

# ASK THE EXPERT

## ***Understanding pharmaceutical co-promotions***

I am a social media enthusiast, and as such, I enjoy posting questions about the pharmaceutical industry to my network colleagues on LinkedIn. You can learn a lot about cultural differences and people's unique experiences by the responses that you get. Every once in a while, you get a response that is so insightful that you want to continue the dialogue with that person. This is exactly what happened when I posted a question about pharmaceutical co-promotion best practices. **Vic Weller, CEO at Double Helix Group Pty Ltd**, sent me an enlightening response that clearly demonstrated his expertise on the subject matter. I contacted him because I craved to learn more about his experiences and philosophies about pharmaceutical co-promotions. See Vic's comments in the following pages to gain a better understand of pharmaceutical co-promotion partnerships:

### **Expert background:**

#### **Vic Weller**



B.Math, Dip. Teach, B.S.C., Dip.MedREP, J.P.  
CEO, Double Helix Group Pty Ltd  
Sydney, Australia.

Vic began his Pharmaceutical career as a GP sales rep for Rhone Poulenc-Rorer, then with Pfizer Australia covering both GP and Specialists/Hospitals. Also with Pfizer Australia, he enjoyed roles of Field Manager and Sales Manager, before taking on the role of Head of Sales Operations. He has experienced co-promotions first hand, in all of these roles.



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He now leads Double Helix Group, a company of consultants to the Pharmaceutical industry, providing expert knowledge and support in many areas including: Corporate Strategy, Sales Force Structure and Deployment, Sales Force Effectiveness, Reward and Recognition, Technology Training and Support, Career Development, and National Sales Conference production.

Vic strongly believes in the Pharmaceutical Industry, a truly remarkable one with a wealth of talented individuals to rival very few.



**Double Helix Group Pty Ltd**  
Effective People with Efficient Systems

Double Helix Group was founded in 2007 to meet the changing corporate needs of the Australian Pharmaceutical Industry. Waning potential for blockbusters like Pfizer's Lipitor has changed the landscape and has created demand for levels of corporate effectiveness this industry has yet to experience. Double Helix Group is partnering with its pharmaceutical clients to drive strategic growth in all areas of corporate life well into this century.

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Pharmaceutical Marketing Coach (PMC): Why would two different organisations want to co-promote a single brand together and what are the benefits of co-promotion partnerships? (Benefits for the brand and the companies involved)

Vic Weller (VW): The decision to co-promote a product is ultimately a financial one, and both companies will seek to enhance their shareholder value. That is not to say the benefits are solely related to the product to be co-promoted, as there are often strategic benefits as well. Incidentally, you



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may notice I'm using the word "product" instead of "brand" here. This is because in early stages of talks, the brand may not have been established and the decision whether to co-promote or co-market may not yet have been made. Co-marketed products are identical, apart from the packaging, but marketed under their own individual brand and can be thought of as separate brands with separate distribution channels.

As you can imagine, apart from the financial gains, there are countless reasons a company may decide to enter into a co-promotion partnership. The most common for the owner company (the company that offers the product) are to:

- increase the brand's potential share of voice,
- tap into a known expert sales/marketing machine,
- tap into a manufacturing or regulatory capability.

Common reasons for the recipient company (the other partner) are to:

- round off an existing product portfolio,
- gain experience in a new therapeutic class,
- engage an otherwise underutilized sales force.

**PMC:** Who within the company is usually involved in writing a co-promotion deal? Who is not usually involved in this step but maybe should be?

VW: Initially, discussions take place at the highest level within the two companies, the CEOs. They will bring in various company directors including Finance (Treasury) and Legal (Contracts). Once "the deal" has been struck, other departments are brought into the loop. These can include business areas like Medical, Marketing, Sales, Corporate affairs, IT etc. However, the structure of the partnership is well and truly defined in the first instance, that is, when the deal is signed. Since most co-promotion deals have promotional effort, call count rules, and the like built into the deal, it seems reasonable to include Marketing and Sales input in initial stages. Sadly, this is often not the case.

**PMC:** What are the different types of co-promotion partnerships that you have seen?

VW: Over the years, I've been involved in many different co-promotions. On the surface they all seemed to be the same: two companies that concurrently promote the one brand to a common set of customers. In reality, I found every co-promote partnership was very different. Most of the differences



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were derived from how the partnership planned to deal with the major issues. I'll give you a few in different functional areas to give you an idea of what I mean:

- The marketing function:
  - one company to control all marketing functions or
  - both companies to have equal control or
  - both to participate, but one acts as the senior partner.
  
- The marketing strategies:
  - each company to have their own plan of action and messages or
  - both companies have the same POA (plan-of-action) and messages and
  - both companies call on all customers (GP and Specialist) or
  - only one company to call on Specialists, the other calling on both, etc.
  
- The sales capability:
  - both company sales teams to act independently with no communication at the coal face or
  - both company teams to act independently, but with agreed call planning rotations (routes) or
  - both companies to act as affiliates, jointly co-ordinating all sales activity.
  
- The sales operations:
  - sales/training conferences:
    - partner companies to participate in combined conferences or
    - separate conferences in the same location with some common sessions or
    - partner companies have completely separate conferences.
  - customer lists and call details
    - partners maintain their own lists and do not share call content or
    - partners maintain their own lists and share aggregated call data or
    - partners maintain a common list of targets only with some data sharing or
    - partners cross-match lists and share as much as possible or
    - partners use a single database and agree to share all call data.



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PMC: What are the greatest challenges of co-promotion partnerships? (Challenges for the brand and the companies involved)

VW: In my view, the greatest challenge facing the co-promotion partners is one that transcends all their divisions. It is one that even though they may plan extensively to avoid and they may think it won't happen, it still will manifest in some form. I refer to issues emanating from company cultural differences. "We do it differently in our company". "Our marketing machine is more sophisticated". "Your reps aren't as experienced in this field as ours". "We have a better understanding of the customer base". I have heard them all, and more! The obvious challenge then is to mitigate their impact on total sales, a task not always easily performed.

From the point of view of the brand, there is also a potential challenge that customers will become confused by different messages or inconsistencies, or possibly even conflicting information delivered by the two companies. There is also the possibility the customer will be sceptical of the co-promotion asking why he/she needs to see both companies about the one product. Also, there may be distraction from other brands within the one POA. Generally, representatives are charged with presenting multiple products in each call. Although the effort behind each brand might be prescribed, often the actual time spent on each is a factor of the interest shown by the customer. So, it is important to carefully consider the product mix of each partner's team as well as the brand's position on their POA. This issue also needs to be monitored in the field and managed appropriately. There is one other issue needing consideration. More of an internal one, it is still important to ensure the team in the co-promote partnership are not seen as different from other teams within the company, because such a disharmony may affect all concerned. Some areas include individual and team incentives, reward conferences, other (too much) public praise in newsletters etc.

PMC: From a sales and marketing perspective, what are some of the best practices of working in a co-promotion partnership?

VW: The best results are generated by consultative teams, with regular high quality communication at all levels between co-promote companies. Senior managers from both companies should be seen acting together and supporting each other. They should immediately and demonstrably squash any suggestion of incompatibility or descent without reservation or qualification. I know it is an old saying, but nowhere else is it more important for all managers to "walk the talk" of the partnership. That partnership, as a whole, should proactively address



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conflict by planning sessions to help their people avoid or resolve it quickly. Regular meetings at all levels will help quell misunderstandings and build trust across the imposed company juncture.

While it may seem strange to have a marketing team for the one brand in both companies, this structure actually seems to work best, providing there is clear agreement from the outset that they will work together on a single marketing plan. In this situation, both sides of the coin feel they have a voice in driving growth in the brand and neither can take sole credit for its success.

Just as it is important for executives in both companies to discuss sales trends, it is important for representative “buddies” to meet and discuss local territory issues affecting the brand and to develop a unified strategy to address them. The best sales results seem to occur where representatives understand and trust their counterpart. This is best facilitated by implementing mirrored territories and insisting on co-ordinated territory routing.

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