


HEALTHCARE

## **The Pharmaceutical CRM Outlook**

Optimizing returns from operational and analytical CRM

By Steven Seget

 [Table of Contents](#)

## **Steven Seget**

Steven Seget is the Director of Delphi Pharma, and provides independent strategic consulting services to the pharmaceutical and biotechnology industries. Delphi Pharma provides strategic, financial and market-based solutions to clients, focusing primarily on the marketing, business development and licensing functions. Steven previously managed the strategic healthcare consulting function at Datamonitor and graduated from the London School of Economics in Accounting & Finance.

Copyright © 2004 Business Insights Ltd

This Management Report is published by Business Insights Ltd. All rights reserved. Reproduction or redistribution of this Management Report in any form for any purpose is expressly prohibited without the prior consent of Business Insights Ltd.

The views expressed in this Management Report are those of the publisher, not of Business Insights. Business Insights Ltd accepts no liability for the accuracy or completeness of the information, advice or comment contained in this Management Report nor for any actions taken in reliance thereon.

While information, advice or comment is believed to be correct at the time of publication, no responsibility can be accepted by Business Insights Ltd for its completeness or accuracy.

Printed and bound in Great Britain by MBA Group Limited, MBA House, Garman Road, London N17 0HW. [www.mba-group.com](http://www.mba-group.com)

# Table of Contents

## The Pharmaceutical CRM Outlook

<b>Executive Summary</b>	<b>10</b>	
An introduction to CRM	10	
CRM adoption in the pharmaceutical industry	11	
Operational CRM technologies	11	
Analytical CRM technologies	12	
Key CRM vendors	13	
Key CRM business applications	14	
Measuring return on investment	15	
Future trends, technologies and recommendations	16	
<b>Chapter 1</b>	<b>An introduction to CRM</b>	<b>20</b>
Summary		20
Definitions and impact		21
Potential value		21
Operational CRM		22
Analytical CRM		25
<b>Chapter 2</b>	<b>CRM adoption in the pharmaceutical industry</b>	<b>30</b>
Summary		30
Unmet needs in customer relations		31
CRM in sales		31
CRM in marketing		32
CRM in customer fulfillment		34
The promise of CRM solutions		36
CRM and the pharmaceutical customer		38
CRM and the physician		38

CRM and the patient	39
Product lifecycles	40
Diseases and geographic markets	41
<b>The implementation of CRM solutions</b>	<b>42</b>
<b>Chapter 3</b>	<b>Operational CRM technologies</b>
	<b>50</b>
Summary	50
The operational CRM market	51
Key operational CRM technologies	54
Services	55
Product development	55
Integrating applications	56
<b>Chapter 4</b>	<b>Analytical CRM technologies</b>
	<b>60</b>
Summary	60
The analytical CRM market	61
Key analytical CRM technologies	61
Data quality	62
Data storage and management	65
Business intelligence and decision support	67
<b>Chapter 5</b>	<b>Key CRM vendors</b>
	<b>72</b>
Summary	72
Introduction	73
Chordiant	74
E.piphany	76
Kana	77
Microsoft	78
Optas	79
Oracle	79
PeopleSoft	80
Pivotal MarketFirst	82
Profero	82
SAS	83

<b>Siebel</b>	<b>84</b>
<b>Softwatch</b>	<b>85</b>
<b>UNICA</b>	<b>86</b>
<b>Chapter 6</b>	<b>Key CRM business applications 90</b>
<b>Summary</b>	<b>90</b>
<b>Introduction</b>	<b>91</b>
<b>Sales targeting</b>	<b>91</b>
Physician detailing	92
Physician feedback	93
Customer relationships	97
Diseases management services	98
Structuring and sizing a sales force	99
<b>Campaign management</b>	<b>99</b>
Intelligent customer care	100
Campaign management technology	101
<b>Online branding</b>	<b>104</b>
Targeting physicians	104
Targeting patients	105
<b>Call centers</b>	<b>108</b>
Call centers for patients	109
Call centers for physicians	111
Call centers for sales forces	112
Conclusion	113
<b>Chapter 7</b>	<b>Measuring return on investment 116</b>
<b>Summary</b>	<b>116</b>
<b>Calculating ROI in CRM</b>	<b>117</b>
GSK's Zinnat in Italy	118
<b>Case studies</b>	<b>122</b>
AstraZeneca: When a smart phone works	122
Bristol-Myers Squibb: E-Learning initiative	122
Bristol-Myers Squibb: Targeted implementation	123
Johnson & Johnson: Procrit promotion	125
Merck: Overcoming organizational resistance	126
Mitsubishi-Tokyo: Intelligence needs of an expanding sales force	127
Roche: Brand level CRM	128
Ventiv Health: When a PDA works	129

<b>Chapter 8</b>	<b>Future trends, technologies and recommendations</b>	<b>132</b>
<b>Summary</b>		<b>132</b>
<b>Introduction</b>		<b>133</b>
<b>Future trends</b>		<b>133</b>
Integration of analytical and operational CRM		133
CRM access for smaller companies		134
Real-time analytics		135
Targeting seniors		135
<b>Future technologies</b>		<b>136</b>
Sales force automation in CRM		137
Real-time CRM		137
Increased bandwidth in CRM		139
Voice recognition technology in CRM		141
iTV in CRM		143
<b>Key recommendations</b>		<b>143</b>
Successful CRM implementation		144
Providing a quality service		146
Clinical trial recruitment		147
<b>Chapter 9</b>	<b>Appendix</b>	<b>150</b>
<b>Glossary</b>		<b>150</b>
<b>Index</b>		<b>151</b>

# List of Figures

Figure 1.1:	Operational CRM	23
Figure 1.2:	CRM uptake pathway	24
Figure 1.3:	The aCRM process	26
Figure 2.4:	Customer fulfillment: a two-way process	35
Figure 2.5:	CRM tactics and resource allocation over the product lifecycle	41
Figure 2.6:	Failures and implementation timetables	44
Figure 2.7:	Snapshot of CRM Implementation rates amongst sample	45
Figure 2.8:	The role of the PMO in CRM selection and implementation	48
Figure 3.9:	Migrating to and from operational CRM	53
Figure 4.10:	Process of uptake of Analytical CRM	62
Figure 4.11:	The Data Quality Process	64
Figure 6.12:	Matching the most suitable eDetailing program to physician prescribing behavior	95
Figure 6.13:	The relationship between a product's brand equity and its customer base	106
Figure 7.14:	CRM implementation costs	117
Figure 7.15:	Net present value	120
Figure 8.16:	Basic infrastructure in real-time CRM	138
Figure 8.17:	Key benefits of increased availability bandwidth to users	140
Figure 8.18:	Benefits of Voice recognition technology	142

# List of Tables

Table 2.1:	Benefits of CRM in marketing	33
Table 7.2:	Zinnat (Italy) prior to CRM implementation modeling	119
Table 7.3:	Zinnat (Italy) post CRM implementation modeling	119
Table 7.4:	Costs attributable to CRM under scenario	121