AN EXPRESS SCRIPTS GROWTH TEAM REPORT

Pharmacy consultants: the key to a winning strategy

Express Scripts
By EVERNORTH

Seeing pharmacy consultants as allies

In today's competitive world of health care and specifically pharmacy, it can feel like everyone is making your job harder. Expectations are higher, innovation moves faster, clients want more value, and your competitors, mainly pharmacy carve-out organizations, are building and evolving their models to specifically take business from you.

But there's one relationship that can make your life much easier. The one with your pharmacy consultant community.

Relationships with consultants present a prime opportunity to show value and improve your partnership with clients. In fact, pharmacy business is often won and lost based upon the strength and overall partnership a plan has with pharmacy consultants. That's why we're here to help you navigate who consultants are, understand your common goals and optimize your consultant relationships so they become advocates for your pharmacy benefit and recommend you in RFPs for years to come.

Look at their needs, pinpoint what they value, and position yourself as a partner who helps them succeed.

Knowing who they are

Pharmacy consultants are independent representatives hired by your clients. They help interpret the pharmacy benefit and offer guidance on decisions related to that benefit. Clients may be unaware or unsure of what's out there from a pharmacy benefit manager (PBM) perspective. So they turn to consultants for unbiased advice on market trends as well as PBM capabilities and differentiators. Consultants are often their clients' primary source for information. In turn, they're expected to act in the clients' best interests when making health care and specifically pharmacy recommendations.

Pharmacy consultant profile

+ Ex-PBM or ex-health plan employee
+ Industry veteran with a pulse on market trends
+ Employed by your client to find savings and additional value

Let's face it, health care can be confusing — no matter if you're a patient, a provider or a human resources manager. In fact, only 30% of respondents in a recent survey said they understand the details of their PBM contract.[1]

Having an independent voice to clarify the ins and outs of new and emerging pharmacy benefit offerings can be a welcome resource for your clients. That's why they're relying on pharmacy consultants.

Understanding their goals

Pharmacy consultants balance a wide variety of internal and market factors to find the right partner to recommend to their clients.

When a pharmacy consultant is recommending a health plan or PBM, they factor in:

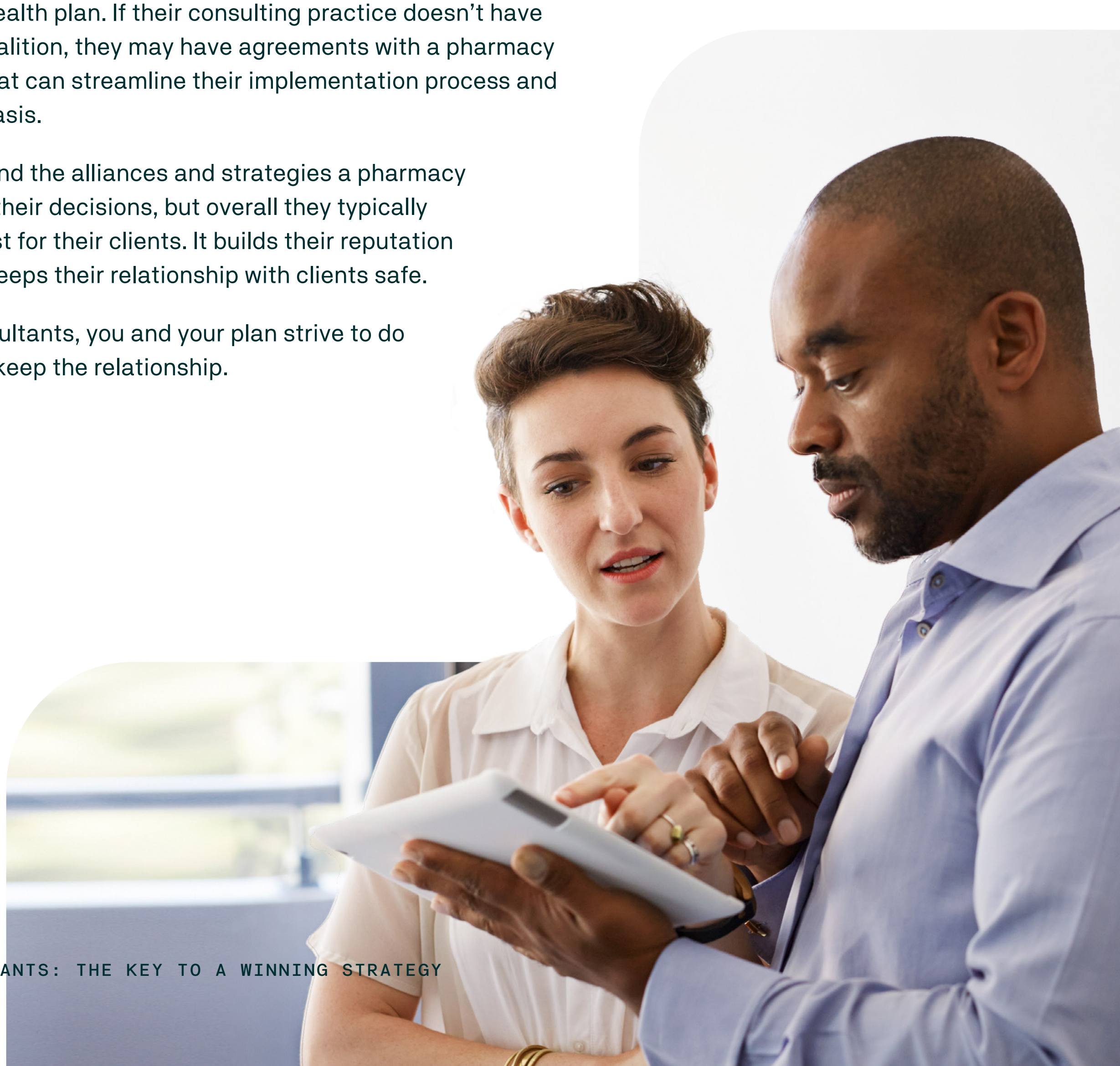
+ Commission or revenue structure
+ Historical win/loss experience
+ Reputation inside their firm
+ Service history
+ Past contract issues
+ Level of engagement and transparency
+ Data and reporting capabilities

> The relationship qualities we look for are proactiveness, transparency in plan analytics and cost savings going back to the clients."
>
> – Pharmacy Benefit Consultant Northeast, National Consulting Firm

Certain pharmacy consultants may also be employed by a consulting practice that runs their own in-house pharmacy coalition. Consultants will refer clients to this coalition because it's much easier and less labor intensive for them than placing business with a health plan. If their consulting practice doesn't have an in-house pharmacy coalition, they may have agreements with a pharmacy carve-out organization that can streamline their implementation process and works on a commission basis.

It's important to understand the alliances and strategies a pharmacy consultant uses to make their decisions, but overall they typically just want to do what's best for their clients. It builds their reputation as a trusted source and keeps their relationship with clients safe.

Sound familiar? Like consultants, you and your plan strive to do what's best for clients to keep the relationship.



You have the same goal. Be sure you're on the same page.

Bridging the Gap

We all know how vital relationships are in this industry. One of strongest you can forge is with your pharmacy consultant community. Winning or retaining a client can be an uphill battle if you're not on the same page as their consultant, but a good rapport will drive more business than a client contact ever could. **Your clients listen closely to what their pharmacy consultants say because they've invested in their insights.** They want to feel like they're benefitting from that investment.

The key is to understand the viewpoints and strategies of pharmacy consultants, because then you can speak their language. You'll be able to help them see how your plan offers the value they're looking for. When you create open lines of communication, you can even start talking about specific client needs, which will be mutually beneficial when you're selling new products or even during the RFP process.

To start building these relationships, look at pharmacy consultants as opportunities to better connect with clients, not obstacles. **Approach and engage a high-value pharmacy consultant the same way you would a potential client.** You'll want to look at their needs, pinpoint what they value, and position yourself as a partner who helps them succeed. One simple way to do this is by being a go-to source and helping them understand emerging aspects of the pharmacy benefit industry.

But before you can start winning over pharmacy consultants, you'll first need to convince your own organization's leadership that this level of engagement is vital. This will ensure you have the resources you need to build your consultant relations strategy. In an ideal world, you'll have a dedicated professional or team to oversee consultant relationships. Once your organization is on board, you can start mapping out the consultants you want to target with your efforts and begin building relationships.

Creating open lines of communication can be mutually beneficial when you're selling new products or during the RFP process.

Read more about how to set up your go-to-market pharmacy team for success in our **'Building a winning pharmacy go-to-market team' report**.

Building the Trust

You need to become the trusted advisor to your clients' trusted advisors. Pharmacy consultants face a constant barrage of questions and a flood of information on new offerings. They need help too. That's your opportunity. You can be their go-to source by offering succinct, up-to-date pharmacy information that highlights the metrics you know they value. By delivering information this way, your products will have a distinct advantage in their conversations with clients, all while you're building trust with those consultants.

The quickest way to erode that trust is by leaving consultants in the dark about your conversations with clients. For example, it's always smart to engage the consultant prior to proposing new solutions. That way you can gain their alignment and answer any questions they have prior to your client being in the room.

Let's look at two hypothetical situations to show how small conversations with pharmacy consultants prior to a client meeting can make a huge difference:

> "Our model has always been to develop a process that enables us to arrive at an appropriate solution for the client. We have certain valuation criteria. You want to have transparency, you want to have good service, you want to have things that are done above board."
>
> – Managing Director of Employee Benefits, Midwest Regional Consulting Firm

SCENARIO 1	SCENARIO 2
You go directly to the client with a solution without discussing it with the consultant. The consultant doesn't have a chance to ask questions or raise their concerns. **Result:** The consultant feels the solution could be a good fit but questions aspects such as implementation because they're not familiar with the details. They try to show their value and expertise by poking holes and finding flaws. The client walks away unsure if the solution is right for them. Or the consultant doesn't see or understand how the solution would help their client. They feel like the solution is not a good fit and advise their client	**You schedule a meeting with the consultant to go over a solution with them prior to a client meeting.** You address any concerns and follow up with additional information to help them better understand the solution. **Result:** The consultant has some initial concerns and questions, but because you met ahead of time to address them, the consultant is more supportive and helps explain the solution during your client meeting. They are able to show expertise and talk through pros and cons since you walked them through their objections. Or, the consultant supports and sees value in what you're proposing. They better understand the solution before the meeting and recommend it to your client. The client decides to move forward with your offer, and your relationships and bottom lines improve.

Overall, there's no benefit in bypassing a pharmacy consultant. And there's no downside to going to them first.

Pharmacy consultant relations best practices

Having strong relationships with pharmacy consultants means turning a potential obstacle into a valuable ally and an extension of your sales strategy. We know getting started can be daunting, so after you have organizational buy-in, refer to the following list of best practices to start building your consultant relations approach.

Assess the market

Engage every consultant in some way.

Make a list of the top consultants involved in your medical and pharmacy opportunities.

Apply the 80/20 rule:

+ Of your past opportunities, around 80% likely come from two or three consultants. Put your focus there.
+ Create a list for your overall market or regional lists of consultants.

Divide consultants into three tiers:

+ Tier 1: Consultants who issue integrated RFPs
+ Tier 2: Consultants with inconsistent RFPs (some medical or pharmacy only)
+ Tier 3: Consultants who carve out pharmacy during renewals

Build profiles for each tier. Be sure to update them when you receive new intel. Profiles should include:

+ Key opportunities
+ Key contacts
+ Likes, dislikes and preferences
+ An issue log
+ Any other pertinent information

Build an engagement strategy

Plan consistent engagement before, during and after the RFP process. Meet on a regular cadence to build your relationships:

+ Before the bid: Your prospecting strategy should always involve the broker; work with them to find out what challenges a prospect has, so you can address them with your solutions.
+ During the bid: Establish open communication with the consultant so you can find out where you rank and where you can make improvements. Remember, the consultant wants the best deal for their client, so they'll be willing to tell you where you can improve because it will help them.
+ After the bid: Always debrief with the consultant to find out what went well and where you can improve next time. This can be some of the most valuable intel you receive.

Establish a regular meeting cadence with top consultants:

+ Meet with consultants outside of specific bids to build rapport.
+ Meet face-to-face or virtually, but try to meet in person annually.
+ Conduct quarterly meetings with key consultants.
+ Host an annual consultant roadshow to meet with top contacts.
+ Consider a consultant summit to highlight your value to the community.

Build an engagement strategy (continued)

Engage consultants through additional means:

+ Consider a pharmacy newsletter.
+ Include key consultants in announcements, news and updates from your plan. Consider providing advanced notice to key consultants before the announcements go out. Request early feedback and insights on new solutions.

Whenever you have the chance to meet with consultants, regardless of where you are in the bid process or sales cycle, be sure to maximize your time during meetings:

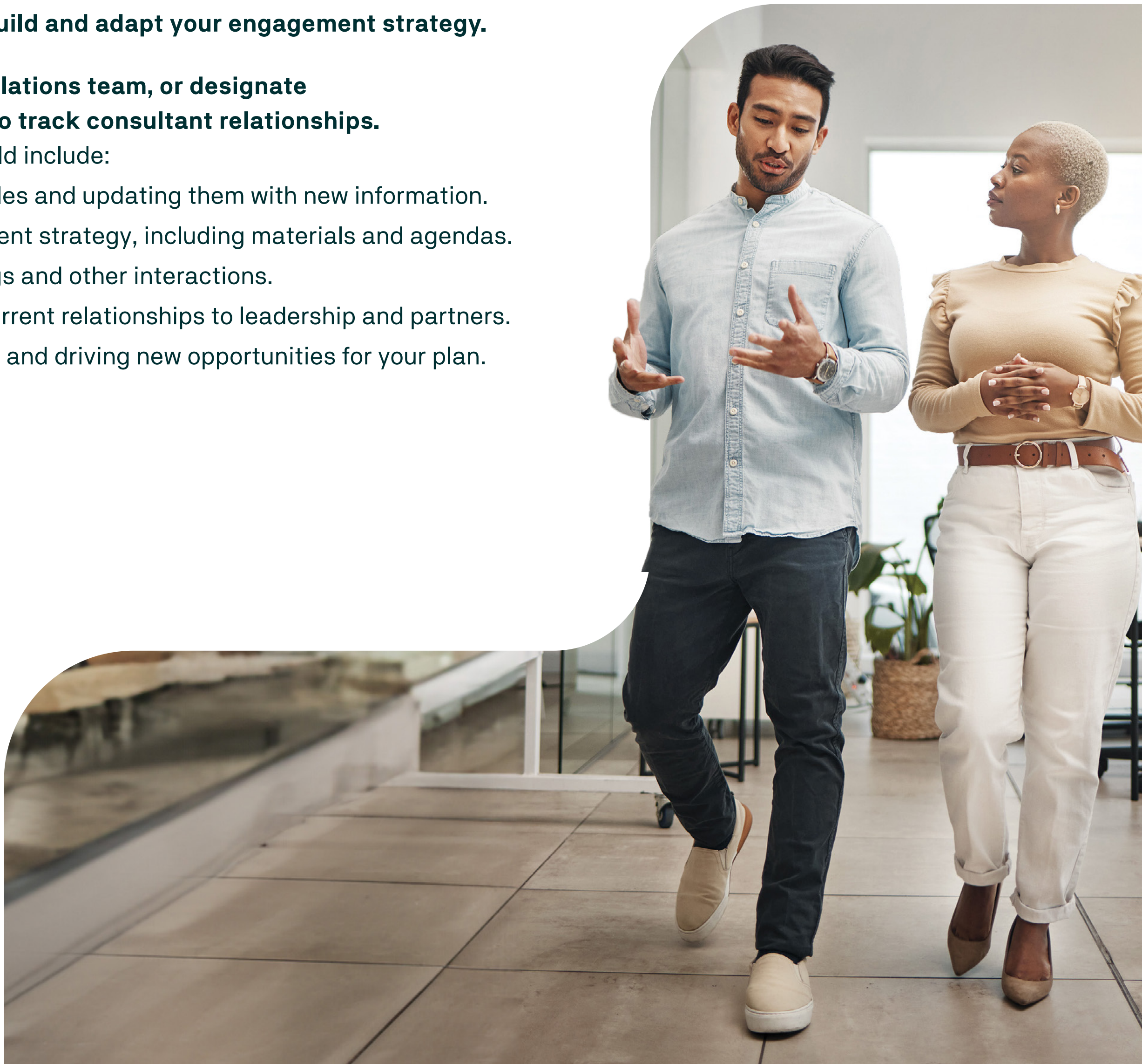
+ Address issues, solutions, service and other topics that are important to your consultants.
+ Bring ideas, solutions and innovations early to secure reactions, feedback and buy-in.
+ Listen. All feedback is good feedback.
+ Build a working relationship where you can be a united front to your mutual clients. You may need to prioritize these closer relationships with consultants based on their tier.
+ Work towards converting the consultant to be your advocate and ally.

Monitor progress

Track your progress to build and adapt your engagement strategy.

Stand up a consultant relations team, or designate a member of your team to track consultant relationships.
Core responsibilities should include:

+ Owning consultant profiles and updating them with new information.
+ Managing the engagement strategy, including materials and agendas.
+ Following up on meetings and other interactions.
+ Providing updates on current relationships to leadership and partners.
+ Managing prospect lists and driving new opportunities for your plan.



Reach out to your Growth Team for useful resources and support so you can get your pharmacy consultant relationship strategy running smoothly.

1. Gill, Lisa C. J.P. Morgan, New York, New York, 2019, pp. 1–41, Pharmacy Benefit Management – Takeaways from Our Latest Proprietary PBM Survey.

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