



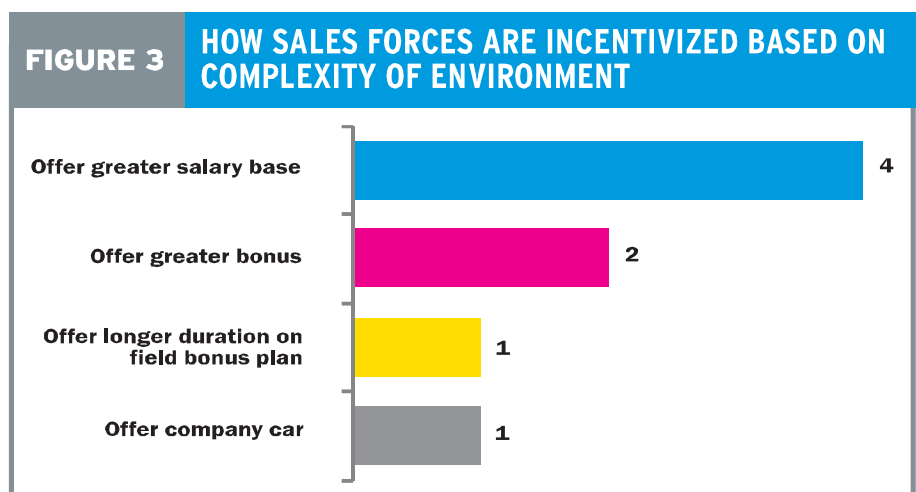
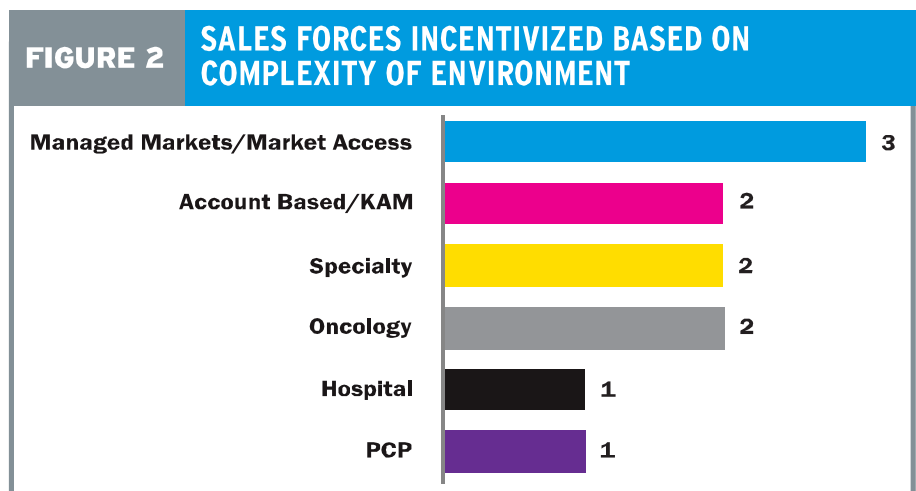
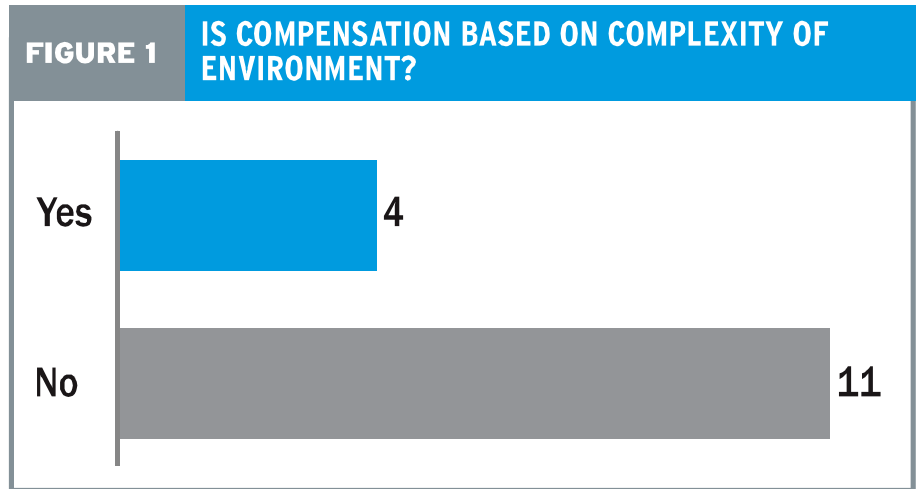
Compensation, Incentives and Levels

By Carrie Schaal, M. Ed., and Katie Rebilas, MSIT

Recent research shows that field representatives are compensated and incentivized differently based on the complexity of the products they promote, as well as the healthcare marketplace in which they operate. On average, traditional sales force types, such as Primary Care, Specialty and Hospital, have a lower annual base salary and a target bonus payout than is true for more specialized sales forces, such as Managed Markets, Account-Based and Oncology. (Source: TGaS Benchmark Database, 2015)

As sales representatives progress through the ranks, many work to receive a promotion to sales trainer. As it is expected that successful sales trainers bring significant experience and expertise in how to handle the complexities of their respective products and healthcare marketplace, it could be suggested that the compensation and job-leveling structure of sales training should mirror that of field sales.

In June 2016, AstraZeneca U.S. Specialty Care Commercial Learning & Development partnered with TGaS Advisors to answer the question: “Do compensation, incentives and job-leveling differ for sales trainers according to the complexity of the products and healthcare marketplace in which they support?” A survey was constructed and responses were received from 15 pharmaceutical companies, including small, mid- and large-tier organizations. *Note: For the purposes of this study, the term “complex environment” refers to a selling environment that may include promotion of a specialty or oncology product and / or managed markets or market access situation.*

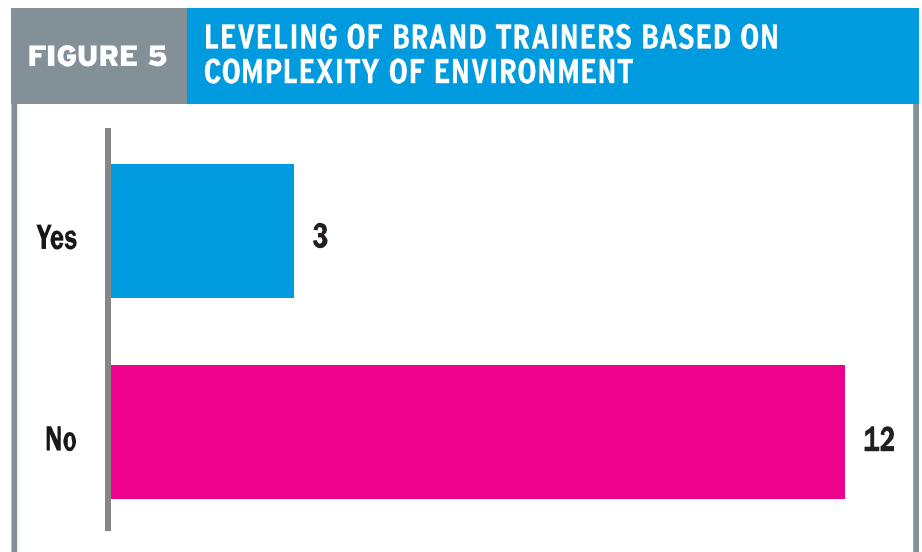


Over half the responding companies (eight of 15) use differing criteria to select sales trainers responsible for training on more complex products and healthcare marketplaces. These companies state that trainers with more complex products and healthcare marketplaces should have a track record of success in their disease state and marketplace to train on those subject areas. That track record includes the highest depth of knowledge on products and environment, a higher level of organizational skills and greater technical acumen.

Over half the responding companies also state that their expectations are different for the trainers of higher complexity products and healthcare marketplaces. For instance, there is an increased expectation that these trainers will bring high-level business skills into their training role, such as consultative selling skills, technical competence and the understanding of how the healthcare landscape is evolving.

Although level of experience and marketplace success in a more complex healthcare environment are factored into the selection of sales trainers into these roles, the majority of companies do not compensate, incentivize or level these positions differently than for sales trainers who support less complex products and marketplaces. To date, these companies are not considering a change to the compensation or leveling structure of their sales trainers according to level of complexity of products and marketplace. (Figures 1, 2 and 3)

A reason for this occurrence may be that the sales trainer role is traditionally viewed as a short-term, rotational position within the organization rather than a destination position where one seeks a long-term career. Oftentimes it is considered a “gateway position” to gain experience



that will lead to a more permanent field-based or marketing role. Because of this, the sales trainers may see the compensation and incentives less as a monetary issue and more as an opportunity to gain professional development experience.

Of those companies that do differentiate among the complexity of the products and marketplace a trainer supports, Managed Markets/Market Access, Account-Based/KAM, Specialty, and Oncology are the most common functions that provide greater compensation for their trainers. (Figure 4) Four companies offer 5 percent to 20

percent greater salary bases for these trainer roles, while two companies also offer greater bonuses. (Figure 5)

To create a case for a change in compensation or leveling structure of their sales trainers according to level of complexity of products and marketplace, training departments should seek to create a retention strategy involving incremental salary/bonus increases, job title promotions and in-role development. Salary bands can allow for movement within role if aligned appropriately to a set of department competencies.

Accordingly, job title promotions

(for instance, trainer, training manager and senior training manager) can be structured similarly to allow for that movement. By tying the two together, salary band and job title, departments can incrementally engage employees. Adding in a rich engagement strategy with in-role development opportunities will only strengthen individuals' desire to stay within the department as well as attract stronger candidates to apply to enter these types of roles in the future. ■

About this Study: Working in partnership with LTEN, TGA Advisors, a benchmarking and advisory services firm, conducts studies of training and development in life sciences companies. For more information on this study, conducted in partnership with Carrie Schaal, M.Ed., AstraZeneca U.S. Specialty Care, Commercial Learning & Development, contact Katie Rebilas, MSIT, TGA Advisors Training & Development, kathryn.rebilas@tgas.com.

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