Evolving Field Sales Planning & Incentive Compensation for Omnichannel Strategy Success

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Life Science organizations should ensure that their Field Operations are revamped to enable their Omnichannel strategy

Background

- Most Life Science organizations are significantly investing and accelerating their Omnichannel readiness programs

- Commercial operations is also moving to a more dynamic and data driven model

- Apart from digital enablement Life science organization need to focus on evolving Field Ops as a part of the Omnichannel strategy

This presentation covers...

- WHY is transforming Field Ops critical?

- HOW should Field operations workstreams transform?

- WHAT are example approaches from the industry?

- WHAT is the roadmap to transformation?

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Agenda

- Current State of Omnichannel in Industry

- Best Practices for Evolving Field Sales Planning and Incentive Compensation (with Industry Case studies)

- Q&A

Well orchestrated Omnichannel Customer interactions can unlock significant value

OMNICHANNEL

5 – 10%
uplift potential in revenue

3 - 5%
Increases in prescribers

10%
More efficient marketing and cost saving

5 - 10%
Higher satisfaction and customer experience

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Hybrid approach (field force and digital) of customer engagement is more effective compared to these in silos

- Despite 5x increase in digital, the Sales force is still the dominant marketing spend for Life Science companies

- Sales forces continue to have the highest impact on sales compared to other channels[1]

- Role and skill set of the Sales rep is evolving from pure demand generation to "Super Rep" involving problem solving and personalized selling

- Hybrid approach (F2F + digital) are more effective compared to these channels in isolation or silos[2]
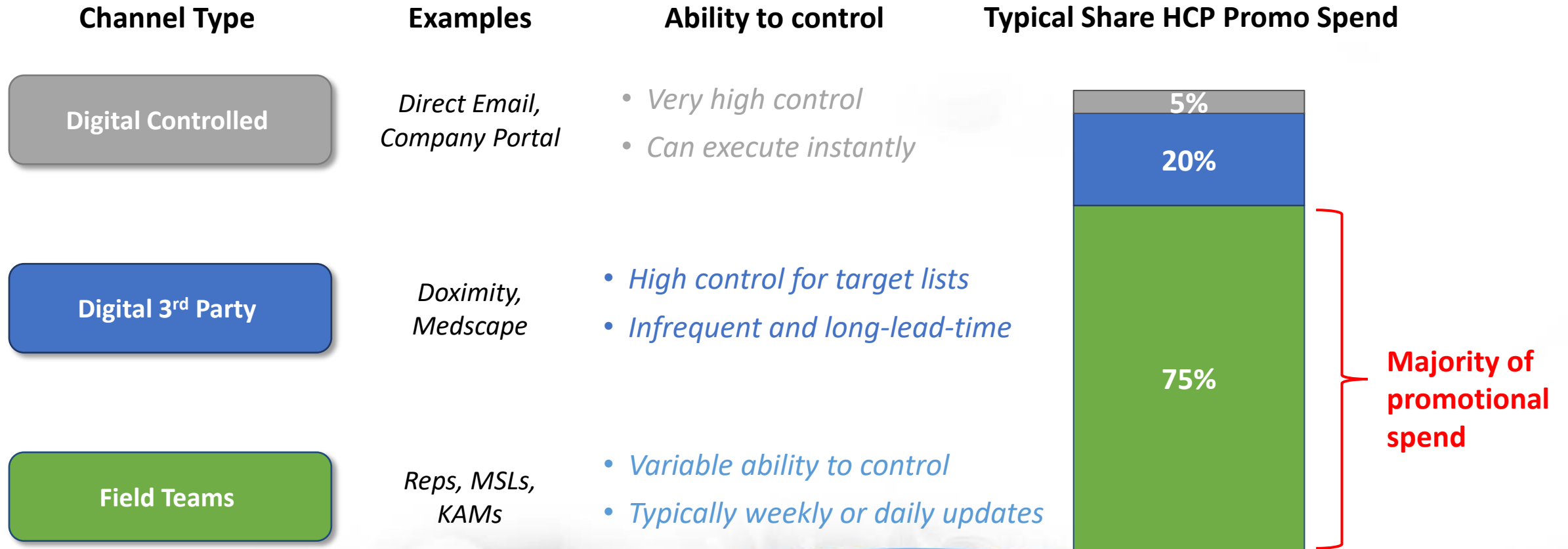
> As Life science organizations enable their omnichannel strategy, it is critical to transform the **Field Operations to ensure success of Omnichannel programs**

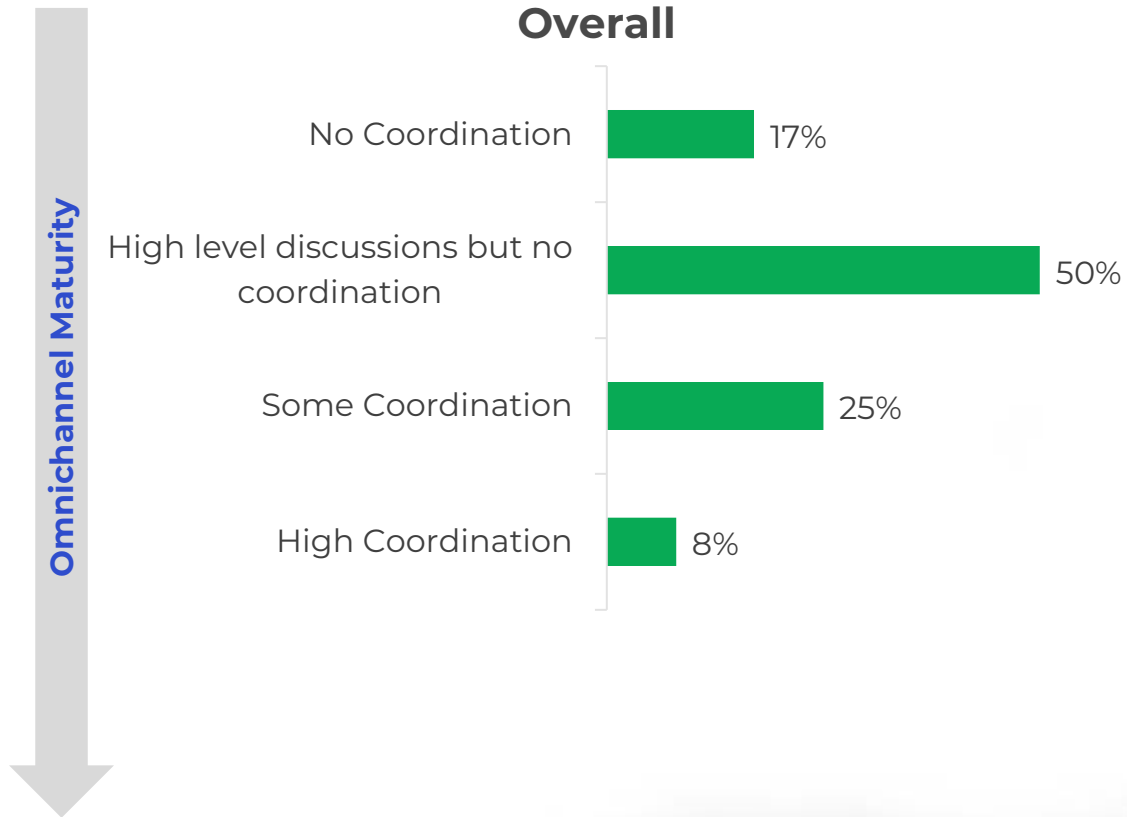1 Source: Axtria Marketing Mix Modelling results database analysis, Global studies 2019-2022
2 Source: Axtria Marketing Mix and Sales Impact Analysis

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As organizations progress along omnichannel transformations, Field teams' adoption is essential for program success

Omnichannel Program 'Last Mile' Channels and Typical Spend

Channel Type	Examples	Ability to control	Typical Share HCP Promo Spend
Digital Controlled	Direct Email, Company Portal	• *Very high control* • *Can execute instantly*	5%
Digital 3rd Party	Doximity, Medscape	• *High control for target lists* • *Infrequent and long-lead-time*	20%
Field Teams	Reps, MSLs, KAMs	• *Variable ability to control* • *Typically weekly or daily updates*	75%

Majority of promotional spend

Omnichannel Readiness: Industry is still at nascent stage

Overall

Omnichannel Maturity

Category	Value
No Coordination	17%
High level discussions but no coordination	50%
Some Coordination	25%
High Coordination	8%

Integration of planning approaches between the Field and NPP is still nascent for **67%** of companies

Source: Axtria benchmarking survey 2022-23

Field reps of successful companies have more complex omnichannel needs

Expectations from the Rep of Today

Patient focus

- Understand patient journeys and healthcare ecosystem
- **Identify issues / bottlenecks to** treatment initiation / adherence
- Work across multi disciplinary roles to provide solutions

Customer centric

- **Know their customers'** workflows, preferences, and needs
- Reduce customers' workload and stress through **problem solving**
- Coordinate across roles to provide 'White-glove' **customer experience**

Omnichannel planning

- Understand **market** and **customers**
- **Support** data and insights collection about customers
- **Plan omnichannel customer engagements / journeys**

Tech savvy

- **Engage** their customers in new ways using digital channels
- Leverage **data and analytics** to be more effective & efficient

Field Operations and Platforms will need to evolve to enhance the rep's success in a more complex omnichannel role

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Field operations need to transform across following dimensions to ensure omnichannel success

1. **Advanced Segmentation**

2. **Evolved Territory Alignment**

3. **Omnichannel Call Planning**

4. **Quotas & Incentives to drive Omni Success**

5. **Omnichannel Ready Platform**

Segmentation will need to become more customized and dynamic to enable Omnichannel customer engagement

	Current	Omnichannel

Segmentation Drivers	• **Traditional segmentation**
	    • Customer profile (specialty, demographics)
	    • Potential (Rx, Patient volume)
	    • Adoption (Market share)
	    • Access (No See accounts)
	    • Influence (KOL)
		Traditional+
		more granular micro segments that help customize messaging and engagement
		• Channel preference/score
		• Customer Journey / Adoption ladder
		• Customer Behavior /Attitude
		• Barriers (community, payer etc.)
		• Propensity (through recent Rx/APLD data)
		• Health system affiliation
		• Patient journey and touch point with HCP
		• Advanced micro-segments driven by ML models

Segmentation Refresh	• **Static**: Infrequent refreshes (Annual, Quarterly)	• **Dynamic** : Frequent refreshes based on recent data

Dynamic scores and segments can be leveraged to optimize channel mix and messages over time

Illustrative

Omnichannel channel journey with orchestrated messages

Dr. Maria Gonzalez Customer Journey

Dynamic Scores & Segs	Product A
Target Tier	Gold
Adoption Ladder	Aware
F2F daily priority score	100
Mktg Email daily score	40
Digital daily priority score	40
Sales Rep Best Message	PULSE Study
Company Portal Content	Content A

Sales call

Score/Seg	Product A
Target Tier	Gold
Adoption	Aware
F2F	10 ⬇⬇
Email	80 ⬆⬆
Digital	40
Best Msg	PULSE Study
Portal	Content A

Mktg. Email
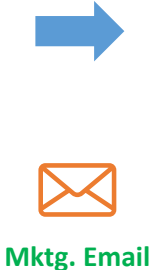
Score/Seg	Product A
Target Tier	Gold
Adoption	Aware
F2F	30 ⬆
Email	20 ⬇⬇
Digital	60 ⬆
Best Msg	Phase 3 Trial
Portal	Content C

Portal Visit

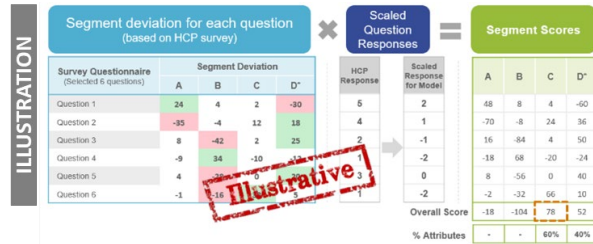| Score/Seg	Product A
Target Tier	Gold
Adoption	Trialing
F2F	50 ⬆
Email	45 ⬆
Digital	95 ⬆⬆
Best Msg	Phase 3 Trial
Portal	Content C

Sales call

Mktg. Email

Case Studies: Advanced Segmentation

## ① Real time HCP Behavioral Segmentation

APPROACH

- Implemented **real time dynamic segmentation** based on field profiling of doctors

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- Segmentation now captures HCPs engagement preferences (e.g. relationship building, learning etc.)
- Enabled more customized customer engagement

② HCP segments based on digital affinity

Relative strength of attributes in predicting Digital Affinity
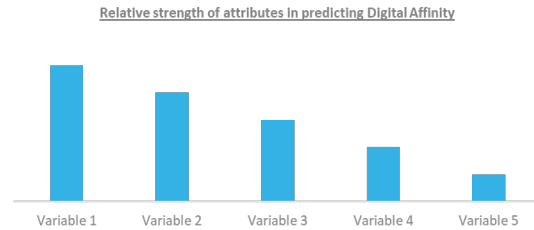
APPROACH

- Analyzed digital response of HCPs based on their attributes
- Developed **digital response segments**

IMPACT

- Reallocation of digital promotion effort to the right HCP groups
- Improved digital customer engagement

③ Patient centric segmentation approach
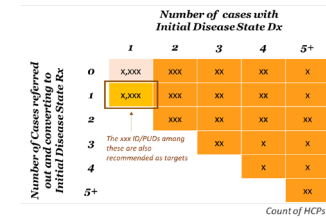
APPROACH

- Segmented HCPs' based on breadth of involvement along the patient journey (diagnosing, treating, choice of regimens etc.)

IMPACT

- Micro segments based on disease state involvement
- Reallocation of effort and messaging based on these micro segments

Field operations need to transform across these following dimensions to ensure omnichannel success
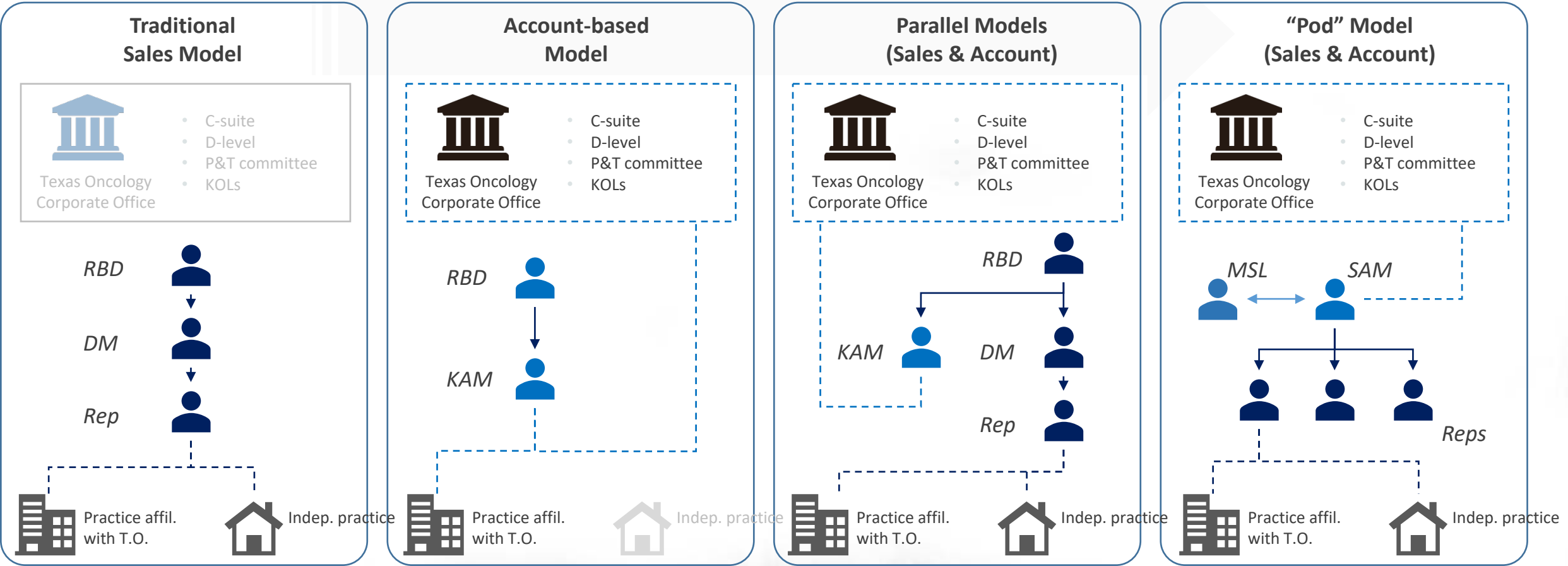
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5. **OmniChannel Ready Platform**

Deployment models need to be more dynamic and collaborative to enable Omnichannel engagement

	Current	Omnichannel
Field Deployment Models	• Traditional sales and account-based deployment models • Siloed deployments across field roles • Workload index based on F2F engagement	• Parallel and Pod models • Customer and patient centric deployment • Omnichannel alignment integrating across field roles • Workload index capturing muti channel activity, channel affinity/preference scores, patient potential etc.

Alignment Refresh	• **Cycle Refresh** (Quarter, Semester)	• **Agile:**
		  • Continuous workload balancing
		  • On demand refresh based on collaboration and ecosystem needs

Technology Enablement	• Rep recorded calls made by them/ their mirrors	• Ability for reps in the pod to refer to any shared notes/activity on the customer

Evolution of Customer Engagement Models

Degree of empowerment
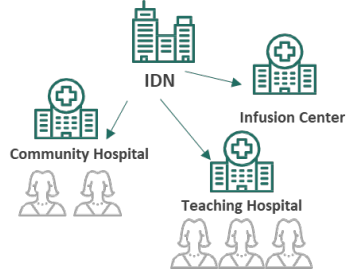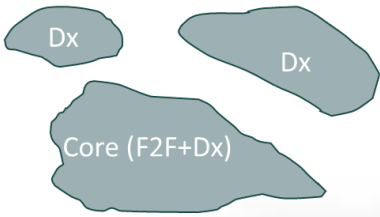*Higher efficiency / superior coordination*
Opportunity & equity of opportunity

Traditional Sales Model

Texas Oncology Corporate Office
- C-suite
- D-level
- P&T committee
- KOLs

RBD
DM
Rep

Practice affil. with T.O.   Indep. practice

Account-based Model

Texas Oncology Corporate Office
- C-suite
- D-level
- P&T committee
- KOLs

RBD
KAM

Practice affil. with T.O.   Indep. practice

Parallel Models (Sales & Account)

Texas Oncology Corporate Office
- C-suite
- D-level
- P&T committee
- KOLs

RBD
KAM   *DM*
Rep

Practice affil. with T.O.   Indep. practice

"Pod" Model (Sales & Account)

Texas Oncology Corporate Office
- C-suite
- D-level
- P&T committee
- KOLs

MSL   *SAM*

Reps

Practice affil. with T.O.   Indep. practice

More "Traditional" → *More "Novel"*

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Evolved deployments are critical to ensure a collaborative omnichannel customer experience

|			Benefits
Customer and Patient Centric Alignment		Customer hierarchy and influence networks organized as ecosystems Patient potential KPI for alignments	• Align field roles with ecosystem • React faster to ecosystem changes
Quarterback Role		Quarterback is the central point of contact for customer within a larger ecosystem	• Field coaching through quarterback • Enhanced coordination
Hybrid Territories		CORE geography for hybrid engagement (F2F+Dx) and an extended geography for pure digital engagement	• Flexible coverage model • Higher customer reach

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Case Studies: Evolved Territory Alignment

1 — Incorporating HCP channel preference to determine workload

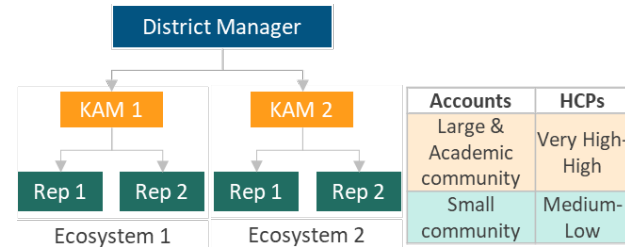| Color	Access Segments
🟧	Poor Access
🟩	Great Access
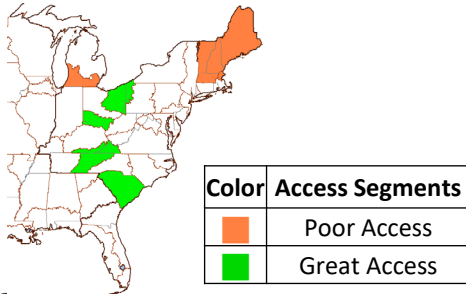
APPROACH

- Territory workload was re-calculated based on HCP channel preference and access
- Multiple data sources were used to assess HCP preference – Industry affinity data, field feedback, field execution.

IMPACT

- Territories were optimized based on multichannel workload

2 — Quarterback KAM Role deployment

District Manager → KAM 1, KAM 2
KAM 1 → Rep 1, Rep 2 (Ecosystem 1)
KAM 2 → Rep 1, Rep 2 (Ecosystem 2)

| Accounts	HCPs
Large & Academic community	Very High-High
Small community	Medium-Low

APPROACH

- Oncology franchise deployed **quarterback KAM** role
- Enabled ecosystems where KAM and specialty reps collaborate
- KAM index include target and managerial workload which designing territories

IMPACT

- Superior customer centric experience

3 — Hybrid territories

(Legend: Over 360mi, b/w 180 to 360mi, Under 180mi)
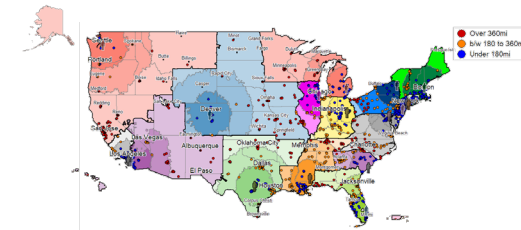
APPROACH

- Segmented territories into 3 buckets based on the drive distance –
  - F2F (<=X mi)
  - Hybrid - Optimized f2F vs Virtual effort (>X mi & <= Y mi)
  - Virtual except few high value targets (> Y mi)

IMPACT

- Optimized field execution (F2F vs Virtual) based on physician value and travel distance

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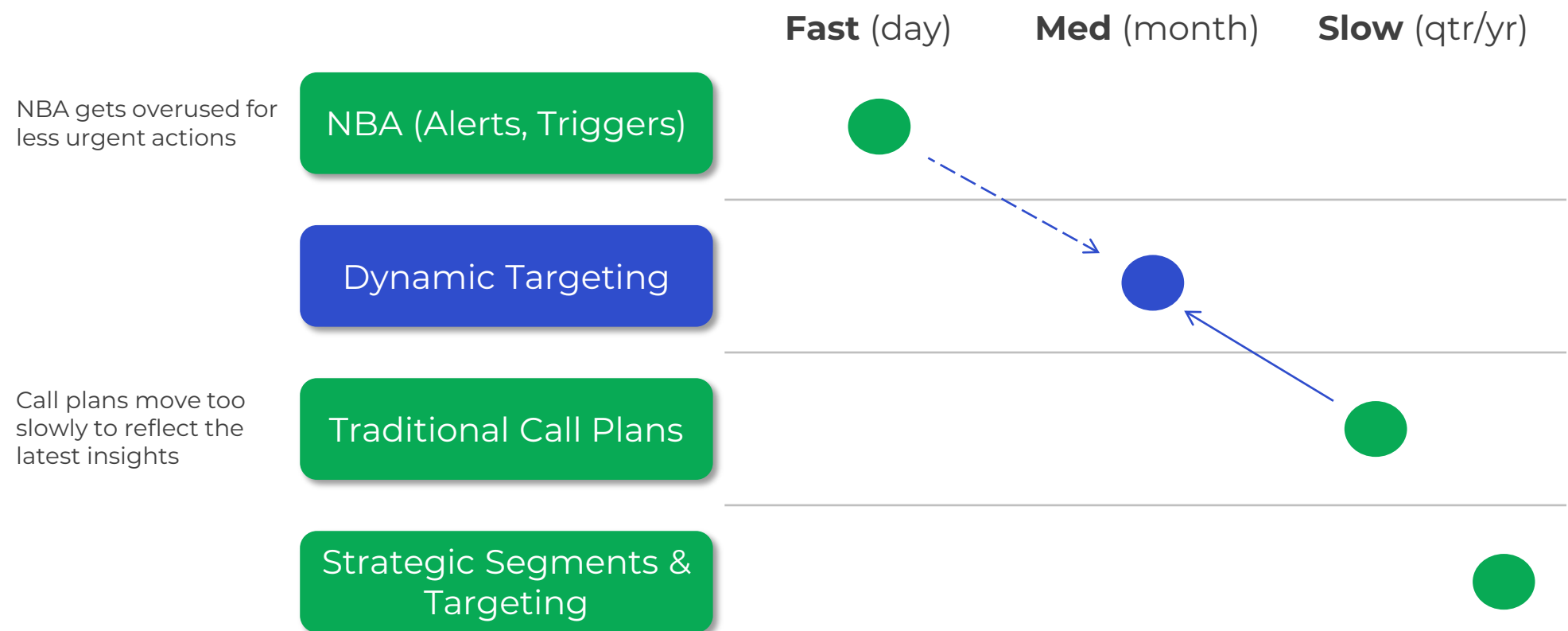4. **Quotas & Incentives to drive Omni Success**

5. **Omnichannel Ready Platform**

Targeting and activity planning will need to be more dynamic and agile to enable Omnichannel strategy

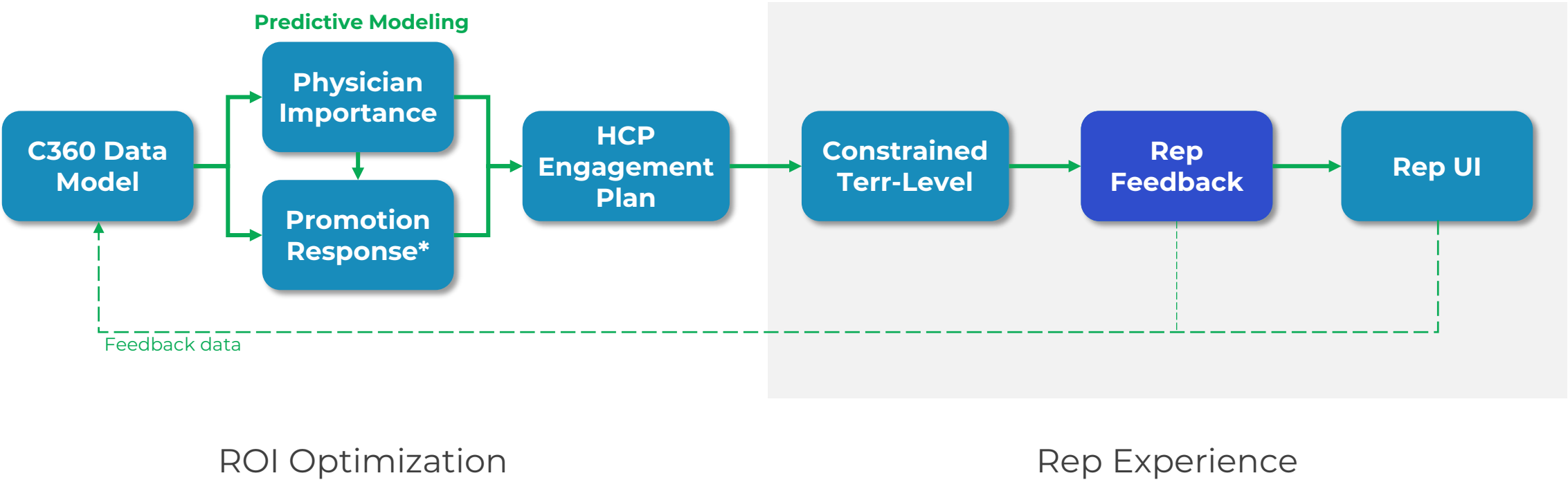|	**Current**	**Omnichannel**
Activity Plan Generation	• Cycle Single channel activity plans generation • Optimize only Sales force engagement	• Multi channel call plan generation adjusted for marketing and digital channels • Optimized customer engagement based on customer journeys
Field Refinement	• Field review and refinement at start of cycle	• Always on updates by field • Visibility to activity by other marketing channels
Plan Updates	• Cycle based updates	• Dynamic Targeting: Regular (Monthly/Weekly) update of multi channel cycle plan • AI/ML driven NBA suggestions • Customer leads based on patient data analysis

Dynamic Targeting addresses needs between the urgent actions and slower strategic targeting

Targeting paradigm vs. speed of insights

	Fast (day)	**Med** (month)	**Slow** (qtr/yr)

NBA gets overused for less urgent actions

NBA (Alerts, Triggers)

Dynamic Targeting

Call plans move too slowly to reflect the latest insights

Traditional Call Plans

Strategic Segments & Targeting

Success in Dynamic Targeting requires both ML algorithms and a great rep experience
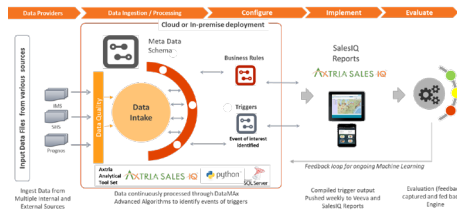
Dynamic Targeting operational workflow

Predictive Modeling

| C360 Data Model | | Physician Importance | HCP Engagement Plan | Constrained Terr-Level | Rep Feedback | Rep UI |

Promotion Response*

Feedback data

ROI Optimization

Rep Experience

*short term

Case Studies: Omnichannel Engagement Planning

① Dynamic Targeting for rare disease franchise

APPROACH

- Provided **dynamic targeting triggers** based on new patient identification using claims, lab, and affiliations data
- Axtria's SalesIQ platform leveraged to provide timely, transparent information to field

IMPACT

- Flexible to changing business needs
- **30% lift in patient enrollments** within 6 months of rollout

② Continuous Field Intelligence Tool for Top 10 Pharma
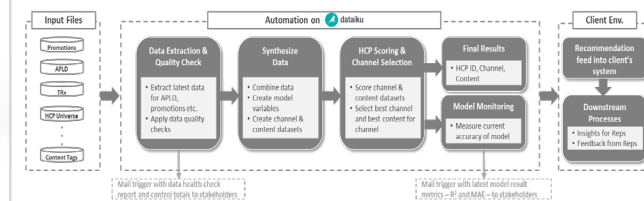

APPROACH

- Enabled **always On refinement feedback** from field
- Provided additional insights on HCP preferences and prescribing behavior
- **Weekly call plan refresh** in commercial planning and data systems including CRM

IMPACT

- Personalized multi-channel call plans for all underperforming HCPs and reps

③ Integrated omnichannel promotion optimization engine

APPROACH

- Enabled automated **Dynamic, omnichannel suggestions personalized for all HCPs**
- ML models used to provide best channel and best content

IMPACT

- High adoption by field force
- **4-5% Rx uplift**

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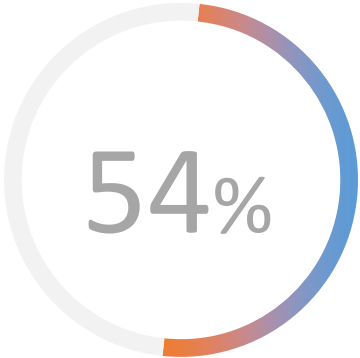

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Factors Contributing to Challenges With Omnichannel Success

% of Pharma Executives Cited These Factors as Challenges to Omnichannel Success

54%
Change Management

48%
Skills and Experience

47%
Current Org Structure

47%
Alignment With Teams
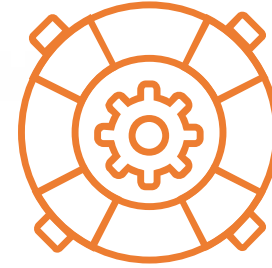
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Key Elements for Driving Change Management

Leadership
Support

Field
Motivation

Field
Enablement

Crucial Role of Incentives to Drive Employee Engagement and Organizational Transformation Outcomes

5x

Increase in Excess Shareholder Return

22%

Increase in Engagement and Motivation

Companies using financial incentives tied to transformation outcomes achieved on average ~5x increase in total excess shareholder returns – *McKinsey*

Effective incentive programs using tangible awards increase employee engagement and motivation by 22% on average – *Incentive Research Foundation*

Crucial Role of Incentives to Drive Employee Engagement and Organizational Transformation Outcomes

Financial incentives that reward both execution and organizational health have the greatest impact.

Average 24-month excess TSR compared with relevant sector and geographic index,[1] %

No financial incentives tied to transformation execution	5
Financial incentives tied to transformation execution	24
Financial incentives tied to transformation execution and OHI[2] improvements	31

[1] N = 60 companies.
[2] Organizational Health Index.
Source: McKinsey analysis

1 Axtria benchmarking study on IC design shows teams following best practices on average perform 2%–6% better on forecast achievement
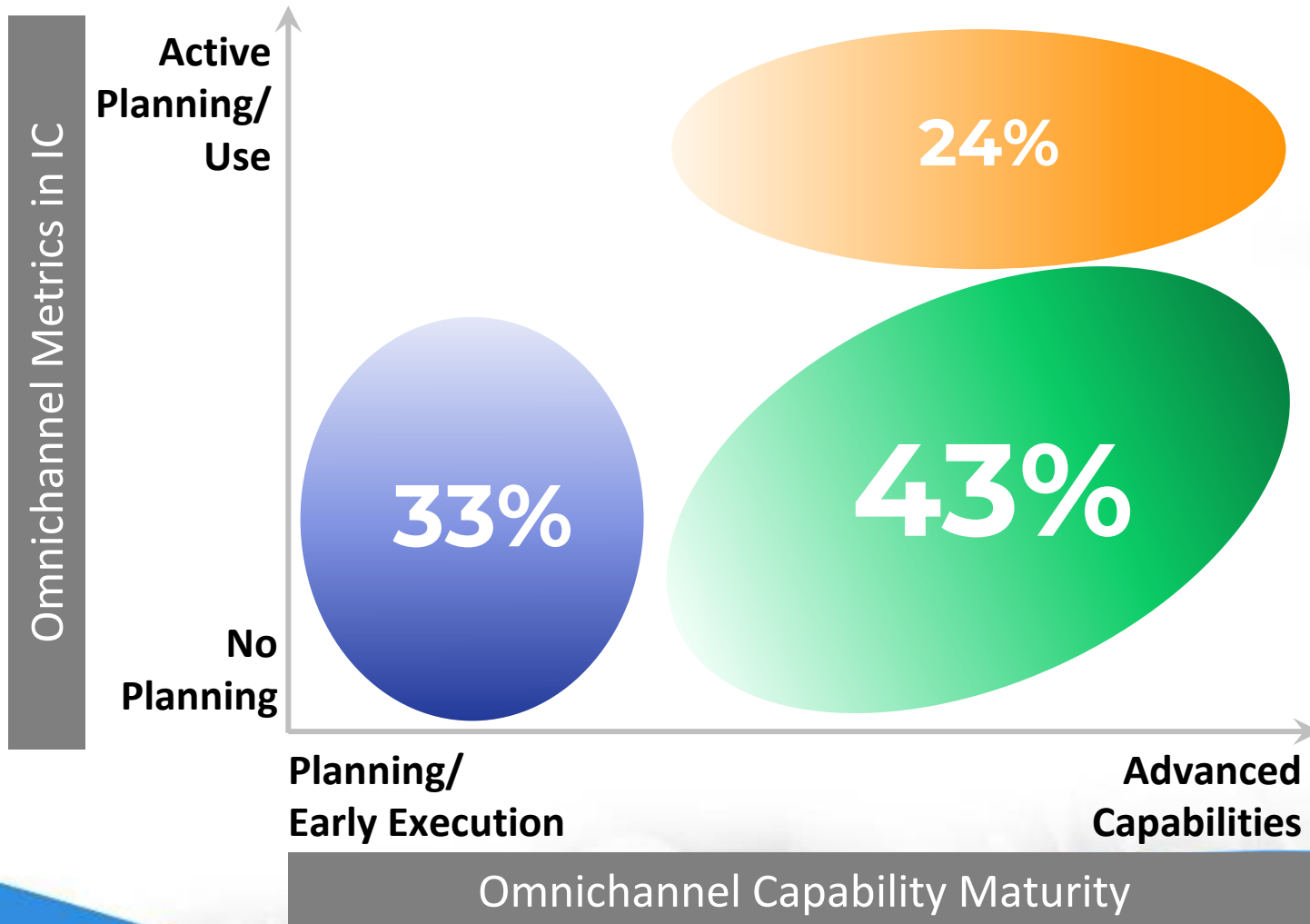
2 Axtria survey of pharma commercial leaders shows 100% believe IC to be a very important lever to achieve commercial success and 90% identified IC as the key lever for driving field execution and achievement of strategic objectives

3 Incentive Research Foundation study showed IC programs increase motivation and engagement on average 22% when used effectively

Yet, Use of Incentives for Driving Omnichannel Change is Low

Approximately 25% of organizations in the study are either actively planning to use or are actively using omnichannel engagement metrics in at least one team's IC plans

Omnichannel Metrics in IC (vertical axis)

Active Planning/ Use — **No Planning**

- 24%
- 33%
- 43%

Omnichannel Capability Maturity (horizontal axis)

Planning/ Early Execution — **Advanced Capabilities**

- Organizations that are currently incentivizing OR are actively planning to incentivize at least one Field team on Omnichannel activity/engagement metric(s)
- Typically being used today with specific teams and/or on a smaller pilot scale

- Omnichannel capabilities exist, and the use of metrics in Field IC is being (or has been) considered
- Includes advanced Omnichannel capability organizations who have explored omni adoption in IC but are not currently pursuing

- Prioritizing development of foundational omnichannel capabilities and program before active planning on potential to measure and incentivize Field on omnichannel metrics

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Primary Reasons Cited for Not Incentivizing Field for Omnichannel

1 Want to wait to see how OC develops

2 Don't want to pay for activity, unsure what else to try

3 Can't measure performance or true outcome

Key considerations when introducing omnichannel metrics into Field IC plans

Pilot vs. **Broad Rollout**

- Smaller scale rollouts and pilots can be effective in testing use cases and getting key Field / Sales leadership feedback
- Requirement on metric confidence goes up with broad rollout

Team vs. **Individual**

- Small team (w/in FLSM) metrics can increase social learning and responsibility, while also placing a FLSM as accountable for ensuring adoption and accuracy of tracking activity

Contest / Rewards vs. **Core IC Plan**

- Use of metrics outside of core IC, or as upside for those already achieving core IC goals, can reduce uneasiness of Field
- Better comfort of IC budget utilization on business impact metrics
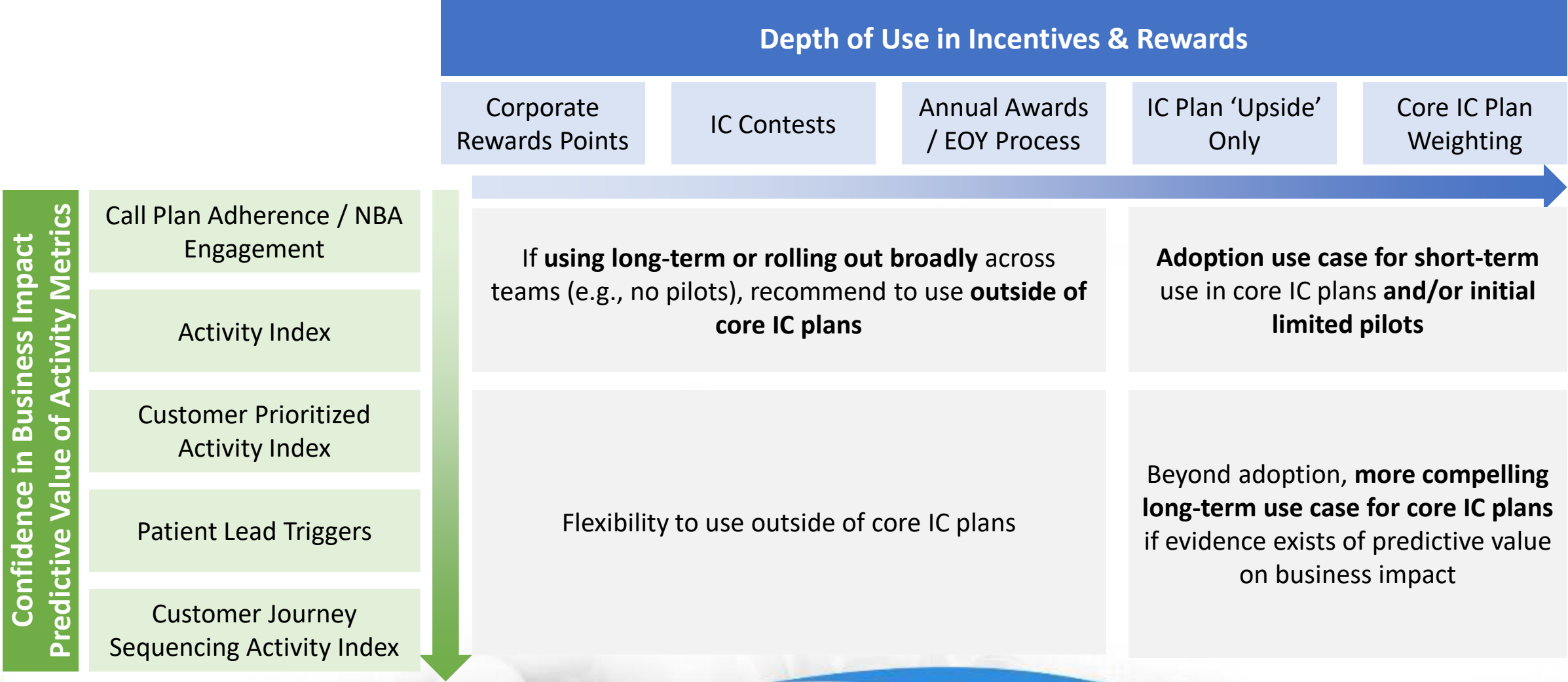
Strategic Activity OR Engagement/Impact vs. **Activity**

- Strictly activity-based metrics (without reference to customer prioritization or activity sequencing) have challenges for use in IC beyond initial adoption of new tools and ways of working

# Framework for effectively using omnichannel activity metrics in IC and rewards programs

Depth of Use in Incentives & Rewards				
Corporate Rewards Points	IC Contests	Annual Awards / EOY Process	IC Plan 'Upside' Only	Core IC Plan Weighting

Confidence in Business Impact Predictive Value of Activity Metrics

- Call Plan Adherence / NBA Engagement
- Activity Index
- Customer Prioritized Activity Index
- Patient Lead Triggers
- Customer Journey Sequencing Activity Index

If **using long-term or rolling out broadly** across teams (e.g., no pilots), recommend to use **outside of core IC plans**

Adoption use case for short-term use in core IC plans **and/or initial limited pilots**

Flexibility to use outside of core IC plans

Beyond adoption, **more compelling long-term use case for core IC plans** if evidence exists of predictive value on business impact

Progression From Activity Based to Omnichannel Outcomes Based

1 How to define outcomes – Measurable improvement in engagement and experience
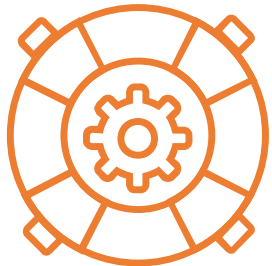
2 Characteristics and KPIs for engagement and experience

3 Mechanisms for tracking data and enabling tracking of such KPIs

4 Linking KPIs to tangible incentives

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Case Study: Design & implementation of global incentive framework at Top 5 Pharma to drive omnichannel strategic objectives

SITUATION

- Transformation of field team roles and responsibilities at Top 5 Pharma Client to support evolving market dynamics and drive competitive advantage
- Incentive Compensation identified as a key lever to drive field execution and achievement of omnichannel strategic objectives
- Tasked with designing and rolling out a Global Framework to support the successful enablement of this transformational strategic move

APPROACH

1 Conducted **executive interviews** to understand corporate **Omnichannel strategic objectives** and assess **local market readiness**

2 Leveraged **global benchmarking** to generate a robust **library of IC Metrics** aligned to new field force focus areas and competencies

3 Developed practical **6-step global IC design framework** driving **Omnichannel objectives** while providing **regional flexibility** to tailor plans based on local market strategy and operating environment

4 **Phased framework roll-out** to select pilot markets for feedback incorporation prior to complete global rollout

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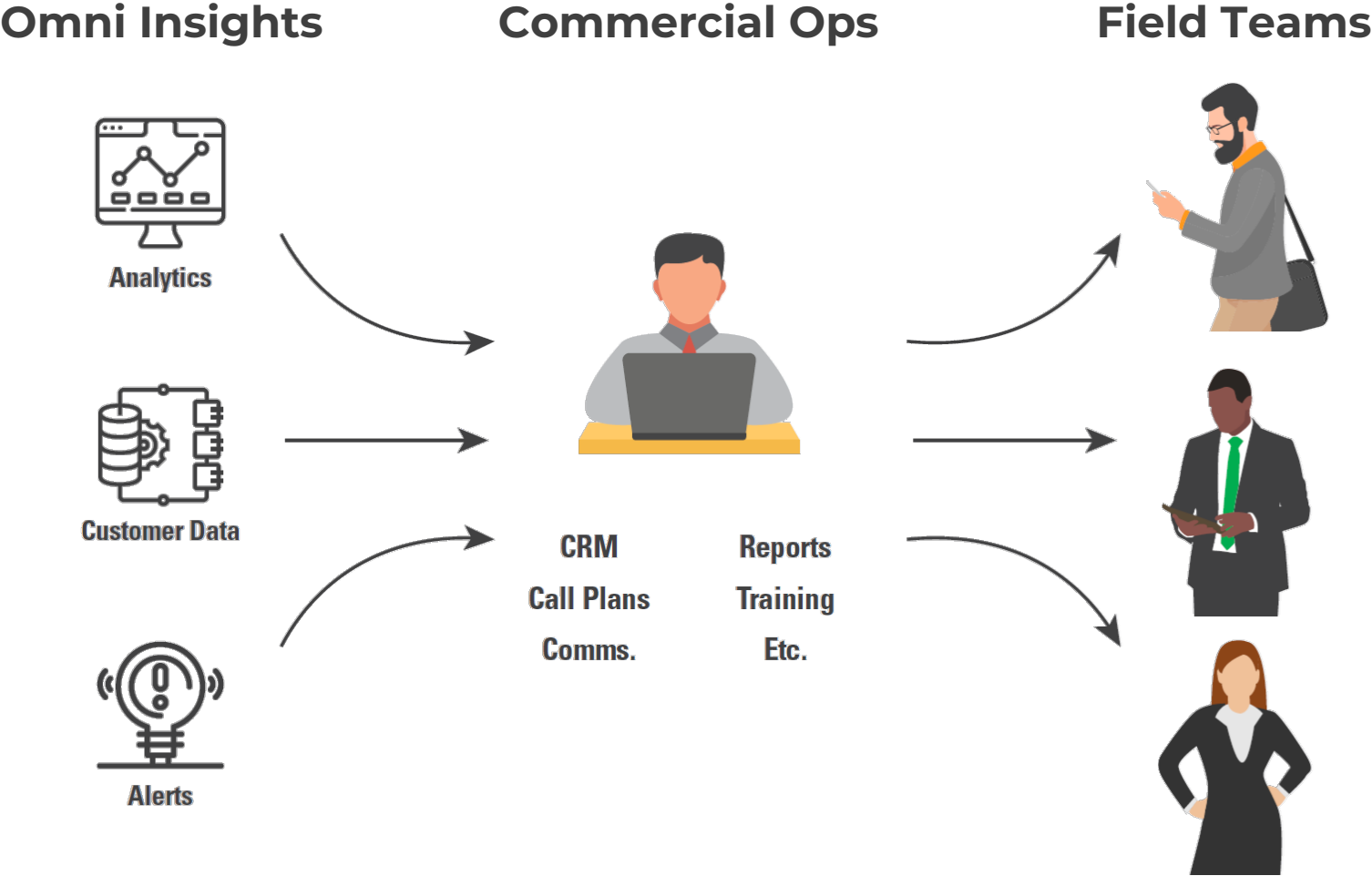
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Omnichannel programs need careful planning to overcome mistrust of the algorithms

The fear: computer control

Commercial Ops teams need to ensure complex omnichannel programs are easy for field teams to use

Omni Insights

Commercial Ops

Field Teams

Analytics

Customer Data

Alerts

CRM

Call Plans

Comms.

Reports

Training

Etc.

Integrated Omnichannel ready platform is critical to enable Omnichannel strategy and collaboration

End-to-End Integrated Sales Planning And Operations Solution

DIGITIZED INTEGRATED SALES PLANNING AND INCENTIVES

- Support evolved customer centric deployments

- Create a personalized **Omnichannel interaction plan** backed by data driven intelligence
- **Dynamic targeting capability**

- Intelligent personalized insights
- Customer360 view

OMNICHANNEL SEGMENTATION & TARGETING	TERRITORY ALIGNMENT	ROSTER	OMNICHANNEL CALL PLANNING	QUOTAS & INCENTIVES	Field Intelligence

- Include advanced Omnichannel dimensions
- Support Dynamic Segments and Scores

- Manage all evolved Omnichannel field roles

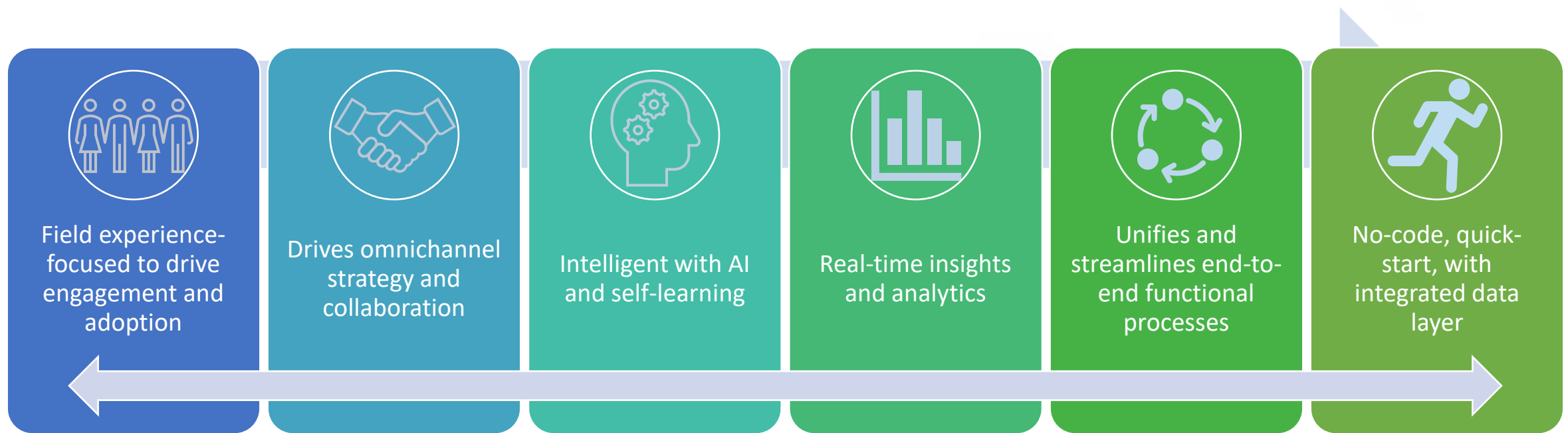- Support Omnichannel IC metrics
- Advanced MBO capabilities

BENEFITS

- ✓ One stop Shop for field/HQ users
- ✓ Self-service Omnichannel Collaboration

- ✓ Smart Omnichannel execution with embedded Analytics
- ✓ Agility – adapt quickly to market

ORGANIZATIONS CAN CONSIDER A PHASED APPROACH TO TRANSFORMING FIELD OPS TO ENABLE OMNICHANNEL SUCCESS

EVOLVE & INNOVATE

- Annual health check of revised SalesOps approaches and capability
- Pilot new approaches and deployment models

SCALE

- Leverage learnings from Pilot and customize SalesOps transformation approaches
- Expand to other teams by business unit of therapeutic area
- Ensure robust training and change management process

PHASED PILOT

- Select pilot team based on willingness to innovate and availability of robust customer data
- Pilot select capabilities in phases
- Run pilot for one planning cycle and capture learnings
- Determine ROI of transformation

ORGANIZATIONAL ALIGNMENT & BUYIN

- Establish organizational commitment on Omnichannel SalesOps Transformation
- Define new ways of working
- Establish clear roles and responsibilities across functions
- Field communication and townhalls to gain buy in

THANK YOU!

Authors
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Dan Stewart – Sr. Director, Axtria