

Lilly sales force stresses its service, knowledge

Sales reps make fewer, better informed visits

By Jeff Swiatek

Elizabeth J. Lindsey used to drive routinely from Bedford to Batesville and beyond, pitching Eli Lilly and Co. drugs to doctors spread across Southern Indiana.



Better focused on quality: Eli Lilly and Co. sales rep Elizabeth Lindsey meets with Dr. Paul Vessely in his Whiteland office. A restructuring of Lilly's 4,000-plus-person sales force means reps like Lindsey are cross-trained on more Lilly drugs while offering clients more information and better service. - Alan Petersime / The Star

Now she calls on doctors in a more compact, three-county area, including parts of Indianapolis, and her paycheck depends partly on serving her medical customers, not just on how much product she sells them.

Lindsey is in the first group of Lilly drug representatives to find their workaday worlds changing in a nationwide restructuring of Lilly's 4,000-plus-person sales force.

The five-year restructuring, to create what Lilly calls its "sales force of the future," blends tinkering of territory sizes and product portfolios with changes to the very notions of what selling drugs is all about.

Lilly's plan aims to show that its sales representatives are more than "infomercials," pitching products, said Lindsey, 26, who joined Lilly's sales force two years ago. "You want to be seen as a resource," she said, helping doctors tailor treatments for patients.

CHANGES IN SALES

Eli Lilly and Co. says its "sales force of the future" initiative will reshape company efforts in several ways:

- Giving many sales representatives smaller geographic territories to cover.
- Cross-training them in more drugs, so Lilly doesn't send as many sales reps to call on a given doctor.
- Emphasizing customer service, so sales reps spend more time responding to requests by doctors for information.
- Figuring bonus payments partly on how well sales reps provide customer service to doctors.

The changes mean Lindsey serves a smaller sales territory, pays more attention to doctor requests for information, and gets evaluated by her manager to be sure she does.

The Indianapolis drug maker is tackling the sales force reorganization following a time of intense public criticism of pharmaceutical companies for relying on free gifts, like lavish dinners and trips to resorts, to get doctors to write prescriptions for their drugs.

The freebies have been reined in under new guidelines on gifts drawn up by the American Medical Association, which represents doctors, and the Pharmaceutical Research and Manufacturers of America, a trade group for drug makers.

At the same time, big firms like Lilly that sell brand-name drugs are looking to shave costs to compete against low-priced generics, and their sales organizations are one place to look for savings.

"Companies seem to be taking a much harder look at how many reps they actually need," said Kent Stephan, chief executive of Princeton Brand Econometrics, a New Jersey market engineering firm that studies drug sales methods.

The total number of U.S. drug sales representatives topped 100,000 in recent years. Lilly's sales force grew from 2,300 in the year 2000 to 4,000 two years later. Lilly wouldn't give the current size of its sales force.

Customer focus

Lilly's plan focuses not on cutting costs but reshaping the sales force "to serve our customers well," said Deirdre Connelly, president of Lilly USA. Lilly based the restructuring on a year's worth of surveys of doctors and other market studies, she said.

"They were asking us, please . . . I don't want to see tons of you. I want to see more folks that bring me more value," she said.

Lilly's plan responds to those wishes by cross-training its salespeople in more drugs, so fewer Lilly reps call on a given doctor, and honing a sales approach that stresses information and service.

To encourage sales reps along those lines, their bonuses depend partly on how well they do in customer service ratings compiled by their district sales managers, said Beth Sexton, project director of sales force for the future. Lilly's bonuses to sales reps previously were based entirely on hitting sales targets.

"You may argue, gosh, it doesn't seem like a lot," she said of the sales force restructuring. "But it's a huge change in mindset, from being single product-focused to being . . . more customer-focused.."

To Lindsey, better customer service means responding swiftly to requests from 140 doctors in her territory, or other customers, for information, she said.

That can mean using a computer she carries in her car to e-mail a requested drug study to a doctor immediately after leaving his office, she said.

Lilly won't say how much the restructuring will cost, said spokeswoman Judy Kay Moore. First to undergo the change this year was the neuroscience sales force, which sells Lilly's top drug Zyprexa, an antipsychotic used to treat schizophrenia. The next group, starting this month, is the diabetes sales force.

It's too early to say what doctors and other customers think of the marketing changes, Sexton said. But feedback from customers and competitors is being tracked closely, she said. Stephan, the marketing consultant, said training sales reps to promote multiple products marks a return to a practice common in the 1970s. Basing bonuses on customer service ratings is much less common in the industry, he said.

Pfizer reorganized, too

Pfizer, the world's biggest drug company, with a sales force that is perhaps double the size of Lilly's, restructured its entire U.S. sales force last year. That included reorganizing sales regions so they correspond to service regions under the federal Medicare health system and reducing the ratio of sales reps per doctor in each product category, said spokesman Rick Chambers. That was done "to respect the time demands of physicians," he said.

Drug industry critic Kathleen Slattery-Moschkau, of Madison, Wis., said she doesn't think Lilly's sales force reorganization will do much to change the emphasis large drug firms put on their sales efforts.

She wrote the screenplay for the newly released independent film "Side Effects," which is critical of drug industry sales tactics.

"Reps work, and they drive profits. They are not going to change something that works even if they are under PR fire," said Slattery-Moschkau, who worked as a drug rep for nine years. "I was able to keep my job by how much pills I could push through my territory. All that mattered was pushing of pills."

Indianapolis family practice doctor Tom Moretto said he has noticed that Lilly has stopped sending multiple sales reps to him for neuroscience products.

"It'd be nice if some of the rest of them did that," he said. "When a company has six to eight drugs and you see six to eight reps every week . . . it gets overwhelming."