

JOURNAL OF CLINICAL RESEARCH BEST PRACTICES

Vol. 1, No. 12, December 2005

"Can You Handle the Truth?"

"Next-Generation MSL Programs: Performance Metrics and Value"

Cutting Edge Information, September 2005, 144 pages, \$6,995

Review by Norman M. Goldfarb

"Next-Generation MSL Programs: Performance Metrics and Value" addresses a challenging topic for pharmaceutical companies: How do you communicate with the medical profession in an environment that is increasingly saturated with regulatory restrictions and sales reps?

The Medical Science Liaison (MSL) has emerged over the past few years as a way to reinvent the pharma/physician relationship. The pharmaceutical industry is rapidly adopting the MSL methodology. Successful programs have the following characteristics:

- They report outside the marketing and sales departments.
- They do not have sales quotas or incentives.
- They are staffed with M.D.s, Ph.D.s and Pharm.D.s.
- They talk science rather products.
- They offer services of value to physicians such as education, help in obtaining funds for clinical research trials, and assistance in preparing for presentations at professional meetings.
- They spend money on fine meals rather than free samples.
- They build long-term relationships with key opinion leaders (KOLs).
- They collect in-depth information for their company.

Whereas a sales rep might get a physician's full attention for two minutes, an MSL often gets two hours or more. Because it is a scientist-to-scientist rather than salesman-to-customer relationship, the MSL has much more credibility and the relationship has much more depth.

How can a physician become a "key opinion leader" and obtain all this lavish attention? Just do one or more of the following:

- Prescribe large quantities of drugs.
- Influence a hospital or healthcare program's formulary.
- Write scientific papers that are frequently cited in other papers.
- Present at professional meetings.
- Lead clinical research studies.
- Hold a position of influence such as medical director or university professor.
- Be named by colleagues as a person of influence.

This report discusses at length the organizational aspects of an MSL program. The sales, marketing, R&D, clinical operations, medical affairs, therapeutic area, and regional divisions all have different objectives for the MSLs, so internal communications are likely to be challenging. On the other hand, entirely isolating the MSLs from the business realities is not effective either. The MSL role is a subset of opinion leader management. However, opinion leader management departments are typically much more sales-oriented than MSL programs. The MSL program is thus most-likely to report into the Medical Affairs department, where its scientific independence can be protected.

Pharmaceutical companies primarily measure sales rep performance based on growth in prescriptions by the physicians they visit. It is much more difficult to measure the performance of MSLs. Even if a clear sales-related measure were available, using it would destroy the whole MSL concept. Most pharmaceutical companies thus measure MSL inputs (physician visits, attendance at scientific meetings, etc.) vs. outputs. Some companies survey their opinion leaders for feedback as a proxy for output. Such surveys are useful in comparing MSLs, but not in measuring the performance of the MSL program as a whole. None of the companies surveyed for this report appear to use independent surveys of randomly-sampled opinion leaders to rate the MSL performance of multiple companies.

MSLs obviously want to talk about science that supports the use of their company's products. They may approach but not step over an indistinct line between science and sales. For example, unlike sales reps, MSLs can talk about unpublished clinical trial results for off-label drug uses. If they cross the line, they may run afoul of the regulators, but the greater risk is losing their credibility with the opinion leaders.

A typical MSL is responsible for building and maintaining relationships with 35 KOLs. Contact is usually monthly, with face-to-face meetings every six to eight weeks. One face-to-face meeting per day is common. MSL salaries average \$116,000/year or about \$140,000 including payroll benefits. An MSL thus costs about \$4,000/year per relationship, excluding travel and other out-of-pocket costs. (MSLs do not receive bonuses or distribute drug samples.)

In comparison, primary care sales reps maintain relationships with about 150 physicians. Specialty sales reps maintain relationships with about 50 physicians. Sales reps typically visit primary care physicians three times per month and specialists twice per month. Primary care sales reps visit 12 to 14 physicians per day, whereas specialty sales reps visit six to eight physicians per day. Primary care sales rep salaries, bonuses and payroll benefits average \$130,000/year, for a cost per relationship of \$867/year (excluding travel, samples, etc.). Specialist sales rep salaries, bonuses and payroll benefits average \$207,000/year, for a cost per relationship of \$4,140/year.

Specialty sales reps thus not only cost more but they maintain fewer physician relationships than primary care sales reps. The difference in cost/relationship is justified by the higher level of prescriptions written by specialist physicians. The cost of an MSL is roughly comparable to the cost of a specialty sales rep. (Sales rep data from "Pharmaceutical Sales: Driving Access and Influencing Prescribers", Cutting Edge Information, July, 2005)

Wonder why sales reps get paid so much more than study coordinators? The reason is due to some combination of the following factors:

- Salaries are higher for difficult, dangerous and unappealing positions.
- Salaries are higher when qualified personnel are in short supply.
- Salaries are higher when training someone costs more than hiring someone who is already trained.
- Salaries are higher in industries with relatively low cost pressures.
- Salaries are higher the closer you get to the customer's dollar.

The report is available at <http://www.cuttingedgeinfo.com/>.

Norman M. Goldfarb is Managing Partner of First Clinical Research, a provider of a clinical research best practices consulting, training, implementation and research services. Contact him at (650) 465-0119 or ngoldfarb@firstclinical.com.