatives**
in the Pharmaceutical Industry

Peppers & Rogers Group
a Carlson Marketing Group company





the PHARMACEUTICAL INDUSTRY

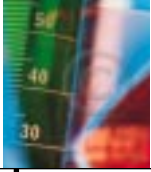
Customer Relationship Management has become a viable business strategy across all industries, including the pharmaceutical segment. Companies in this traditionally product-focused environment have seen profit potential shrink due to increased competition and issues such as shorter patent lives and growing buffers to customers. Business strategies are beginning to shift to a deeper customer focus as companies identify and differentiate customers, in an effort to boost ROI.

Peppers and Rogers Group has assembled some of its most compelling writing in this area, highlighting articles and case studies pertinent to the pharmaceutical industry published on our Web site 1to1.com.

INCLUDED IN THIS REPORT

- 2 Mass Media Can Launch Learning Relationships**
Like manufacturing firms that sell through resellers, pharmaceutical companies continue to grapple with the most beneficial and profitable techniques for developing long-lasting, worthwhile relationships with end-user customers.
- 4 Patient Compliance: Healing the Communication Gap**
1to1 Magazine brings together leading pharmaceutical experts to discuss the challenges and ideas around improving patient compliance.
- 7 A Handheld Prescription for What's Ailing Sales Reps**
Learning as much as possible about their physician customers is key to the success of pharmaceutical sales representatives.
- 11 Bayer, Amgen Refocus on Their Core Competencies**
Changes in the pharmaceutical industry are forcing biotech and pharma firms to adopt new ways to go to market.
- 12 Technology Drives Pharma Companies Toward CRM Success**
Many pharmaceutical companies face a necessary transition to new technology solutions.
- 14 Determining a Person's "Real Age" Has Long-Term Benefits**
Pharmaceutical manufacturers meet individual customer needs while cultivating long-term relationships.
- 15 Pharma Companies Manage Relationships Online**
Pharma companies devote their time to learning from patient customers, while still maintaining relationships with physicians.
- 17 Pharma's Culture Shifts Toward Customers**
Germany-based ratiopharm creates customer relationships that will evolve with the company.
- 18 Pharma: The Devil is in the Detailing**
Pharma firms are working harder to build more relevant relationships with doctors.
- 20 Writing Its Own Prescription**
Pharmaceutical companies are refocusing their business strategies to include building stronger relationships with doctors – and patients.





Mass Media Can Launch Learning Relationships

BY MARC RUGGIANO

inside 1to1

June 2003

Like manufacturing firms that sell through resellers, pharmaceutical companies continue to grapple with the most beneficial and profitable techniques for developing long-lasting, worthwhile relationships with end-user customers.

Like manufacturing firms that sell through resellers, pharmaceutical companies continue to grapple with the most beneficial and profitable techniques for developing long-lasting, worthwhile relationships with end-user customers. Unlike manufacturing firms, however, pharma firms face unique challenges, including laws that prevent them from selling directly to consumers and the need for educating their audience on the values of one drug vs. another to make a sale.

These challenges are driving pharma companies toward the use of direct-to-consumer (DTC) advertising. Practiced primarily via television and magazines, these mass-media vehicles are designed to persuade consumers to stand up and be identified by driving them to a more targeted vehicle, such as a branded Web site. Most pharma companies today, such as Merck, Pfizer and Aventis, all operate branded Web sites.

When visiting the site, potential users of a particular drug therapy are tempted to sign up for targeted email messages designed to arm them with the information necessary to bring them to the physician's office. The ultimate goal is to create a discussion of a particular drug and get the customer to take that drug.

Merck's singulair.com Web site allows visitors to request product brochures and site-update notices via email. On GlaxoSmithKline's tagamethb.com site, Tagamet users are invited to join the Tagamet Heartburn Healthlink Program to receive information on dealing with heartburn, as well as special offers. AstraZeneca's PrilosecOnline site allows users to sign up to receive information about promotions and topics related to acid-reflux disease.

To be truly successful, DTC tactics must be multi-channel, multi-tier processes, and this is the only way in which to properly engage and build strong relationships with customers.

Interaction strategies work for potential patients

To be truly successful, DTC tactics must be multi-channel, multi-tier processes, and this is the only way in which to properly engage and build strong relationships with customers. DTC strategies must be designed to reach customers through a variety of touchpoints.

By combining these marketing methods, pharma companies are creating Learning Relationships with their customers. They are able to collect valuable customer data at every touchpoint: Web, email, direct mail and within the contact center, which helps them determine and meet customer needs.

As part of this transition, pharma companies are now realizing the importance of hiring a staff with skill sets in consumer and one-to-one marketing, as well as traditional mass-marketing pharma promotion. As for the methods themselves, they seem to be working. In a survey conducted by Harris Interactive Inc., 83 percent of consumers polled said they'd heard about or seen DTC advertising. Thirty-five percent then discussed the ads with their physician. As a result, 21 percent received a prescription for the advertised drug and the patient took the drug as directed; and 5 percent of the patients actually switched drugs.

Pharmaceutical companies are receiving positive feedback with this multi-channel approach anchored by traditional DTC advertising. And spending in this area proves the pharmaceutical industry's commitment. According to pharma marketing, training and publishing firm DTC Perspectives and Nielsen Monitor-Plus, DTC advertising spending reached about \$2.9 billion in 2002. Spending for 2000 was about \$2.5 billion. However, actual results of this spending have been hard to nail down and better measurement techniques are needed before achieving true validation of this tactic.

Don't forget the physician

Another vital component remains the relationship between the pharma company and its physician base -- the critical influencers of the purchase decision, who literally make the decision -- while the end user makes the purchase. To achieve relationship success, both consumer and physician communications must complement one another. Once a consumer receives a message about a drug therapy that drives her into the physician's office, the pharma company must make sure that the physician is well enabled to deal with the inquiry and act accordingly.

Finally, DTC advertising is most effective when combined with other marketing tools, such as Web sites and email correspondence. But pharmaceutical-marketing executives must catch up to their counterparts in industries such as consumer-packaged goods, who already take an integrated approach to their marketing efforts. In return, they will be better enabled to establish their brand and grow a relationship with their customers in the process. ■



Patient Compliance: Healing the communication gap

BY MARJI MCCLURE



1to1 Magazine brings together leading pharmaceutical experts to discuss the challenges and ideas around improving patient compliance.

April 2003

All companies look for ways of keeping a dialogue going with their customers, since opening this door can often lead to a sale. Pharma firms have a built-in dialogue opportunity with their end-user customers, but that opportunity—patient compliance—is also the industry's biggest challenge. Getting patients to pick up and renew their prescriptions when they're supposed to and take them as directed not only offers potential for increased sales, but an ongoing dialogue allows input into product development that can help firms maintain their competitive edge.

In conjunction with the 2nd Annual Patient Compliance Conference held by the Center for Business Intelligence in Philadelphia in mid-April, 1to1 Magazine brings together leading pharmaceutical-industry experts to discuss their views on how pharma firms can improve patient compliance, and ultimately their P&Ls, as well.

1to1 Magazine: What are the top three issues with patient compliance?

Schueler: Getting patients to first fill their prescriptions. Estimates vary, but as many as 20 to 30 percent of prescriptions that are handed out to the patient are never filled. The second would be not taking the initial prescription as directed. Then, of course, the patient is not refilling their prescriptions and persisting with their therapy.

Stern: It comes down to loss of potential revenue because patients don't stay on their therapy for the entire course that is needed and a lack of education about why patients should comply with their medication therapy. Pharma companies have to rely on intermediaries—physicians—who don't have time to stress the importance of complying with a medication regimen because they have financial pressures that limit the amount of counseling time for patients.

Nauman: First, they can't implement big programs without vendor help. And because of that, they're leery to get into those types of programs. Or they want to see a return on their investment first, so it's a circular argument. What they're doing is piloting [initiatives], but this goes to the second issue [of ROI]. It's very difficult to track data even aggregately. There are a number of vendors developing solutions for that now, but they're not ready yet. The third issue is that pharma marketers look at this as a leaky bucket syndrome and their feeling is, Why worry about patient compliance? [They just continue to fill the hopper with more data].

Roberts: One issue is understanding what drives patient compliance. Is it reminders? Is it education? Is it the recommendation from the doctor? Is it recommendations from an impartial third party? I think really understanding what the true drivers are is important. I think there are tracking issues. How do you really know a patient is being compliant? That may be the most difficult thing of all. There are also tracking, measurement, regulation and perception issues.

1to1 Magazine: Can you cite examples of how pharma firms are dealing with these issues?

Needham: At Johnson & Johnson Pharmaceutical Research and Development (JJPRD), we're assessing the issues of compliance with each of the disease groups we're studying. For instance, What are the barriers to good compliance? Is it a lack of education on the value of the therapy, or merely forgetfulness? Forgetfulness may require an additional expense of sending a reminder device, while awareness education will require developing more detailed materials and providing time for coaching during office visits.

Stern: At Organon, we provide a "RemindHer" card with our oral contraceptive, Mircette. We also give patients on NuvaRing—a contraceptive product—with a countdown timer called NuvaTime to help patients remember how many days the product is in and when it needs to be replaced with a new NuvaRing.

1to1 Magazine: Why is patient compliance a problem?

Stern: Compliance is a problem on many levels. For healthy patients, once their symptoms disappear, they want to stop taking medication because they think they are better. For chronic conditions, compliance can be more of a routine issue—that it's not easy to remember to take medication every day.

Schueler: There are a variety of reasons why patients don't comply, but a number of them are not just forgetfulness, there are issues around not having enough information about the medication and what to expect, and what the benefit is of taking it vs. the drawbacks of not taking it.

Nauman: A lot of patients, for whatever reason, are not in the mindset behaviorally to deal with a chronic disease.

1to1 Magazine: What technology exists to help with the interaction process?

Nauman: A lot of technology exists that has a defined business process associated with it. The challenge that many pharma companies are having is integrating that process into their business model.

Schueler: I think the Internet is one technology that can help considerably in that you can get a massive amount of information out to a very broad audience. A number of pharmaceutical companies either have their own Web sites that provide information content by disease or by products, or have sponsorships with third parties that specialize in individual diseases.

Stern: Patients who are willing to provide information can receive e-reminders and other useful tools to help them comply with their medication therapy. We're building some tools like that on our NuvaRing.com site to help with compliance.

1to1 Magazine: There are a lot of Web sites that drive medical content to consumers. Is this creating an opportunity for pharma companies to build a relationship with patients?

Stern: It can. It depends on how the tool is used. Oftentimes, Web-site companies (such as WebMD, etc.) are looking for a lot of money for pharma firms to partner with them. So it's critical to know about your customer before entering into an arrangement with a dot.com property.

Roberts: I think it creates opportunities, but there's got to be a shake-out of what works best and where the focus needs to be long-term. There's still quite a bit of experimentation going on, but I think there's no question that the interactive capability of the Web [allows for] vast amounts of information that can be turned into bits and bytes. There's more information available, but there's also an attitude shift. People are interested in seeking out information from sources other than their doctor.

Schueler: There certainly are situations where opportunities are occurring, where a patient or a consumer that becomes a patient goes to a site, finds it useful and opts in, because opting in is a critical

part of this. So it is possible to start to develop a relationship with the patient.

1to1 Magazine: With the patient connection made, how can you maximize that and make the relationship even stronger?

Nauman: It's just like any other customer relationship. You have to earn the trust. There's an inherent lack of trust between pharma companies and patients or physicians. They all believe it's skeptical information, because the information we're allowed to give is very regulated, therefore they don't get a lot of detail that's beneficial to them. So it's hard to establish a relationship purely based on informational needs.

Schueler: I think [pharma companies] end up building stronger bonds with the physician customer [rather than the end consumer]. Then the physician ends up building stronger relationships with his patient. The physician is acting as an agent with the patient and we're reaping benefits from that, but, at our firm, we maximize the connection by reinforcing the existing relationship, rather than trying to establish a relationship with a pharma company.

Stern: It can be done by providing high quality, non-biased information that helps the patients in the end. A major role and responsibility of a pharma company is helping patients improve their way of life. When patients are educated on what they take and why they take it, they can improve their compliance, and help themselves as well.

Roberts: I think it starts with an interest in a particular disease state. Whether the physician or the patient or the consumer has that interest and if you understand who's really driving your business, then you can focus more of your resources on those people.

As this discussion shows, companies that sell through resellers, dealers and other third parties can no longer be content with anonymous sales. Every business, no matter what industry, needs to find a way to identify and interact with its end-user customers, to understand their wants and needs and meet and exceed those wants and needs before its competitors do. Through patient-compliance programs, pharmaceutical firms have found a way to do that. If you're not a pharma company, think about where there are equivalent opportunities within your firm for starting a dialogue with your end-user customers. The more you know about them, the better you can serve them. The better you serve them, the longer they will remain loyal to you. ■



A Handheld Prescription for what's Ailing Sales Reps

BY MARJI MCCLURE



Learning as much as possible about their physician customers is key to the success of pharmaceutical sales representatives.

March 2003

It's a well-known fact that pharmaceutical-industry sales reps aren't welcomed with open arms when they enter a physician's office. Many times, they're lucky to gain access beyond the receptionist's desk, where, again if they're fortunate, they can visit with the doctor for literally seconds—not even minutes. With pharma firms each having anywhere from 5,000 to 7,500 reps in the field all vying for physicians' time, this sales dilemma is particularly prevalent in their industry. However, maximizing face-to-face time with customers is an issue that any company with a field sales force can relate to. Here's how some pharma companies are trying to win the battle.

Imagine this scenario: A pharma sales rep sits in a physician's waiting room. While he waits, he is using a handheld device to prepare for his impending call with the physician. In his hands is a tool that records all of the physician's pertinent information—prescribing preferences and history, general likes and dislikes—and he's using the data to build a more personal, lasting relationship with the physician he is about to meet with.

This isn't some far-off scene. Handheld devices are now being utilized to make the information-gathering process easier and more efficient—and may even help sales reps gain increased face time with physicians. Manufactured by companies such as Hewlett-Packard and Dell, sales reps are using the devices to more easily and efficiently handle all facets of the face-to-face sales call. These units typically hold data that reps need to perform their daily activities, including call-management and inventory-management tools.

In addition, these devices make entering and retrieving data a relatively simple task. With just a few screen taps or keystrokes, salespeople can quickly view everything necessary about a physician and his habits, to make the sales call more relevant to the customer and more successful for the rep.

They're small, but they make a big impact

Previously, it wasn't unusual for a rep to carry four or five binders to various sales calls throughout the day. Now, all the data is loaded onto handheld units. Personal digital assistants (PDAs) weigh less than one pound, while the HP Jornada 728—a Windows CE device used by Stiefel Laboratories and Novogyne Pharmaceuticals—weighs in at just over one pound. Since these units have lids that flip open, they typically are referred to as clam-shell devices. Tablet PCs, which are larger, but offer bigger screens and work areas, average around three pounds, while the typical laptop can weigh anywhere from three to eight pounds.

Stiefel Laboratories, which produces dermatology remedies such as Brasivol and Clindets, began to offer handheld devices to its salespeople through a pilot program last June. By the end of July, the ini-

Handheld, con't

tiative went live, and today, all 65 Stiefel representatives have handheld units in the field. They also carry laptops for sending email and creating Word documents—handhelds are essentially used only during physician visits.

"So instead of a rep carrying all those binders with them, they're keeping all of their call notes and prescription data in one small handheld," says Brad Hershman, manager, sales operations for Stiefel. "It makes it much easier if you have a large travel territory." Stiefel Laboratories uses the Call Activity Tracking System (CATS) software solution from Hollywood, Fla.-based Synergistix Data Solutions.

Ventiv builds what it can't find

Ventiv Health US Sales is a contract-sales organization that provides recruitment, training and sales-force support for companies in the pharma and biotech sectors. Ventiv collaborated with Target Software to develop a PDA solution for the pharma industry called Target Mobile, to work in conjunction with the Target SFA suite. This solution, which runs on the Microsoft Pocket PC operating system, is used on the Compaq iPAQ pocket PC and the Dell Axim handheld device.

You're enhancing your face time and your ability for the doctor to remember you and your product.

By the end of Q1 '03, handhelds will be deployed to Ventiv's more than 700 field- sales representatives. Vinnie Fernicola, Ventiv's director of electronic data management, says that PDAs offer a better handheld solution than the larger devices, which he feels can become a distraction during the sales rep-physician interaction. "A lot of times, they're fumbling with the device to record the actual call, or to get a signature," says Fernicola, who prefers the iPAQ. "But the PDAs can be hidden in the pocket of their suit, or in their detail product bag, maybe in an outside sleeve. They push a button and it comes on. They've already got it pre-loaded with who they're going to see. They just finish recording it and get a signature." The Target product has a point-and-tap interface that eliminates the need for typing and, according to Target company CEO Ted Rosenberger, can be faster than typical keyboard entry.

Handheld devices can also play full-motion video, which has the potential to help increase physician face time—if they are willing to watch. "If you're at a doctor's office and you want to promote your products, you can actually go to the doctor and say 'this is what the thought leader in your industry is saying about our products'," says Raul Wong, VP and CTO for Synergistix Data Solutions. "Now you can play a full-motion video and be in front of the doctor for two or three minutes, or even longer, whereas before, you were lucky to get 30 or 60 seconds. You're enhancing your face time and your ability for the doctor to remember you and your product. That's a very exciting capability that has come about due to recent hardware advancements."

Opportunity for total information capture

Novogyne Pharmaceuticals, a joint venture between Novartis Pharmaceuticals Corp. and Noven Pharmaceuticals Inc., has provided its sales reps with handheld devices since the team was formed in 1998. All 120 reps for Novogyne, which produces women's hormone products such as Vivelle and Combipatch, use the HP Jornada in the field. Like Steifel, Novogyne uses CATS software from Synergistix.

Mike Juszczuk, director of sales and marketing administration for Novogyne, says handheld devices are used to help reps target messages to their physician customers. "Our philosophy is to help people

be in the right place at the right time with the right message," says Juszczuk. "We provide them with a solution that targets the physicians they're supposed to see, [which helps them ultimately] see the right person." Ventiv's PDAs allow sales reps to perform account-management tasks through a Pocket PC operating system. A Pocket Outlook application provides access to calendar functions so they can easily schedule appointments with physicians. "They take their entire territory information with them out in the field, at their fingertips, including sales data for that particular physician, so the representative would know whether a physician is prescribing that product, or how well they're doing with that product," says Fernicola. The software used within these handheld devices also assists sales reps in adhering to Prescription Drug Marketing Act (PDMA) regulations, which regulate the distribution of drug samples. As a result of this act, representatives must obtain a physician's signature for all samples left. Physicians can sign the screen of a handheld unit as easily as they once signed paper forms.

Back-end advantages

Physician requests can also be fulfilled more quickly using handhelds. Fernicola says that an "action item" option in the Target Mobile software makes it easier for sales reps to follow up on requests for information or other data made during a sales call. "We can set up the ability for a fulfillment house to send out a case study, clinical trial data, or a white paper," he explains. "Action items actually tell the home office to do some action based upon this call. That action might be to ship out more information, or to send out a wall board for an advertisement because the representative has permission [to do so]." While not in real time, the information can be downloaded at any time the rep plugs in. Time is also saved when reps submit their weekly sales data. At Stiefel, weekly summary reports are done right on their handhelds. "They're allowed to work on report [data] during the week, then at the end of the week, submit it [all at once]," says Hershman. "So it really cuts down on their [administrative] work. Instead of having to open up the laptop, type, save attachments and then send it in, it's all captured via the handheld."

Portable, but not completely wireless

While the handhelds are completely portable, pharma firms and their technology vendors hesitate to call them wireless, since they are not able to send data to the home office in real time. Sales reps for Ventiv, Novogyne and Stiefel must connect to another computer to transmit data from their sales calls. Typically, these tasks are performed at the end of each day. Novogyne reps hook into an analog phone line to connect.

However, once the data is transmitted, it is easy for managers to track their sales reps' performance.

The technology that is available allows you to be a lot more responsive to whatever need is out there.

"When we walk in on Monday morning at 8 a.m., [the system] has compiled all the data and spit out a pre-set number of reports that identify what's going on in the field," says Novogyne's Juszczuk. "So when we sit down at Monday morning meetings, we can look at fresh activity from the past week and determine if we have any problems or weaknesses that we need to address."

In addition, the handheld connection gives pharma companies the opportunity to solve those problems more quickly than ever before. "It is much more labor intensive to process paper sample documents. It's a lot easier with an electronic system to have that information downloaded...every night," says Stiefel's Hershman. "You're able to pull that information, gather it, make decisions based on sample accountability and you can do that much more quickly. The technology that is available allows

Handheld, con't

you to be a lot more responsive to whatever need is out there, whether the need is to get more samples or less—whatever that need may be."

While pharma companies may believe, at this point, that transmitting data in real time is not a necessity, they may eventually be pressured into it. "Theoretically, they should be able to link up and get real-time inventory, numbers and [product] availability on a daily basis, along with any new announcements or new drugs," says Lauri Ingram, senior program director for IT research and consulting firm Meta Group. "The technology is there and people want information and are not willing to wait for it. [Pharmaceutical companies] will wait until one of their competitors has it. Once they go to a doctor's office and the doctor says to them, 'So and so from [a competitor] was just here and he was able to show me research that was published last night and we were able to do it all online. Why aren't you guys doing that?' That's when it all starts. It becomes a competitive thing."

They have to be good at developing relationships. The tool can only help them do that. It won't do it for them.

Can handhelds save money?

Over the long-term, pharma firms stand to benefit from a greater share of their physician customers, as handhelds contribute to stronger customer loyalty. In addition, cost savings may also result as field sales forces switch from PCs and laptops to handhelds. Companies can typically spend anywhere from \$1,000 to \$2,500 to purchase laptop computers for each member of their sales force. The larger handhelds, such as the HP Jornada, cost around \$1,000, while PDAs, such as the iPAQ and Axim, are typically between \$300 and \$750 per unit. However, many pharma companies, like Stiefel, continue to arm their sales reps with both handhelds and laptops, so costs are not yet diminished. Fernicola says he recommends Ventiv clients purchase either desktops or laptops along with handheld devices, since these portable units are not printer or email-friendly.

Ingram says that cost savings could be figured into the equation as the use of handhelds leads to more accurate order information. "If those handhelds were actually integrated with their back-office systems, they might be able to reduce or eliminate some manual steps, in which case they would be saving money," says Ingram. "But if they're standalone, real savings might not be generated until the processes are integrated and manual steps eliminated, which would help them get a better handle on their inventories. I think that would make a huge difference."

The pharma companies that have already sent their sales forces out in the field armed with handheld devices don't seem to regret the move to this relatively new technology. In such a competitive industry, anything that can be considered an edge is a positive action. "Our sales continue to grow and our product has been very successful. So we feel very strongly that we've got a good combination of management tools and people out there in the field working together," says Novogyne's Juszczuk.

Some people caution, however, that a handheld is a tool, not a cure-all. While pharma sales managers say handheld devices can make salespeople more efficient, they concur that sales reps are only as successful as their skills allow. "I think there's no doubt that [handheld devices] help. There is a lot of information that, if available, can help [sales reps] put together messages that allow them to develop a rapport with a physician," says Juszczuk. "But when you get right down to it, salespeople are salespeople. They have to be good at talking and they have to be good at developing relationships. The tool can only help them do that. It won't do it for them." ■



Bayer, Amgen Refocus on Their Core Competencies

BY BRIAN ROBERTS

inside 1to1[®]

Changes in the pharmaceutical industry are forcing biotech and pharma firms to adopt new ways to go to market.

January 6, 2003

Businesses typically generate shareholder value in one of three ways: by focusing on products, operations or customers. Product-focused companies are most concerned with creating new products as the route to growth. Operations-focused companies are skilled at running the most efficient business processes, such as manufacturing, logistics and order management. Customer-focused companies create shareholder value by increasing the value of their customer base over time.

Because the pharmaceutical industry is driven by research and development (R&D) and intense product innovation, most companies in the space fall into the product-focused category. They typically rely on creating new products for growth, while at the same time maintaining their manufacturing, distribution and sales functions. But changes in the industry such as more stringent FDA rules, tougher competition and the encroachment of generic drugs are forcing biotech and pharma firms to adopt new ways to go to market. Some now outsource their sales and marketing functions, while others license drugs developed by other companies to take advantage of their own selling and marketing infrastructure (Pfizer licensed Celebrex from Pharmacia, for example).

Focusing on their strengths

An article in the Nov. 25 issue of Fortune magazine, "Growing Drugs Is a Tricky Business," highlighted pharma giant Bayer's challenges in manufacturing its blockbuster hemophilia drug Kogenate FS.

While Bayer showed significant strength in developing this drug, the company had much less traction with manufacturing. It was a strong product innovator, but was relatively weak in terms of its own operations and efficiency. As a result, the drug's market potential suffered and patients had to wait longer to receive treatment. Two years ago, FDA inspectors offered a less than glowing review of Bayer's manufacturing site for this drug.

Bayer took the feedback from the FDA seriously and worked hard to improve its capabilities, and now has a state-of-the-art plant in which to produce the drug. Production levels are reaching healthy conditions again, which is good news for hemophilia patients.

However, there is a lesson here: If Bayer had concentrated solely on its R&D strength and outsourced its manufacturing, the company might not have missed a beat at all.

Amgen bucks the trend

While pharma companies have made news lately with sluggish stock prices, biotech firm Amgen, maker of Epogen and Neupogen, is bucking that trend with profitable financials and a growing workforce, according to the Nov. 18 article in The Wall Street Journal, "As Other Biotechs Sink, Amgen, Genentech Soar."

Bayer, con't

The reason: Amgen focuses on its core competency, R&D. And the company continues to achieve success through sales of just a handful of Amgen's core drugs. The WSJ article also mentions how Amgen executives thought ahead: They started development of new drugs back in the mid-1990s to replace drugs that were about to reach the end of their lifecycle. This was a natural next step for Amgen at the time, since its focus was on drug development. Doing what it does best has helped Amgen receive optimal results.

Rely on partners for the rest

Once pharmaceutical companies determine their core competencies, they will be well positioned to provide the best possible value within their area of expertise. For companies that excel in development, for example, the rewards are getting a blockbuster drug to market faster than the competition, as well as a promising pipeline. For those that excel in sales and marketing, the bottom line is increased sales and brand recognition.

This doesn't mean that companies should ignore the areas in which they do not excel. This is where the strengths of strategic business partners can help companies succeed. But no matter what a company's core competency, a well-planned customer strategy can help solidify a pharma firm's competitive foothold for years to come. ■



Technology Drives Pharma Companies Toward CRM Success

BY MARC RUGGIANO

inside 1to1[®]

Many pharmaceutical companies face a necessary transition to new technology solutions.

February 24, 2003

Many pharmaceutical companies face a necessary transition today to new technology solutions -- a move sparked by the age of the systems they currently have in place and the growing competition in the industry. Many of the sales force automation (SFA), customer contact and other technology programs they now use are too slow and outdated to do the job effectively. Realizing the benefits of the newest systems, IT departments, along with sales and marketing, are actively pushing for the latest capabilities.

Better contact management builds bonds with physicians

Thanks to technology advances, pharma companies' medical communications departments are developing better Learning Relationships with physicians than ever before. These call centers field product inquiries from physicians and pharmacists related to prescribing and dispensing behaviors, adverse reactions and overall product quality.

The technology creates a unified contact database to track all communications, which are passed from the medical communications team to the appropriate departments. At the same time, it helps pharma companies create a unified case database that addresses FDA requests for tracking communications -- from initial question to resolution -- and adhering to regulations. With better data come better case records, which can help smooth the regulatory process to bring products to market sooner.

"If you build a CRM solution that has significant facility to create two-way integration with other department systems, then you can build this unified case database," says Doug May, director of pharmaceutical solutions for e-learning and e-business solutions provider RWD Technologies. "From a CRM perspective, the advantage is a unified contact database. From a regulatory perspective, the advantage is a unified case database."

The sales area is also a key target for improvement. For years, sales and marketing managers have desired a real-time look at the sales force in the field. The latest in SFA technology is poised to provide a more complete glimpse, especially with the recent influx of handheld devices. Armed with these devices, sales reps can immediately capture important data, such as prescribing preferences, during and after the sales call. The net gain will be more accurate data that can be downloaded from the handheld devices directly into a database, where managers can track sales reps' activities and results.

"From a CRM perspective, the advantage is a unified contact database. From a regulatory perspective, the advantage is a unified case database."

Drug maker Aventis supplies its sales reps with handheld devices. David Hauben, head of North American e-sales and contact centers, told *INSIDE 1to1* late last year that the tools allow Aventis reps to target the right messages to the right physicians.

Break from tradition; integrate customer contacts

Pharma companies are beginning to understand the importance of collecting and housing all data in one place, where it can be easily accessed and analyzed. Previously, firms were only able to track the use of each product individually, as well as track physicians' prescribing behavior related to a single product. This is because information about each product was usually collected and stored in separate locations.

Today, firms can get a complete look at both physician and patient customers. First steps include creating a roadmap that outlines how improvements would be made to the customer-interaction process. Eventually, all customer contacts can be integrated across all channels. The ultimate goal is to build a Learning Relationship with each customer through continued dialogue.

In the end, marketing and sales executives are inspired to take a closer look at their physician and patient customers and implement programs that help build strong relationships, creating additional opportunities for pharma companies to grow their business. ■



Determining a Person's "Real Age" Has Long-Term Benefits

inside 1to1

*Pharmaceutical manufacturers meet individual customer needs
while cultivating long-term relationships .*

February 10, 2003

Like the packaged-goods industry, which relies on supermarkets to connect with consumers, pharmaceutical manufacturers are a degree of separation away from their end users. If they could only interact directly with their end-user customers, they could find out more about their needs, better meet those individual needs and cultivate long-term relationships that grow in value.

Here, the Internet can help. More so than with the consumer packaged-goods industry, when it comes to healthcare advice and information, people often turn to the Web. RealAge, a medical content Web site, capitalizes on that need to help connect pharma firms with their existing and potential customers.

The San Diego-based direct-to-consumer interactive marketing company, which competes with MyDocOnline.com and MedcoHealth.com, uses an interactive health-assessment test and follow-up process that "follows the one-to-one criteria to a tee," according to president Rich Benci. The process begins when the user clicks on the online assessment and answers a stream of questions about his health and lifestyle. He then receives personalized evidence-based health information and an overall assessment, which calculates the difference between his physiological and calendar age -- in essence, his "real" age.

Targeted messaging that educates and motivates RealAge's 4.5 million members to purchase pharmaceuticals from the firm's clients follows up the interactive question-and-answer process. The collateral even encourages them to visit their physicians. Is the process working? The numbers speak for themselves. The company's member base has risen 32 percent, up from 3.4 million since *INSIDE 1to1* interviewed RealAge last year. And the site has expanded the number of health conditions it markets to from two to 12, with a plan to grow to 26.

Connecting prescription buyers with pharma firms

Ultimately, RealAge connects its members to their physicians and eventually to the pharmaceutical companies by individually educating and motivating healthy lifestyles and following up with health information and surveys specific to their conditions. Benci says this method of assessment allows the company to offer members a personalized experience about their overall health. What follows next is an ongoing motivating driver to become healthy -- the part of the process that allows pharma firms to convert users to customers and for RealAge to cultivate relationships over a person's lifetime.

After a member completes the assessment, RealAge examines the user's information and determines whether he is at risk for certain conditions, particularly ones that relate to the site's pharmaceutical clients' products. RealAge then emails a health-guide series that pertains to a member's condition. Aside from medical and health information, the messages include content about the benefits that the pharmaceutical products could bring in alleviating his condition.

Real Age, con't

So if a pharma client is underwriting a series about cholesterol, RealAge sends a sequence of emails that include the pharma firm's branded message, information about the product that claims to lower cholesterol, motivational messages about associated health risks and a note to encourage the member to visit a doctor.

RealAge can also dig deeper by sending messages to subsets of the condition groups, such as people who suffer from a certain condition and have visited their physicians, but aren't satisfied with the treatment they received. "The more motivation-oriented we can be, the more we can change consumers' behavior to become healthier, and the more effective our campaigns are for our pharma customers."

RealAge measures conversion rates by sending surveys one month after the company finishes emailing the health-guide series on behalf of its pharma clients. The consumer answers questions, such as, "Did you ask for the drug by name?" and "Did you go to the doctor?"

The results? Benci says the company has seen incidents where there were more than 250-percent increases in test groups of 1,000 people getting the branded medication, over control groups of 1,000 people who never received the health-guide series. "This is proving that one-to-one principles work. It's proving that, by following those principles and doing relevant relationship marketing over time, you can motivate healthy behavioral changes." ■



Pharma Companies Manage Relationships Online

BY MARTHA ROGERS P.H.D.

inside 1to1®

Pharma companies devote their time to learning from patient customers, while still maintaining relationships with physicians.

December 2, 2002

Learning about the habits of their patient customers has long been a challenge for pharmaceutical companies. These organizations traditionally devote much of their time to developing and maintaining relationships with the physicians who prescribe their products. However, once a physician prescribes a drug to a patient, there is no guarantee that the patient will actually take the drug for its prescribed duration, or even fill the prescription at all.

At the same time, consumers continue to take a more personal interest in their health, and are increasingly turning to the Internet for healthcare information. In response, many pharmaceutical companies have launched disease- and product-specific Web sites that provide targeted information about specific illnesses and treatments. One such company is Teva Neuroscience.

Online information empowers Teva Neuroscience customers

Teva Neuroscience, which produces the multiple sclerosis drug Copaxone, initially launched its MSWatch Web site in 1998 to help educate physicians and patients about the product. The company has found that the site, which serves as a community for MS patients, helps build stronger patient relationships and maintain compliance.

"I would say it does help [with compliance]," says Atul Singh, head of e-business for Teva Neuroscience, a subsidiary of Teva Pharmaceutical Industries, the leading generic drug maker in the

"It gives very deep insight into how the patient goes through the disease lifecycle and then how they go about taking their medication."

world. "It would be difficult to provide some analytic ROI. But what we have seen is people who have enrolled on the site also interact with other members there. They reinforce each other's decision to stay on therapy and get their therapy at the right time, in the right dosage, and also help each other out with any day-to-day tips they could use to improve the quality of life."

MSWatch, which is divided into sections for patients and caregivers, has more than 50,000 registered users. Singh says users average about five hours a month on the site,

which is powered by technology from SoftWatch's SRS Pharma Community Portal product, which competes with products from SimStar Internet Solutions and HealthBanks.

MSWatch features discussion boards and a Q&A forum with leading neurologists, as well as other tools. "It gives very deep insight into how the patient goes through the disease lifecycle and then how they go about taking their medication," says Singh. An electronic diary feature on the site allows Teva Neuroscience to track patients' behavioral changes over time.

Patient behavior was one of the reasons behind launching the site. "We did some market research prior to the launch and we realized very quickly that for some reason, the people who are afflicted with MS tend to go online a lot as opposed to other disease states," says Singh. "That gave us a very clear indication that we had to do something online. Also, this medium was the most cost effective, compared to other channels." ■



Pharma's Culture Shifts Toward Customers

BY TOM SPITALE



Germany-based ratiopharm creates customer relationships that will evolve with the company.

October 28, 2002

How companies embrace the customer revolution is a matter of choice. Firms can either wait for the external pressures of customer demand to force internal change, or they can meet the revolution head on. It's a big decision facing virtually all industries. Take the recently tumultuous pharmaceutical industry, for instance. Brand-name drug makers and generic manufacturers alike are challenged to create leaner, more customer-based organizations in order to combat diminishing returns in what has become a global economic slowdown.

The leadership of Germany-based ratiopharm, Europe's largest generic drug maker, knows this all too well. For now, demand is strong for the company's drugs, vitamins and other health-related products; and the firm has over 200 promising projects in the development pipeline. But the European pharma industry is deregulating. "Margins in our industry are not likely to hold up to traditional levels forever," warns CFO Peter Prock. Ratiopharm's response: Create customer relationships that, over time, will shift the company from "being a leading generic drug maker" to "becoming the largest health-care provider in Europe," says Prock.

To get it all done, explains CEO Dr. Claudio Albrecht, "We realize we must invest in technology that can support our goals with enough flexibility to grow with us as our strategies develop." But, ratiopharm

The real benefit from what we are doing will be realized in terms of changing the culture.

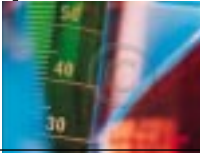
also knows success depends upon people and process as much as technology. "The real benefit from what we are doing," says Stefan Langthaler, head of business systems, "will be realized in terms of changing the culture from strictly product-focused to a combination of product focus aligned with a significant customer focus."

First-mover advantage

Step one is building relationships. In Germany alone, more than 300 agents in ratiopharm's 450-member sales force have been calling on some 120,000 doctors for as long as the company has been in business. But their efforts may not be enough. In cases where the choice of medication dispensed to patients is transferred to pharmacists, "We want to encourage substitution of a ratiopharm product," notes Prock. This requires the creation of interactive relationships with pharmacists as well as doctors. And, today's market requires pharma companies to engage end users as well. "It's a more complex set of interactions," admits Langthaler, but "by being among the first to adopt this customer focus, we will achieve a first-mover advantage."

A study conducted by Peppers and Rogers Group on behalf of SAP concluded that ratiopharm is on track to achieve an internal rate of return of more than 63 percent over a three-year period. But per-

haps the clearest ROI metric brought by its CRM initiative lies in ratiopharm's ability to reduce or eliminate customer attrition. "What we're seeing," says Prock, "is that if we reduce attrition by a little more than 1 percent, we repay the entire investment." Moreover, "This [reduction in attrition] is easily achievable." As for long-term return, Prock says, "We believe we can develop and refine customer strategies that will not only secure our lead in the marketplace, but also set the stage for future growth." ■



Pharma: The Devil is in the Detailing

BY MARJI MCCLURE



Pharma firms are working harder to build more relevant relationships with doctors. October 7, 2002

Pharmaceutical companies know their sales bread is buttered by physicians. It's why every pharma company has a veritable army of field reps competing with thousands of others for precious face time with doctors. So what's the rub? Time is the one thing doctors don't have, especially for product-driven sales pitches that may not address the needs of the physician or her patients.

Gaining e-speed

Some pharma firms are working harder to build more relevant relationships with doctors, and they're doing it in three steps. Step one is identifying the "most valuable prescribers" of a given drug. Step two is figuring out the doctor's needs and preferences, such as disease or treatment-specific information. The final phase is getting that information out to the sales reps, so profitable relationships can be built.

Electronic tools are fast becoming the link to pharma sales force empowerment.

Electronic tools are fast becoming the link to pharma sales force empowerment. Drug maker Aventis -- producer of Allegra and Nasacort -- uses e-apps to build strong relationships with doctors and make sales encounters more productive. Doctors can control the amount of contact they have with sales reps, while giving Aventis an opportunity to collect data about physician needs and interests that is typically difficult to compile.

Virtual on demand

Aventis uses online programs, which contain customized sales and marketing materials, to spark new relationships and build on existing ones. Physicians can visit a Web site to receive information about a range of topics, such as specific diseases and their treatments, the common challenges to effective

treatment, and of course, relevant Aventis products. And because the information is accessible around the clock, the exchange doesn't have to happen during office hours with a sales rep in the room. "We do find that almost 70 percent of physicians participate before office hours and in the evening," says David Hauben, head of North American e-sales and contact centers for Aventis.

One of the benefits of a virtual system is that it notifies sales reps of their physicians' preferences and needs. "Physicians can request a follow-up visit and clinical information," explains Hauben, which can lead to relationships with hard-to-catch prospects. Hauben recalls one instance when an elusive physician learned about an Aventis product while doing research at night. When the sales rep stopped by the office, the physician mentioned seeing the product and asked for samples.

Preparing the sales force

Aventis sales reps also use handheld devices to view customer data, plan daily activities and pre-plan sales calls. "We integrate local customer information so [reps] know which products to describe to different physicians," says Hauben. "They're able to target the right message to the right physician."

In addition to the devices, Aventis launched an online sales center in June 2001. "We're able to conduct one-to-one video conferences with physicians in their offices," says Hauben, noting that 8,000 physicians currently have the technology in their offices. Agents can record and transmit physician information to the reps in the field, giving reps the latest information about their customers. "We feel that by arming our field reps with better sales force automation systems, we are enabling them with increased efficiency."

However, Hauben doesn't see electronic tools as a means of completely replacing face-to-face meetings. They're best used to "complement field efforts," he says. "I think there are a lot of possibilities for the future. Hauben says that while Aventis will continue to expand its technology-based interactions with physicians, the company needs to make sure that the physician data captured is effectively shared across the entire sales enterprise. "Field reps face the challenge of access and the challenge of time," he says. ■



Writing Its Own Prescription

BY BILL MILLAR



Pharmaceutical companies are refocusing their business strategies to include building stronger relationships with doctors – and patients.

September 2001

Product-focused, silo-oriented, already heavily invested in information systems (and hesitant to pour more cash into organizational or IT reconfigurations), drug makers are the first to admit they've been slow to adopt one-to-one principles. "Compared to consumer goods or financial services, this industry is definitely behind the adoption curve," says Donald Dunn, Merck's executive director, strategic planning, the Americas.

But for a variety of reasons, all of this is about to change. CRM is coming to drug making, and its rate of implementation is likely to be exponential.

High risk, high return

For decades, pharmaceutical makers have been able to milk profitability from their primarily product-focused business model. The typical go-to-market cycle works something like this: Invest hundreds of millions of dollars; hire thousands of scientists and doctors; execute pure research; isolate a promising "treatment"; refine the molecule; secure a patent; develop the treatment in clinical trials; obtain FDA or other regulatory approval; deploy thousands of field reps; sell the drug; cash the checks. And if a particular drug's sales aren't meeting expectations, "just raise the price," says a senior executive from a leading U.S. company (insisting on anonymity).

Due to the massive investments and high risks that are the nature of this business, the general feeling is that product focus "won't be disappearing anytime soon," says Bert Tjeenk Willink, VP of prescription medicines for Boehringer-Ingelheim Canada Ltd. But for a variety of reasons, says Willink, "the days of being 100 percent product-focused are over. We won't be retreating from a product orientation, it's just that we'll be adding substantial efforts to interact with customers effectively."

Here's why. Profitability in the pharmaceutical ("pharma") industry is not what it used to be. For one thing, "blockbuster molecules are becoming harder and harder to find," says Brian Roberts, a partner with Peppers and Rogers Group and the leader of his group's pharmaceutical initiatives. Moreover, even when a big drug maker's massive research outlays finally pan out, shortened patent horizons, competition from other, more rapidly appearing new drugs "and pressure from managed-care entities" drive down ultimate paybacks, Roberts continues.

Add the already enormous and growing size of product liability lawsuits, not to mention closer pricing regulation and the specter of socialized medicine, and it's no wonder drug makers are looking for new ideas for improving both the effectiveness of their products and their own earnings. Sure, prospects for drug makers are far from bleak, "particularly as the baby-boom generation enters older age," says David Bonthron, VP of global marketing at Dendrite (a company that has just partnered

with Oracle to provide CRM solutions for the industry). But "the facts are," PRG's Roberts says, "competition is heating up and profits are under pressure."

A new prescription

Massive outlays require massive returns. Given the less profit-friendly climate for pharma companies, "when you develop a treatment today, you have to be in a position to get the most out of the investment," says Willink. Increasingly, "you have to be able to move fast and develop better relationships with customers." The extent to which pharma companies can achieve this state "is becoming a key determinant of future success," says Willink. Merck's Dunn agrees, "Some things aren't being done to the degree

Drug makers are scrambling to adopt a more CRM-friendly focus.

they could be, such as having a single view of the customer; an integrated and elegant interface with the customer—be it a doctor or a consumer/patient—and closer relations with organized healthcare providers and regulators; but they're being addressed." Within three to five years, insists Dunn, "that will all become standard in the industry—so we can either get going now or we can sit back and watch, but those who sit back and watch should be ready for some disappointing future results."

Drug makers are scrambling to adopt a more CRM-friendly focus. But it's not a simple matter. The hurdles include:

- **Complex customer sets:** Doctors write prescriptions. But patients decide whether or not to take the drugs—so direct-to-consumer communications are becoming more common. Then there are hospitals, managed-care organizations and insurers that develop the guidelines for determining where and when various treatment programs will be underwritten. To be successful in the future, says Dunn, "we have to be consistent in our messages, but at the same time, we have to make certain we are getting the right information to the right decision makers at the right time."
- **Complex interactions:** Interactions between drug makers and physicians "range from mundane and routine to complex and highly regulated," says Siebel Life Sciences General Manager Stephen Andrade. "There's a large number of channels by which physicians can interface with or otherwise experience a pharma company, and the industry is just now starting to realize it needs to provide a better experience for that physician based on a more comprehensive view of the relationship."
- **Myriad touchpoints:** By far the largest group of customers are the physicians who prescribe medications, and pharma companies deploy an army of field representatives to facilitate these relationships. For example, at Merck, "we have over 5,000 reps," says Dunn, and as with most everywhere else in the industry, "that number is growing rapidly." But recognize that each individual doctor may interact with a drug maker via myriad avenues, including speaker-bureau events (where treatment regimens are discussed), disease/treatment Web sites (sponsored by a specific drug maker), customer-service centers and clinical-trial participation.
- **Growing patient involvement:** A big trend in the industry is more direct-to-the-patient communication. For example, second opinions are now available on the Internet. A doctor suggests a drug? A drug maker's Web site can provide both technical information specific to its drugs as well as overviews of an entire therapeutic area. A growing number of sites even include "communities" where patients can share experiences. Still another aspect of this phenomenon: appeals that build awareness of new drugs among patients. Switch on the television or open the mail, and chances are you'll see information on everything from asthma to obesity management. Doctors remain integral and patients cannot

write their own prescriptions, but nonetheless these ads show that drug makers are anxious to bring patients into the equation-and evaluating the role and the effectiveness of such efforts is becoming a big part of the CRM challenge for drug makers.

- **Resistant cultures:** It's a lament heard across the industry: Drug companies are silo-oriented. Data resides in vast repositories organized by specific function, drug or therapeutic area. Technically trained and product-focused managers are suspicious of "marketing" initiatives. Consequently the advice from all interviewees is: Do not underestimate the degree of required change-management. Off the record, one contact summarizes the challenge. "My job is to help the company create a unified view of the customer," he explains. "That requires a whole bunch of cross-functional cooperation across a group of very silo-focused people who have no institutional track record of cross-functional cooperation whatsoever." To call it an "uphill battle," he adds, "is quite the understatement."

Drug makers are anxious to bring patients into the equation.

The CRM regimen

But drug makers are recognizing that CRM is a necessity, not an option. Consequently, they are forging rapidly ahead. One example is Boehringer-Ingelheim Canada Ltd. (BI), a company currently implementing a comprehensive system, Siebel's e-Pharma. The goal of the implementation, says Willink, is twofold. First, the company wants to improve experiences for physicians and other customer sets. "To the extent we can develop a true integration of contact points, we begin to provide a unified, consistent face to the customer, and that strengthens relationships," he says. But just as important, Willink believes the system will enable BI to more precisely focus its own efforts. "We used to spend 80 percent of our time gathering customer data and 20 percent of our time creating relevant analysis. With e-Pharma, suddenly that ratio is reversed, so we're now able to spend the bulk of our time performing analysis and making smarter decisions."

Because it can now more accurately test the effectiveness of various marketing mixes, BI is able to more effectively focus its marketing energies. "Certain doctors get sales calls-the most expensive form of interaction-certain doctors attend events," Willink explains, "and others get a phone call, contact a call center," interact on a Web site or receive direct mail. By referencing specific marketing actions to actual prescription-writing data, the Siebel software "provides a tool that is helping us see what works and what doesn't. At what point do our actions result in a change in an individual physician's prescribing behavior?" Armed with this knowledge, "we develop specific ROI relating to specific actions for specific physicians, and so we're able to better optimize our efforts. This is micro-marketing, and it's improving our effectiveness."

As effective as the system is proving, Willink says the more powerful aspect of CRM lies in his company's changing mindset. "Three to five years from now, everyone will have systems just like this one," says Willink. What will keep BI ahead of the curve, he insists, "is the fact that we are committed to customer relationships and that we are creating a knowledge-based culture that learns and improves. At the end of the day, you can't do that with just a system."

Another example of the growing use of CRM is the European efforts of a major U.S. drug maker. According to the VP of sales (whose company insists on anonymity), "there are quite a few challenges specific to Europe-for example, there is limited prescription data in many countries and many others prohibit direct-to-consumer contact." Nonetheless, "we've been rolling out CRM systems that, among other things, correlate sales results in the market with specific sales activities, and we're finding some very surprising things."

The most surprising: "The reactions of the sales force. Who are the specific doctors it makes the most sense to visit, and who should just get a phone call? The ones being called on often are not the correct ones, and the sales force doesn't like hearing that."

Consequently, there is considerable resistance, so the company is setting up a dedicated change-management team. But in the meantime, says the VP, "what we have are rigorous and objective tools. So while we understand why the sales reps are hesitant, we nonetheless are pushing them to hear what we have to say and to begin focusing on doctors they may not have focused on in the past."

Rapid adoption

Leaders are clearly beginning the transition from "a product-driven to a customer-driven approach," says Diana Long, principal of DML Consulting. The most effective programs, says Long, will focus "not only on the critical starting phase of a new drug," but also on the drug's life cycle. Additionally, competent CRM programs will reach out beyond physicians to simultaneously "touch" end-users. For example, a significant challenge in the drug industry is the phenomenon of patients starting a regimen, then unexpectedly, unexplainably and perhaps even incorrectly ceasing to take the medication. A good program, says Long, "will find ways to educate and encourage patients to complete the treatment regimen."

For the most part, the industry is just getting started with CRM. But if anecdotal evidence is any indication, the adoption rate is likely to become astronomical. More than 20 companies were contacted for this piece. The most frequent reaction? "We don't have much to say, yet-but if you could call back in six to nine months...." Siebel's Andrade agrees. "This is a rapidly evolving area for pharmaceutical companies. They've seen how it's been embraced by other industries, and now they're seeing the successes of their peers." Bottom line, says Andrade: "There's a growing recognition in pharma that there's great value in actively cultivating loyal customers through good service, differentiated services and customized relationships." In short, CRM is a prescription the industry seems to be taking seriously. ■

About Peppers and Rogers Group

Founded in 1993 by Don Peppers and Martha Rogers, Ph.D., Peppers and Rogers Group is a management consulting firm recognized as the world's leading authority on customer-based business strategy. It is dedicated to helping companies compete and win by identifying differences within the customer base and using that insight to maximize the value of each and every customer relationship.

Recognized by the World Technology Network as having played a significant role in developing the field of CRM, Don Peppers and Martha Rogers, Ph.D., are the co-authors of the revolutionary *The One to One Future* and a series of business books that further develop the unique one-to-one methodology espoused by their firm. Peppers and Rogers Group is a Carlson Marketing Group company, headquartered in Norwalk, Connecticut. For more information about Peppers and Rogers Group, visit their web site at www.1to1.com.

About Carlson Marketing Group

Carlson Marketing Group, a recognized leader in Relationship Marketing, helps global Fortune 1000 clients increase their ROI by designing integrated marketing strategies that build better relationships with the audiences that clients depend on for their success: employees, channel partners and consumers. Ranked by Advertising Age magazine as the largest marketing services agency in the U.S., Carlson Marketing also has an extensive global presence with offices in Europe, Asia-Pacific, Canada and South America. Carlson Marketing Group is one of the major operating groups of Carlson Companies, which is recognized as one of the top 100 companies to work for by Fortune and Working Mother magazines. The National Women Business Owners Corporation (NWBOC) recently certified Carlson Marketing Group as a woman-owned and controlled business.

Carlson Marketing Group's corporate headquarters is located in Minneapolis. The company has a presence in the following major North American business markets: Atlanta, Bloomington (Ill.), Boston, Chicago, Dallas, Dayton, Denver, Detroit, Houston, Los Angeles, Minneapolis, Montreal, New York, Norwalk (Conn.), Philadelphia, San Francisco, Toronto and Union (N.J.). www.carlsonmarketing.com

