OBR

A Look Ahead...

Oncology Sales Force Effectiveness in an Era of Unprecedented Competition

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This is a preview article to a more complete analysis and discussion of oncology sales force access and effectiveness that will appear in the next issue of OBR. We offer a review of ImpactRx data analyzing the impact of the four major oncology launches in '06.

Selling within the oncology market has never been easy, even for the most experienced, knowledgeable, and savvy pharmaceutical sales representatives promoting blockbuster products. A number of emerging trends have had a significant impact on this increasingly competitive and challenging marketplace. Many of these trends—a crowded market, restricted access for sales reps, new ethics standards, strained relationships between industry and oncology practices, reimbursement pressure, accelerated approvals, and an imminent oncologist shortage—are gaining traction and becoming the new reality. In this issue of *Oncology Business Review*, we are previewing a comprehensive article currently in development for the next issue on the changing face of oncology sales.

Today's oncology sales representatives find themselves in an increasingly crowded marketplace. As Figure 1 illustrates, the number of pharmaceutical and biologic products with an oncology indication has dramatically risen in recent decades. As was the case in several other therapeutic modalities, the number of anticancer and related product approvals exploded in the 1990s.

Although there have been a number of high-profile oncology drug development failures, the search for new compounds and drug development in oncology remains intense. The FDA reports that the agency approved 43 new oncology drugs in the last 10 years, compared with 27 in the 10 years previous. The number of anticancer agents in Phase 3 development is estimated at near 500, and the FDA reports that there are more than 10,000 cancer clinical trials ongoing in the US.

More oncology drug makers promoting more oncology drugs increases the numbers of sales representatives competing for share of voice and attention in a crowded marketplace. Share of voice and attention among today's pharmaceutical sales forces are extensively researched and analyzed by companies such as the New Jersey-based ImpactRx. ImpactRx measures the effectiveness of pharmaceutical and biotech industry sales and marketing in physicians' offices using a proprietary process for gathering and analyzing data. ImpactRx works with both primary care physicians and specialists, including oncologists, arming them with personal digital assistants, or PDAs, that collect real-time confidential data regarding their interactions with industry sales representatives. Overall, ImpactRx reports that they collect approximately 1 million details and 3 million treatment decisions each year across the industry. All data is collected anonymously by ImpactRx making it impossible to track the identity of participating oncologists.

In 2005, the company recognized an opportunity to expand their data collection and analysis offering into the oncology marketplace to meet an unmet need for such information in that market. Their research and analytical product offering that resulted, ONCLink™, was designed specifically to meet the data accuracy, reliability, and sensitivity needs in the oncology sector. ImpactRx currently has a pro-

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prietary network of over 300 oncologists, all of whom collect data every day using PDAs on which they record all encounters with pharmaceutical and biotech sales representatives, including details in their offices or other locations, attendance and interactions at meeting and industry events and a subset of patient treatment decisions.

Data reported from the ImpactRx Oncology network is therefore based on a longitudinal physician data collection methodology and protocol. The network of participating oncologists was culled from a national census region distribution of practicing medical and hematology oncologists who record encounters with industry representatives immediately following the interaction. Companies purchase ImpactRx's ONCLink™ data and analysis to evaluate a number of metrics, including sales force effectiveness at accessing and promoting to physicians. It also provides valuable insight into market trends, heightened competition, and other drivers in the increasingly complex oncology treatment marketplace.

For example, Figure 2 illustrates the share of attention for the top oncology products as of Q1 2007. The full year of 2006 was comprised of significant activity across the industry—a year in which there were 4 major oncology drug launches. In this figure, the share of attention represents oncologist's encounters with industry representatives, which included Sales Representatives, Medical Science Liaisons, Clinical Study Coordinators, and Reimbursement Specialists.

Another interesting way to examine share of attention data is to view it by the competitive brand promotion within cont. on pg 38 >>

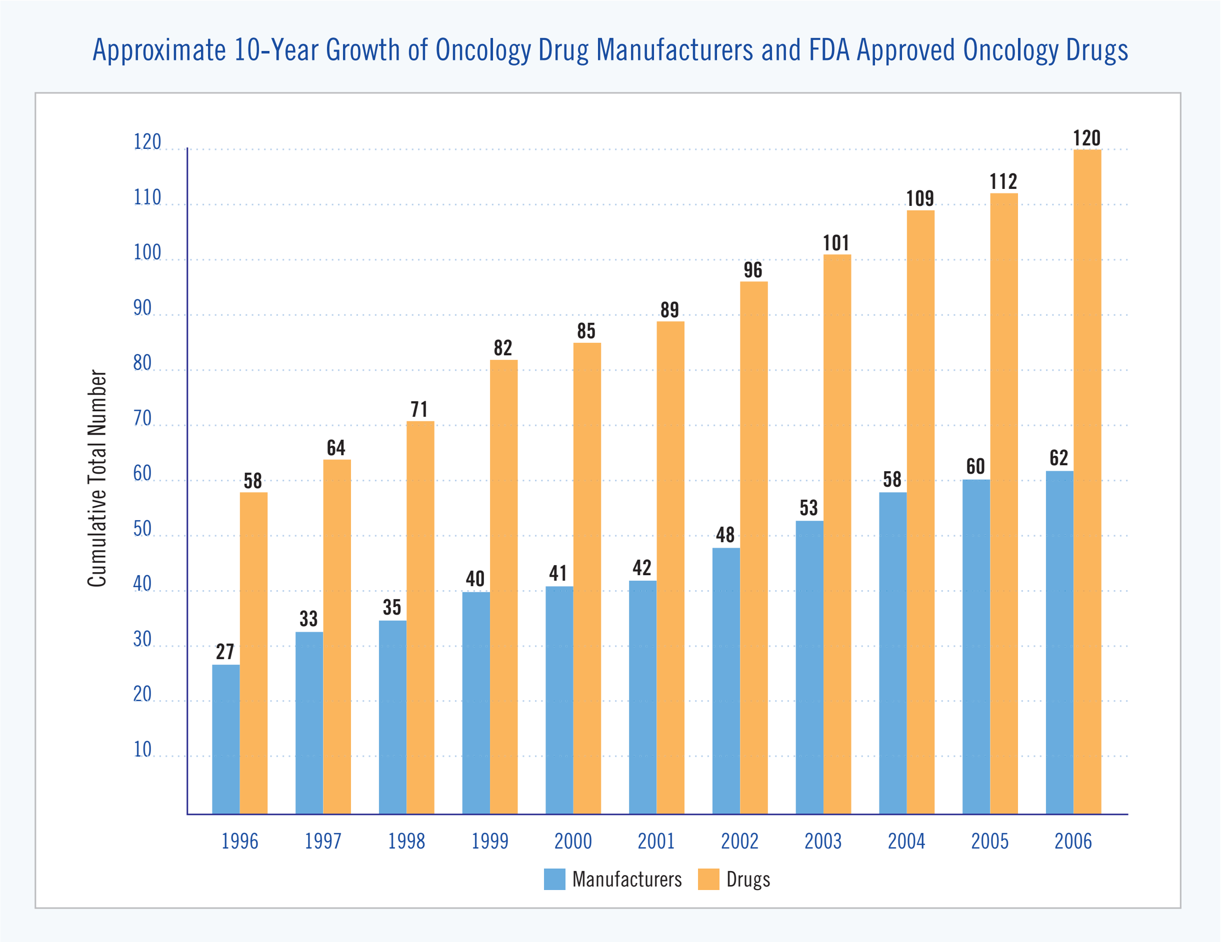
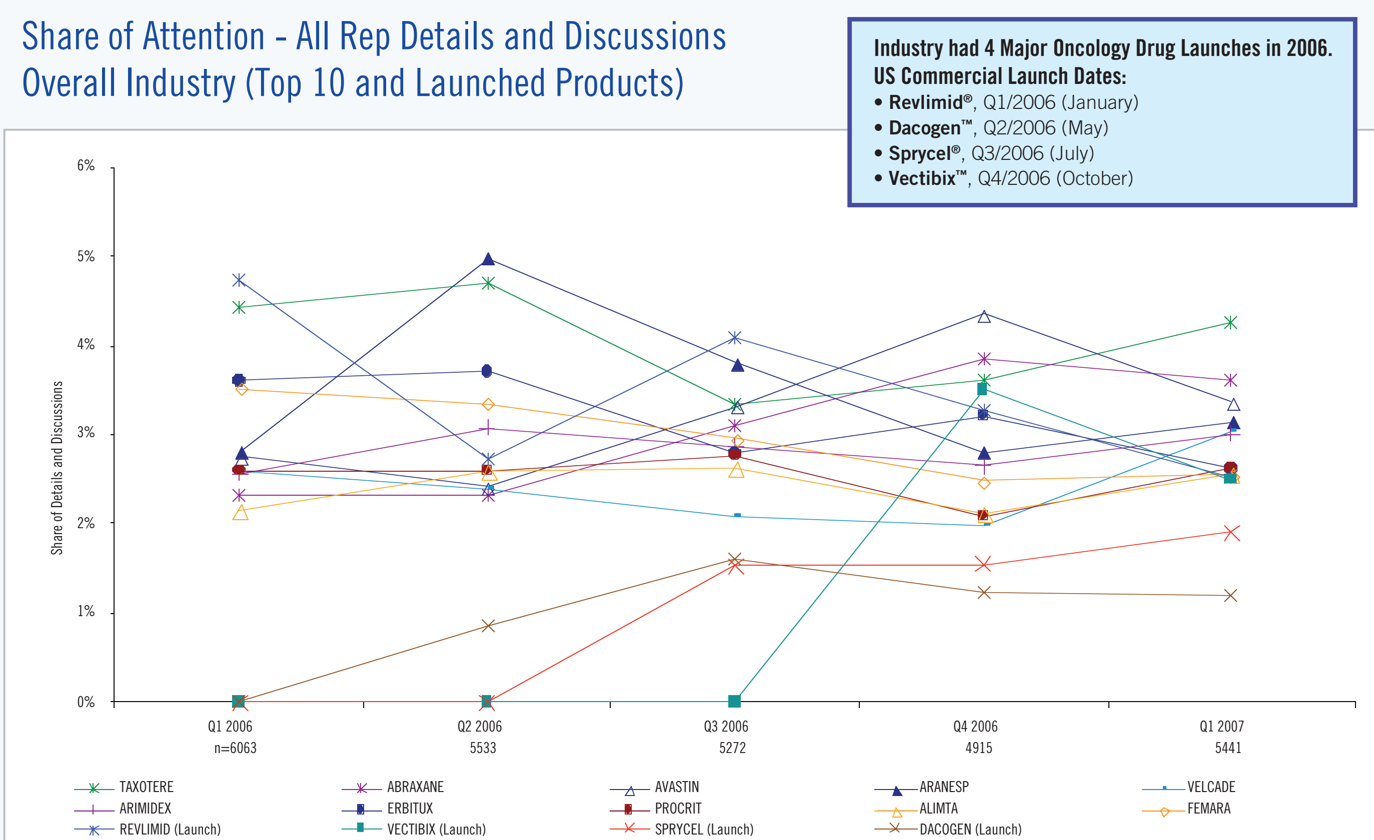


Figure 1. Source: FDA website.

a particular tumor type. Figure 3 illustrates the share of sales representative attention according to product details in breast cancer therapeutics, and Figure 4 illustrates share of sales representative attention data in colorectal cancer. In the upcoming article, we'll explore the impact of share of attention on market share and other market dynamics, and discuss what these data tell us about oncology sales in general.

ImpactRx data also document that the number of sales representative encounters in which a meal is served (compared with a non-meal encounter) has increased. Interesting, but what happens when an academic medical center decides overnight to restrict industry access and ban sales representatives from providing food for meetings, in-services, and physician encounters?

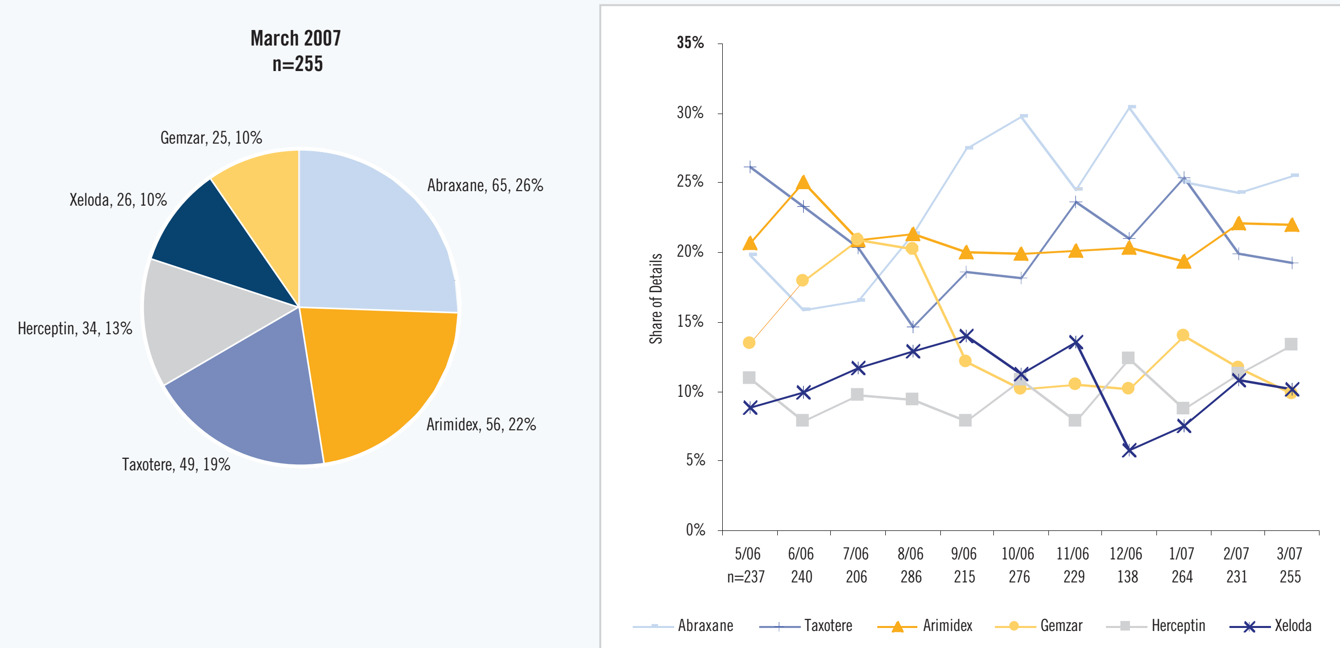
A complete analysis and discussion of these and similar data will appear in the next issue of *Oncology Business Review*, in which we will explore the current, and future, landscape of oncology sales. MNF



Report Definition: (n = number of total Representative product details and discussions from the network)
The brand's share of all Representative details and discussions for the given time period within the industry.
Representative types include: Sales, Medical Science Liaisons, Clinical Study Coordinators, Reimbursement Specialists and Other.
Note: Top 10 product rankings are according to Q1 2007 detail and discussion volume. 4 Launched products have been included regardless of Q1 2007 rank.

Figure 2. Source: ImpactRx.

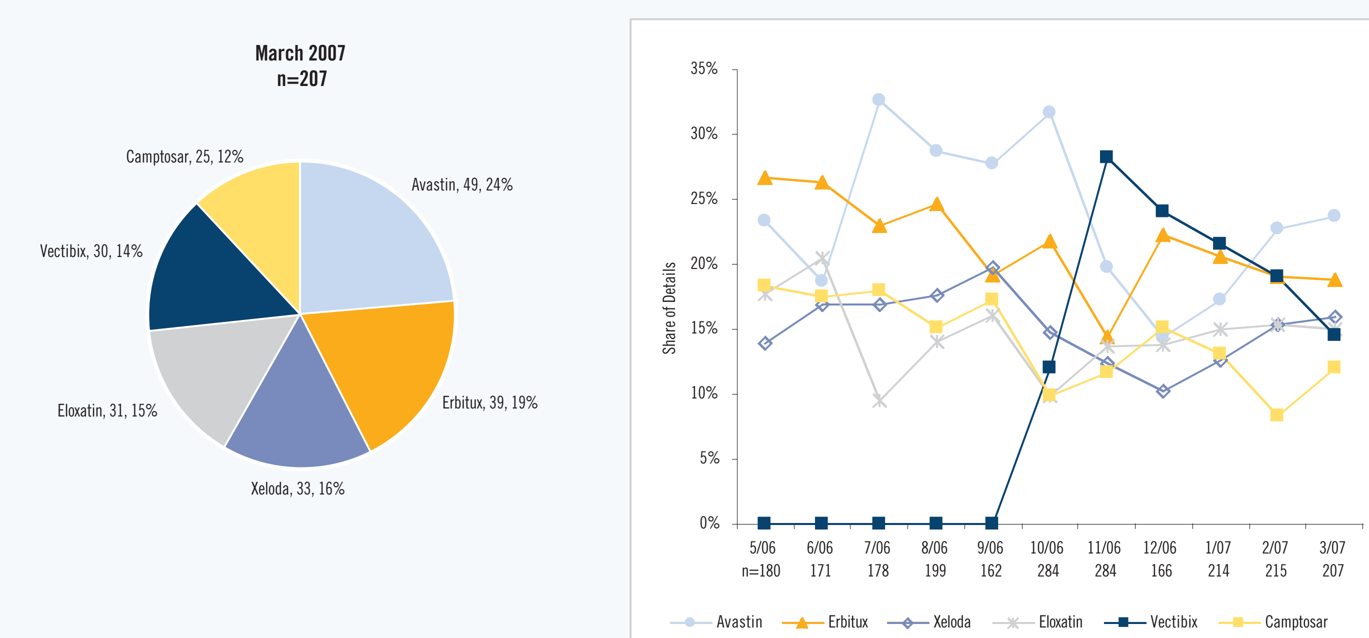
Share of Sales Representative Attention by Product Details (Breast Cancer Therapeutics)



Report Definition: (n = number of Sales Representative product details within the market)
The product's' share of all Sales Representative details within the market. Combines any co-promoted products into a single brand.

Figure 3. Source: ImpactRx.

Share of Sales Representative Attention by Product Details (Colorectal Cancer)



Report Definition: (n = number of Sales Representative product details within the market)
The product's share of all Sales Representative details within the market. Combines any co-promoted products into a single brand.

Figure 4. Source: ImpactRx.