CHAPTER – VI

HUMAN RESOURCE MANAGEMENT AND TRAINING OF EMPLOYEES IN PHARMACEUTICAL INDUSTRY

6.1 INTRODUCTION

Like any other business the prime objective of marketing management is to earn profits through satisfying customer needs and wants. Marketing Manager therefore, first study and understand the real needs of the market, wants, belief and customer’s attitude towards the product.

Very recently India has started implementing product patent regime. Naturally this change also brought number of changes in the pharmaceutical market. The space of introduction of new formulations has been slowed down. Marketing has assumed greatest importance and will continue to be so in times to come. The success of the marketing will lie on the proper understanding about the expectations of the consumers.

6.2 MANAGEMENT OF EMPLOYEES / TRAINEES

Management of the employees is the task to be accomplished by the Human Resources Management, including the staff of the marketing dept. Marketing department generates the cash income therefore needs to be managed very carefully.
Loyal employees’ team is the biggest asset of any organization. Following key elements properly administered lead to cultivation of loyalty of the employees by motivating them:

Following are certain core elements to cultivate loyal employees by motivating them:

- There should be vision and proper career path planning
- Promote culture wherein every employee feels valued and respected.
- Create an environment and work culture where every employee will feel comfortable with his and his family future is secured.
- A sound system of rewards and recognition may be developed.

Each of these elements is dealt in detail as follows:

- **Create a vision and a clear career path**

  In any organization whenever any new employee joins he/she should be properly introduced to the organization through an orientation course. The new incumbent should have clear idea of the career path available for him. He should be briefed as what competencies he needs to develop to tread that career path. There should be a team of talented youths who can take up higher responsibilities in times to come. The new incumbent should be groomed keeping in view his strengths and how the organization can best be benefited with his performance.
Foster a culture where every employee feels respected and valued

The HR people should believe that every one in the organization has something inherent talent in him with which the organization can derive certain benefit irrespective of his age, experience. The need is to recognize the hidden talent. The employee should be encouraged to participate in discussions, decision making at his level within the organizational structure. Periodical team meetings can best be used for grooming the staff.

One more aspect is also very important that is of trust. Trust begets trust. Trust the employee that he will do his job well. You should encourage them to take decisions within their sphere of authority.

Work Place

Encourage a workplace where employees can feel free to create a future for themselves and their families

Create an atmosphere in the organization where the employee will feel comfortable and develops feeling that this is the organization where I can make my career. Create an environment where the employee will explore his strengths and passion. There should be performance reviews by the superiors in which case there will be interaction with the employee. His views about his training needs, exposure required may be taken note of.
Motivation

The organization should develop a sound motivation system where the employee will be confident that there is a good scheme of recognition and rewards and then he will get fully motivated to put in concentrated efforts to accomplish the task assigned to him.

Develop a system of rewards and recognition to keep your employees motivated.

The HR department should in the first identify the recognition needs and then formulate motivation schemes. In fact financial conditions of the organization do not come in the way of formulating such motivation schemes. Even appreciation letter or appreciation in the meetings may motivate the employee. Giving a memento in appreciation of his services may also motivate the employee as he can display the memento at home. His family may also take pride in it. For any suggestion, or developing any new system if an employee is to rewarded take into account the cost benefit of the suggestion and reward him suitably.

In a marketing organization in order to ensure that the field staff achieve the sales target set out for them there should be some attractive prizes which motivate the sales staff. In multinational and some domestic large size companies such prizes include foreign tour along with family, presentation of a car or a consumer durable etc. These are the schemes for individuals. Companies also announce group schemes or schemes for the geographical divisions the company
has. There are schemes for the distributors and doctors as well in pharma sector.

In the pharma sector the medical representatives are well organized. The industrial relations are satisfactory.

Although the medical representatives are well organized the overall industrial relations in the pharma industry are satisfactory.

**Table 6.1: Perception of employees about Management’s Approach to the trade**

<table>
<thead>
<tr>
<th></th>
<th>Positive</th>
<th>With reservation</th>
<th>Negative</th>
<th>Total No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>82</td>
<td>589</td>
<td>42</td>
<td>713</td>
</tr>
<tr>
<td>Percentage</td>
<td>11.50%</td>
<td>82.60%</td>
<td>5.90%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Filed Survey Data & Organizations’ Bulletins

From the above presentation it will be seen that 11.50% of the employees feel that the management’s approach towards the trade union is positive. Merely 82.60% MRs have reservations and 5.90% of the Employees feel that the management’s approach is negative.

Following are some of the reactions from Pharma industry side:

1. India’s Rs 50,000 crore pharmaceutical industry employs around five million people, of which two million are sales representatives. The Indian Drug Manufacturers’ Association (IDMA), Organization of Pharmaceutical Producers of India (OPPI), and Indian Pharmaceutical Alliance (IPA) plan to ask the government to exclude sales representatives from the purview of labour laws.
6.3 CHALLENGES BEFORE PHARMA BUSINESS

To day the pharma industries are facing new challenges. After adoption of the globalization numbers of multinational pharma companies are entering into the Indian pharma market and thereby there is a stiff competition in the market. These foreign companies have a wide range of products. They have innovative marketing strategies that helps them to have good market share. Besides because of their sound financial position they are heavily investing in the research and development and are introducing newer and newer products.

The challenges faced by the Indian pharma sector industries are listed herein below:

Following are some of the challenges which pharma companies are facing in the market.

1. Because of the arrival of new companies there is rise in attrition rate of sales personnel. The challenge is to retain the committed employee.

2. Paucity of wide range of products compared to the multi national companies.

3. Dearth of competent medical representatives for clinical effectiveness.

4. Need for gaining customer’s confidence.

5. Payments of distributors / stockiest

6. Adherence to the Government regulations
It merits mention that in making this particular recommendation, MCI has done away with the blanket ban on gifts imposed last month when the regulations were first issued. The recommendations also address other grey areas including sponsorship of travel and lodging of medical practitioners participating in a conference, the issue of monetary grants and the question of clinical research funding.

The monetary limits and the punitive clauses for infringing any of these regulations are similar to those defined for gifts.

The modifications come in the wake of popular demand for a review of some of the clauses in the regulations. Ever since the regulations have been issued it has been felt by doctors and Industry alike that some of the clauses in the regulations leave a lot of room for ambiguity. The argument is that if the involved parties are not clear on the regulations, they won’t even realize if and when they have infringed them. To set the record straight and to facilitate a strict implementation of the guidelines, MCI has been mulling an amendment in the regulations for quite sometime now. It is expected that MCI will come out with the amended version of the regulations in a few days.

### 6.4 RESEARCH AND PUBLIC RELATION

The pharma companies carry out market research for any particular product at the national level. For this purpose these companies engage professional in this line who calls on the doctors, distributors, and hospital administrators for collecting the data from various places. The data is then analyzed and conclusions are drawn. The conclusions are pilot tasted and
based on the results those are commercially adopted. The market surveys help the companies to organize their product promotions. These companies promote their brand medicines through mix of advertising, personal selling and by public relations.

### 6.5 DRUG DISTRIBUTION AND BRAND MANAGEMENT

Usually the marketing chain for the pharmaceutical products is depot/Carrying & Forwarding (C & F) Agents, Stockiest and the retailer chemist. Stockiest are spread in all the districts. There is one C & F agency is for the state. Retailers at all the towns and villages and they buy their requirements daily/weekly basis. Patients procure their requirements from the retailers.

The traditional model of pharmaceutical marketing has undergone a sea change. Companies have moved on from being primarily sales-oriented to now realizing the significance of services marketing with the focus on cross selling.

Apart from the marketing channels stated above, pharma companies also carry out direct sales to the doctors. Some companies have gone still ahead and they entertain the direct patients where in drugs are required in bulk.

The marketing team comprises of the Marketing Executives, Area/Zonal Business Managers who coordinate the marketing efforts of the sales teams in their respective markets.
Customer focus through marketing strategy

The diagram given below shows the strategy of capturing business. The doctor prescribes the medicines to the patients and the patients buys his requirements from the medical retailers. The retailer purchases the stocks from the stockiest who in turn get the supplies from the C & F Agents. In some companies there are wholesalers and semi wholesalers.

The doctors are the focal point around which the whole marketing system moves. In view of this the companies are required to maintain good rapport with the doctors who prescribe their products. In multi national companies there is a separate department called Customer Relations Dept.

The doctor is thus a centre point around which all sales of the company hang. If he decides not to patronize its products, the company has no option but to knock on the door of another doctor, and another doctor, and so on. Therefore, it becomes necessary to promote and maintain strong relations with the medical profession. This establishes the rationale of a separate and full-fledged CRD.

Fig. 6.1 : Distribution Channels
At times it so happens that the drugs prescribed by the doctors are not available with the medical retailers. This is the reflection of the poor marketing exercise. In some companies less importance is given to the marketing function and of course they pay the price of it. The marketing functionaries detailed above are usually loyal to the pharmaceutical companies.

There are some companies who directly deal with the stockiest by passing the C & F agencies. There are some special products which the companies deliver directly to the doctors.

The success of the marketing organization mainly depends on the pricing of the product and the efficiency of the marketing personnel. Indian companies develop their product range which also include the products which are being manufactured by other companies. Therefore in the market we see that number of products is there which meet the same requirements. In old days there were production ceilings were placed by the Govt. But now these ceilings are removed. Pricing is also subject to approval from Drug Price Control Order for essential drugs. After pursing the economic reforms since 1991 there is decontrol of prices are being decided by the market forces. Pricing of products is a serious issue and should not be taken lightly. Because
of the vast population India offers sizable potential for the pharma industry. Besides the in hygienic conditions in the rural areas are prone to contagious dieses. Even a single market player because of his wrong pricing policy disturbs the whole market.

**Branding in Pharmaceutical Business**

In the pharmaceutical industry branding of the product is the vital issue. Product managers have now evolved as brand managers. They are now understanding the dynamics of brand equity. There are no bench marks or best practices in brand management. The brand managers in pharma sector face with several challenges.

A) In the Pharma industry the type of product decides the branding. There are two types of drugs. One is called over the counter drugs which are available to the customers without the doctor’s prescription. The other one is drugs which require specifically the prescription from a doctor.

B) Through the product name now the pharma companies can communicate their promise, an essence and aspirations and ensure brand loyalty.

Compared to the other business the branding of products in pharmaceutical industry is still to be matured. Years together
the pharmaceutical industries were pushing their products through doctors via sales representatives and the company was not much interested in branding their product. Integrated brand strategies were unknown. Pharmaceutical branding is very much important to bring about awareness amongst the potential customers and earning higher profits. The brand name immediately catches and highlights the products to the customers.

Getting right name to the pharmaceutical product needs heavy spending and more resources. It is a specialized job and not like any other product like electronic goods. Various aspects have to be borne in while deciding the name. The company should also take care of translating the name of their product in English when they are present in the international market. The name should not give a wrong signal when translated in the English language.

D) Logo Designing of the pharmaceutical product is an important aspect of branding. It should have a fine tuning with the target market. Illustrative log design can create greater impact on the consumers.
Next in turn comes the packaging. Packing of pills, and other products should have some differentiation from other similar products so that they can be easily identified on the shelf.

Matters which ordinarily look of minor importance but really speaking they matter much. For instance, shape of the pill – it should be easy to swallow, colour – it should be attractive. Psychologically red is not a desirable colour and hence usually avoided.

Branding is dependant heavily on the marketing and promotion material like brochures, leaflets. Pharma products for the children should have bright colours and cut out and packaging to appeal them.

a. **Prospects and problems of business expansion in pharmaceutical business**

Formulating a marketing communication strategy decides the promotion of the organization, the initiative required to be taken, the wide range of products through different media – print as well as electronic media, advertising campaigns, and now with the advent of information technology search engine optimization. Objectives should be clear so that the performance can be measured there against.

1. The marketing strategy should be such that the target market gets impetus in evoking a desired set of responses and it should click in it’s purchase. Communication should be perfect and it should take into account the relationship between a business and its market.
2. There are eleven different communication tools available to the marketer: personal selling, advertising, sales promotion, direct marketing, public relation, sponsorship, exhibitions, merchandising, the internet, word of mouth and corporate identity.

3. The composition of the communication tools should be such that it projects unified message consistently reinforced.

4. Unlike other sales promotion, the pharmaceutical industries promotion of the products is now governed by the rules and regulations and hence those should be strictly followed.

5. The main thrust of the business communication in pharmaceutical is to make a ever lasting impression on the potential customer. In the current fierce competition amongst the pharma companies, many companies have achieved commendable success.

6. Pharmaceutical industries are successful in implementing number of strategies to the targeted customers. However, the challenge before them to day is tackling opportunities for increasing profitability.

7. The pharmaceutical industry is the world’s largest industry so far as revenues are concerned. However, recently there is a change which gives rise to the challenges that place new demands on payers, providers and manufacturers.

8. Customers demands are at times quite unusual. Now customers demand same choice and convenience which is available in product
in other category of product. Currently the pharma industry is poised to take a quantum jump in the ensuing five year's period.

9. Top Indian Companies like Ranbaxy, Dr. Reddy's, CIPLA Lupin Laboratories, Sun Pharma and Zydus Cadila have already established their presence.

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6.7 ROLE OF MANAGERIAL LEVEL STAFF IN PHARMA INDUSTRY

a) Becoming a First Line Manager

In most of the pharmaceutical companies the development of representatives has become a regular phenomena and very documentation has been available. Usually in house training is given. Product training, marketing skills, are being taught. Training is not a one time exercise. It is a continuous process. The training is imparted by the trained teams who have achieved success in the marketing area.

The role of the first line manager in a pharmaceutical industry is a critical one. Development of line managers is a challenge to the trainers.

Development of marketing sales managers was on adhoc basis in the past. The responsibility of development of the new manager is the responsibility of the first line manager as it is like that the new manager may take over from the front line manager.
Because of the competitive sophisticated pharmaceutical industry, presence of multi national companies, a large team of front line managers is needed. For over a decade in the large pharma companies a large number of people are involved in developing front line managers. Some of the companies have engaged dedicated management trainers and faculty. Some of the trainees are also deputed to the professional training institutions. Today companies are spending heavily in terms of time, money and efforts in the development of front line managers. This speaks of the importance of the front line manager.

In order to successfully accomplish assigned role as a manager, he should carefully study the job description and the skills required to be developed to perform the role efficiently. They should draw on the experience of the front line manager.

b) Learning through Experiences

It is said that the experience is the best teacher. Marketing management is not an exception to it. The new managers should learn how to delegate and get the things done through the others with the same amount of efficiency. Delegation is a difficult task and one should develop the skill through experience.

Sales Manager identify sales force with a brilliant track record in the sales choose them and develop them for developing their career. It is all the important to have a dedicated and well experienced sales team as they are the real drivers of growth. Therefore their skill development is a supreme
priority. The organization should always have well developed growth plans and those should be periodically reviewed by the senior management. This review exercise provides an opportunity to take corrective action if at all required.

Today there are professional training institutes with number of training courses, specially designed training modules for short duration courses etc. We know that the personality development is a continuous phenomenon and therefore the aims of these training institutes are to constantly improve upon the skills and to sharpen these skills. Training is the requirement of not only the front line managers but also at the various hierarchical levels.

During the last decade there has been tremendous improvement and sophistication has been developed in the pharma sector for the selection of the front line managers. As the front line managers play a critical role in the marketing area, the companies have made this selection has been made rigorous.

Usually the selection of the front line managers is carried out in two phases. In the first phase the screening interview is with the Human Resources Department and in the second phase the screening is done by the assessment centre. In this second phase there are well developed models and the candidate’s competency is examined over here. He is put through team exercise, business exercise etc, His communication skills are also tested here. Some companies also test the numerical ability and reasoning ability.
From whichever angle you look at it, securing a front line manager’s position in a pharma industry is by no means an easy task. Lot of preparation is required to be put in. It will be better if one undergoes a structured personality development programme for preparing for this position. In order to move upward to the management level one has to prove his commitment and dedication.

c) Link to Strategy

This position of the front line manager offers an opportunity to contribute to the revenues and to maximize profitability through the marketing and sales programs.

d) Key Accountability’s

Sales and Expenses

- Achievement of sales targets segment wise.
- Consequently achievement of market share target
- Achievement of specific objectives for pre-market products
- Ensure that you work within the budget allotted.

e) Territory Business Planning

Formulate and execute territory business plan.

Plan and execute Continuing Health Education

Achieve reach and frequency objectives

Ensure that follow up of specific action points.
f) **Product and Therapeutic Knowledge**

Obtain comprehensive product knowledge and also that of the competitor’s products and strategies.

To obtain and maintain comprehensive product knowledge, knowledge about therapeutic market and competitors strategies.

g) **Selling/Communication Skills**

- Use appropriate selling material.
- Apply effective selling communication skills and make it a hot call.
- Develop advocates in the medical community who are willing to canvas the company’s products.
- Ensure that you bring the customer’s issues to the concerned departments in the organization. In deserving cases ensure proper follow up action.

h) **Administration**

- Accomplish the administration responsibilities within the time frame work given by the office. Sending reports, expenses statement etc. should be attended on time.

i) **Skills and Experience**

- A science degree or post graduation or B. Pharm / M. Pharm.
- Experience in a pharma sector is preferred.
Now a day computer knowledge is an added advantage rather it is a pre-requisite.

As the job involves extensive touring must have a valid driving license.

He should have fluency in oral, written English and the regional language.

j) **Key competencies required to be successful in this role**

**Organizational strategy**

- A network of influential customers be developed.
- Influence the customer thinking process.
- Inculcate listening and understanding the customer.
- Sincerely represent the customer’s issues within the organization.
- Accord high priority to meet the customer satisfaction.

k) **Organizational Knowledge**

- Get yourself acquainted with the company’s business plan and the strategic direction.
- Develop understanding and ability to apply product knowledge.
- Keep yourself updated on the current developments and trends in critical care.
- Constantly endeavour to develop superior selling skills.
- Be upto date with the required computer application skills.
Be innovative in developing cost effective education programs in achieving business goals.

l) Interpersonal

- Development effective working relationships with a cross section of the society.
- Look for win-win solutions
- Respect the team players and sales professionals
- Have cordial relations with the people and respect them
- Aim at arriving at a consensus within the team / group.
- Extend voluntary support to achieve team priorities.

m) Leadership

- Work without supervision
- Think positively and strategically.
- Have self direction
- Explore market opportunities
- Understand the market threats and deal with them suitably.

n) Communication

- Taylor your communication keeping in view the audience, timely, and effectively.
- Express your ideas and opinions constructively and without any reservations.
✈ Develop listening habit and obtain feedback of the communication.
✈ While you are under pressure behave logically and with clarity.

**o) Risk taking and innovative thinking**
✈ Take decisions based on the factual information and logically.
✈ Understand the impact of decisions.

**Change Management**
✈ Be confident and handle the change.
✈ Develop attitude to adjust to multiple demands, shifting priorities.

**p) Performance Management**
✈ Ensure comprehensiveness of the plan to achieve the set goals.
✈ Ensure proper allocation of resources and priorities.
✈ Develop efficient work procedure to meet objectives.
✈ Experience is the best teacher. Endeavour self development.

**q) Profile of a Employee**

Only the successful marketing can ensure survival of the company. The medical representatives, who attend to the marketing of the products, boost the sales. The position enjoys good remuneration as well as incentives and glamour also.
The medical representatives are expected proper record of the samples distributed. If he enjoys any authority, he may also allow some concessions, credit facility to the customers. He books orders and forwards it to the company. He is expected to report his daily contacts to his superior. Now a day this is being done through E-mail. In the case of large size companies the Medical Representatives are also provided with the lap tops which facilitate easy communication. The area manager allocates the work to the Medical Representatives under his jurisdiction. Medical representatives are allotted overall and product wise sales target. Their performance is reviewed at a specified period.

Although preference is given to those who have science or pharmacy degree, any other degree holders with a passion for selling and one who can deliver the goods are also considered for appointment as a Medical Representative. Usually marketing experience is expected. The vacancies are filled up through news paper advt. or even on the recommendations of the senior medical representatives from the company.

A successful employee should have:

1. Communication skills.
2. Command over spoken and written English and local language;
3. Should be a self starter and motivated to achieve the targets.
4. Hard working and career conscious.
5. He should offer mobility to the organization and should be prepared for extensive traveling.
6. Be energetic and result-oriented;
7. He should attractive personality and should be able to analyzing ability.

8. He should have self confidence.

The job is quite lucrative but demanding and the aptitude of a person counts a lot in this career.

Upon selection the Medical Representatives are given extensive skill development training. The duration varies from company to company. Training includes various aspects like anatomy, physiology, salesmanship, profile of Indian doctors etc. On the job training is also given when the fresher is asked to work with the senior medical representative.

6.7 EFFECTIVE SALES-PERSON

For reaching the top in the sales dept. following drives/motives are of great importance.

1. **Need for Status**
   Self consciousness about the individual status needs.

2. **Need for Respect**
   Treatment with respect and recognition of their knowledge/ authority.

3. **Need for Routine**
   Passion for routine is an expectation. Usually expect no disturbance.
   Sale people do not shun routine or hate to be disciplined as is properly believed. Most top performers like routine and hate having it disturbed.
4. **Need for Control**

Top performers do not care for what the people say.

5. **Need for Achievement**

Apart from monetary benefit which every one expects, top sales performers establish self imposed higher targets for excitement of achievement.

6. **Need for Stimulation**

Top sales performers are usually quiet and do not get disturbed. They have passion for challenges.

7. **Need for Honesty**

They are honest and expect the same attribute from others. They have full faith in the product they sell.

A promising career can be made by a good sales performer. His performance is assessed on the basis of consistency in achieving the sales target. Following promotional opportunities are available to him.

(i) Area Manager

(ii) Regional/ Zonal Manager

(iii) Divisional Sales Manager/Divisional Controller

(iv) Dy. Marketing/Dy. Sales Manager

(v) Marketing/Sales Manager

Promotions to the next higher positions are purely on merit. Those having a degree in Pharmacy can also be promoted on the manufacturing side as

(i) Product Manager,
(ii) Group Product Manager,

(iii) Marketing Manager. A Medical Representative who has a flair for marketing and can show extra-ordinary results can rise to the highest position of Marketing Manager.

The specialized skills are required for the development of sales personnel in Pharma industry accordingly it is necessary to arrange for the training of sales personnel.

6.8 A TYPICAL TRAINING AGENDA

Day -1

09.00 am – 09:15 Welcome address by the CEO/ H R Head

9.15 am. – 11:30 Human physiology – Introduction to all systems in the human body by a medical practitioner.

11.30 a.m. – 11.45 a.m. Tea break

11.45 a.m. – 01.00 p.m. Details about a particular system 01.00 p.m. – 02.00 p.m. Introduction to the product and abilities of the company.

02.00 p.m.-0.2. 45 p.m. Lunch Break

0.245 p.m. – 04.45 p.m. Mode of action of the product, salient features of the product vis-à-vis important competitors’ products – by product / Marketing Manager concerned. Market share vis-à-vis competitor’s products, Selection of right customers for the
product, marketing strategy being followed for the product, Detailing, story demonstration and practice by all.

04.00 p.m. – 04.15 p.m. Tea break

4.15 p.m. – 06.00 p.m. Question and answer session by product / manager concerned clarification on doubts, if any, raised by the audience – interactive session.

06.00 p.m. – 10.00 p.m. Reading/practicing by participants in their respective rooms.

10.00 p.m. – 10.45 p.m. Dinner

**Day-2**

09.00 a.m. – 09.30 a.m. Written test on the system and product taught on Day-1 supervision by Training Manager.

The welcome address by the CEO should include the importance of training in inculcating good fundamentals and product knowledge in all medical representatives. This will help them perform better in the field and face customers with confidence.

**Lodging and Venue Arrangements**

Usually the participants of a training programme are lodged in a good hotel. This helps the participations to know each other and during the spare time the participants informally discusses issues which could not be raised during the session. The normal holidays are used for training programmes.
The Training Manager should also accompany the medical representatives while they are making regular calls just to get feel of the field level experience. This should be done at various regions so that regional specialties can be understood. Such visits can be used for developing case studies or role play material. Such a training material adds to the value of the training as it is based on the real life situation. The Training Managers may also screen ideal videos if any available. Training manager should make use of the advanced technology while imparting training.

Preparation of report is a skillful exercise and it should be authentic, realistic and proper presentation of factual market information. The reports are useful in order to collect information and managerial decisions. Taking into consideration span of control it can be said that area manager has to monitor around 5 to 6 medical representatives working at various places in specific areas. Accordingly it is must to collect information and regular monitoring of field activities and working of medical representatives as per the approved monthly tour plan. Reports facilitate the proper control over the sales staff which basically serves two purposes:

1) Reports make the working of sales personnel in desired direction.
2) Reports are used by the top management for review, planning, controlling and coordinating the working of sales personnel.
These reports are specimen reports however; some small changes are affected by the pharma companies as per their requirements. E.g. Report of sales team is as under:

Table 6.2: Report of a Sales Team

<table>
<thead>
<tr>
<th>Area Manager</th>
<th>Medical Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Standard tour programme &amp; fare chart of team members.</td>
<td>1. Standard monthly work plan</td>
</tr>
<tr>
<td>2. Important doctors - self visit dates</td>
<td>2. Standard tour plan and area coverage</td>
</tr>
<tr>
<td>3. Missed doctor call report – Month wise</td>
<td>3. Doctor call list</td>
</tr>
<tr>
<td>4. Team members work analysis</td>
<td>4. Product wise prescriber’s list</td>
</tr>
<tr>
<td>5. Team members sales analysis</td>
<td>5. Chemists list</td>
</tr>
<tr>
<td>6. Team members major product analysis</td>
<td>6. Sales review and work review</td>
</tr>
<tr>
<td>7. Daily Field work report</td>
<td>7. Primary sales comparative chart</td>
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<tr>
<td>8. Monthly barometer</td>
<td>8. Secondary sales tracker</td>
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</tbody>
</table>

Table 6.3: Specimen of Standard Tour Programme

<p>| Name: ________________________ | H.Q. ______________ |</p>
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<tr>
<th>Date Working Town</th>
<th>H.Q./ Ex. H.Q. / O.S.</th>
<th>Distance (Kms.)</th>
<th>Mode of Transport</th>
<th>Fare Rs.</th>
<th>No. of Doctors</th>
<th>Chemists</th>
</tr>
</thead>
</table>

*Source:* Filed Survey Data & Organizations’ Bulletins

The field level functionary – Medical Representative – prepares his tour programme and gets it approved from his superior – Area Sales Manager or so. This helps the superior to monitor the tour programme. There are set norms for carrying out specific number of calls on the doctors and distributors.
### Table 6.4: Important Doctors - Self Visit Dates

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Doctor’s Name</th>
<th>Town</th>
<th>Specialty</th>
<th>Dates of visits by self</th>
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Source: Filed Survey Data & Organizations’ Bulletins

The above report gives at a glance a picture of the manager’s visit to the doctors for each month in the financial year. This helps the senior managers to track the missed important doctor calls which might affect on the prescriptions and thus the business of the company.

### Table 6.5: Team Members Work Analysis

| Name __________________________ | H.Q. _________________ |

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<td>Days in field</td>
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<td>Holidays</td>
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<tr>
<td>Call ave. Drs/Chem.</td>
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<tr>
<td>Personal Order Booking Rs.</td>
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### Particulars Dates of visits by self

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</tbody>
</table>

**Source:** Filed Survey Data & Organizations’ Bulletins

The above team members work analysis gives an insight to the Sr. Field Managers as regards the customer coverage, month wise sales performance in the respective headquarters as well as brief details of sales promotional activities implemented in the market place.

### Table 6.6: Team Member’s Sales Analysis

<table>
<thead>
<tr>
<th>Medical Representative Name</th>
<th>H.Q.</th>
<th>Value in Rs. lakhs</th>
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</thead>
<tbody>
<tr>
<td>Month</td>
<td>Target</td>
<td>Primary</td>
</tr>
<tr>
<td>April</td>
<td></td>
<td></td>
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<tr>
<td>May</td>
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<tr>
<td>June</td>
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<tr>
<td><strong>Cumulative</strong></td>
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<tr>
<td>July</td>
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<td>August</td>
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<tr>
<td>September</td>
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<tr>
<td><strong>Cumulative</strong></td>
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<tr>
<td>October</td>
<td></td>
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<tr>
<td>November</td>
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<tr>
<td>December</td>
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<tr>
<td><strong>Cumulative</strong></td>
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<tr>
<td>January</td>
<td></td>
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<tr>
<td>February</td>
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<tr>
<td>March</td>
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<tr>
<td><strong>Cumulative</strong></td>
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<tr>
<td>Year to date cumulative</td>
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</tr>
</tbody>
</table>

**Source:** Filed Survey Data & Organizations’ Bulletins
This is the most important report as it speaks about month wise, headquarter wise targets, its achievement in terms of primary and secondary sales, the percentage target achievement and the growth in sales vis-a-vis last year. In this, primary sales refers to the sales registered at the stockiest place whereas the secondary sales refers to the sales registered at the Chemists counters which in true sense gives the information about the prescription generation for the specific product of the company. Ideally the primary and secondary needs to be close to each other which suggest that the demand and supply go hand in hand. If primary sales are significantly more than the secondary sales which shows that there is heavy inventory at the stockiest place and commensurately the demand is lacking. If the secondary sales are significantly more than the primary sales which shows there is a great demand but the availability of the respective product is not commensurate.

Table 6.7: Daily Field work report

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Worked with Medical Representative Contact Point</th>
<th>Time met at Contact point a.m.</th>
<th>Work finished at p.m.</th>
<th>Morning Code No.</th>
<th>Name of Doctor</th>
<th>Medical representative last visit date</th>
<th>Name of Chemist</th>
<th>Personal Order booking (POB) Rs.</th>
</tr>
</thead>
<tbody>
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</table>

Source: Filed Survey Data & Organizations’ Bulletins
The above report gives the idea about medical representative daily working pattern. Different companies have different policies in terms of total number of doctors and chemists to be met on a day to day basis. The report is an exemplary which shows that medical representative has to do 10 doctor’s calls and five chemists’ calls on a working day.

**Table 6.8: Monthly Barometer**

<table>
<thead>
<tr>
<th>Name of Manager ________________________</th>
<th>Month: __________</th>
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</thead>
<tbody>
<tr>
<td>Weekly report sent on (Date)</td>
<td>Monthly report sent on (Date)</td>
</tr>
<tr>
<td></td>
<td>Next month tour programme sent to HO/ZBM on (Date)</td>
</tr>
<tr>
<td></td>
<td>Leave record of team sent to HR dept. on (Date)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Week</th>
<th>Week</th>
<th>Week</th>
<th>Week</th>
<th>Week</th>
<th>Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Filed Survey Data & Organizations’ Bulletins
The above report gives the details about the administrative work which a field manager has to do it for his team mates and keep the senior manager and the HRD at Head office. This is essential in order to monitor the timely feedback which needs to be sent by the respective sales personnel.

6.9 MARKETING ORIENTED APPROACH

In spite of the fact that there is a stiff competition in the global pharmaceutical market, conflicts will arise in customer conversion in pharmaceuticals. In a free market place where competition is predominant customer will hold the key position.

In spite of the brand reputation in pharma market, the doctor who prescribes the medicine is the king pin. Based on the quality of medicine, availability of supply, safety, the service and the relations of the MR with the doctor, these factors weigh more in writing a prescription by the doctor.

The success of the pharma industry is dependent on the revenue generation, profitability, products success, return on investment, profit generated and number of units sold.

**Importance of marketing**

In the changed market scenario in the pharmaceutical industry the marketing function has become an organizational process and no more it is a function of only marketing dept.
In the 21st Century both management science and marketing science are of paramount importance. It involves planning, formulation of strategies, communication, advertising, promotion, etc.

In fact competition in marketing is a healthy sign. It is only because of the competition the products will be penetrated in the rural area too. Competition keeps everyone on their toes and efficiency and effectiveness can be achieved.

**6.10 MANAGEMENT RELATED TO MARKETING**

**Knowledge management: Key to organizational success**

The field level functionaries of the pharma industry should always be remained updated on the happenings in the market and they should be watchful to grab any opportunity they see and also keep themselves ready to handle complex situations in the market.

A pharma company usually has a human resource base of moderate size say between 500 to 1000. Now a days because of the technology upgradation there is thrust on the automatic plants which require less manpower. The major portion of the staff is in the field. This situation poses in establishing ethical values.

It is the specialty of the pharma sector that the market is indirect selling as it has to be routed through the doctors who are well qualified and they will not prescribe it unless and until they are satisfied about its qualities.
Since the majority of the staff is working in the field and away from company headquarter there is a need to have proper control systems to exercise over the staff. Of course the information technology of today has made it bit easier and communication is fast. This situation also warrants free flow of information and the market people should constantly give feedback to the managers in the head quarter to decide, modify their policies.

With the advent of the information technology newer techniques can be employed for speedy information transmission. Even video conferencing can also be undertaken at periodical interval where the views can be exchanged and policies decided. The industry has very well qualified staff so the computer awareness is not a problem. Most of the field level staff are computer savvy.

The essence of the communication in the pharma sector is the speed, accuracy, clarity and cost effectiveness which will lead to the success of the organization. This should be the target of any pharma sector industry.

The knowledge about functions of field force will throw light on the needs of this force.

The MRs are the ambassadors of the company who generate demand for the company’s products. This demand can be fulfilled only by maintaining sufficient stock with the stockiest/retailer.

The role played by the front line managers is very crucial. They set the ball rolling through the medical representatives. They also ensure availability of the stocks with the stockiest.
The middle order management performs a dual role. They work with the medical representatives and the front line managers. Their role is to motivate the field level staff and to ensure that they achieve the sales targets set out for them and achieve excellence on the sales front. They are also responsible for revenue generation and profit earning.

The overall business management in the corporate office is rested with the senior management which include Sales Executives, Marketing executives, Product executive. They are accountable for the targeted sales and the profits of the company.

**Conventional processes & limitations**

In the absence of the information technology in the past all the functions which the computer handles today were being attended to manually and therefore there were limitation on all fronts like time management, manpower requirement, involving high costs etc. However, with the introduction of information technology these things are now eased and the time factor is almost eliminated. Video conferencing device has eliminated huge costs arranging conferences.

**6.11 EXPECTATIONS FROM PHARMA BUSINESS**

The pharma business in India is in transformation stage. Field level staff is now being trained to use latest technology to meet the competitors’ challenges. The prompt usage of the inflow of the information for the advantage of the company has become the key to success of the
organization. With the development of the health care industry the staff is meeting with the new skills required. The major challenge before the sale personnel in the field is the availability of the doctors for presenting the information on the new product. Now many companies are placing this information on their web sites or mailing the literature to the doctors as they can see it as per their convenience and continue to recommend their products. However, in this type of communication the personal touch which is also of vital importance is getting lost.

6.12 MERGERS & ACQUISITIONS TREND IN INDIA

Mergers and Acquisitions (M&A) interest in India is currently very high in the pharma industry. The Indian companies excel as far as the back end of the pharmaceutical value chain is concerned i.e. manufacturing APIs and formulations. Over the past few years the Indian pharmaceutical companies have also stepped up their efforts in product development for the global generic market and this is viable with the DMF filings at the US FDA.

<table>
<thead>
<tr>
<th>Announce date</th>
<th>Target</th>
<th>Acquirer</th>
<th>Deal Value ($ mn)</th>
<th>Target Country</th>
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<td>Germany</td>
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<tr>
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<td>Bouwer Bartlet</td>
<td>Glenmark</td>
<td>NA</td>
<td>South Africa</td>
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<td>Dc.-05</td>
<td>Able Labs</td>
<td>Sun Pharma</td>
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<td>Ranbaxy</td>
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<td>58.97</td>
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<td>17.1</td>
<td>UK., Canada</td>
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<tr>
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<td>Jubilant Organosys</td>
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<td>Torrent</td>
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<td>Dec Pharma NV</td>
<td>Matrix Labs</td>
<td>26.3</td>
<td>Belgium</td>
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<td>Strides Arcolab</td>
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<td>Wockhardt</td>
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<td>UK</td>
</tr>
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</table>

**Source:** Filed Survey Data & Organizations’ Bulletins

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The spree of acquisitions has made the world turn and look at the Indian pharma sector as a force to reckon with. The Indian pharma majors have been actively finding ways to meet the global challenges by way of acquisitions. The price pressures and shrinking margins apart from the legal hassles in certain markets have been compensated by entry into other countries especially European which have many fat growing open economies like Ireland.