

## **SALES FORCE TRAINING IN A PHARMACEUTICAL COMPANY CASE STUDY IN PT. XYZ**

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### ***Abstract***

*Penelitian ini dilakukan pada sebuah perusahaan farmasi di Indonesia PT. XYZ. Paralel dengan semakin kompetitinya dunia persaingan usaha, perusahaan mendirikan departemen commercial excellence dengan tujuan agar perusahaan dapat lebih fokus memonitor serta mengevaluasi aktifitas pemasaran dan penjualan. Salah satu bagian dari departemen itu adalah bagian pelatihan dan pengembangan. Tujuan dari penelitian ini adalah mengidentifikasi kesenjangan antara implementasi praktik harapan perbaikan di masa mendatang. Teknik analisis menggunakan Gap Analisis. Hasil penelitian menunjukkan bahwa bagian pelatihan dan pengembangan sudah mempunyai fondasi yang baik seperti; tujuan bagian yang sesuai dengan tujuan perusahaan, fasilitas dan modul yang baik. Tetapi, ada beberapa area yang harus diperbaiki seperti kebutuhan dan sistem evaluasi pelatihan.*

**Kata Kunci:** Sales force training, Gap analysis, Training need analysis, Evaluation system

### **INTRODUCTION**

In the fast growing environment, companies face tremendous challenges such as constant change, globalization, transformed workplaces and new standards of performance and competitiveness. Those challenges make companies realize that people are a new competitive advantage (Anonymous, 1995). Wright (2011) wrote that employee engagement and commitment are like an asset for the company and it correlated to the company sustainable growth. Specifically, Kulkarni (2013) mentioned that one tool to gain the competitive advantage in order to survive and success in the market is through training, to enhance workforce abilities to achieve organization's objective. Moreover, Chen (2007) emphasized that training is important since

human capital, knowledge and skills become competitive assets for organization.

One of the areas where training necessary is sales area. Producing best product and service is not enough. Due to lesser boundaries between nations and higher technology improvement customers have tons of choices and information (Sergio, 2001) so that personal selling is important. Personal selling is important because it allows sales forces to position company products in the marketplace by making the sales and providing service the customers. In addition, personal selling enables company to gain information and to have additional sales opportunities in the market (Meshach, 2012). Companies must pay great attention to their sale forces if they want to survive (Jobber and Lancaster, 1997 in Sergio 2001). Personal selling is the key to success for

many firms in today's competitive marketplace (Anderson, 1996; Baldauf and Cravens, 1999 in Sergio 2001).

One of industry whereas sales forces play important roles is in pharmaceutical industry as all sales activities are done by sales representative. Sales representatives do the promotion to doctors, hospitals and customers. A competitive environment, dynamic changes and rapid market growth characterize the pharmaceutical industry itself. In Indonesia, the total pharmaceutical market is at IDR 43,081 trillion, a growth of 11.8% in 2011 (Business Monitor International, 2012). The current estimate of the total sales reps in Indonesia is around 39,800 people within 206 companies (Ministry of Health, 2011).

PT. XYZ is a part of a holding company operates in sixty-seven countries. PT. XYZ is one of a market leader in the area of therapeutic products for wide range of conditions related to fertility, diabetes, neurology and cardiology. PT. XYZ established Commercial Excellence Division aimed to be better focus and to monitor and evaluate sales and marketing activities. The training and development section of the Commercial Excellence Division designed to improve its field force performance through training and development program.

PT. XYZ realizes the important of training especially the strategic challenges faced by PT. XYZ's field force. Firstly, they should know how to promote mostly old products in the competitive market with an excellent selling skill approach. For example, for diabetes products, the field forces should keep convince doctors to prescribe products that have been around for more than 50 years, thus selling and negotiation skills are very important for them. Secondly, they should know how to manage around 300 field forces under Area Managers supervision with reported performance progress. Thirdly, among the competitive situation in this industry, it is necessary to maintain the loyalty of the field forces;

otherwise, competitors may hijack its field forces.

## OBJECTIVES

This study aimed to gain the information of performance of Training and Development division in PT. XYZ by finding the well-designed practices and practices require improvement in order to improve its training & development practice so that all sales forces have skills and capabilities to achieve company's objective.

## METHOD

We propose following framework for this study. As a foundation Training Division should has its objective and policy. Division objective that aligns with company main objective and strategy to achieve that objective. Good training program helps company to achieve its goals (Kulkarni, 2011). Division's policy to guide and shall been executed and administered in Training and Development practices. The next phase on training cycle are (Sergio 2011, Joanna 2011).

1. Assessment; define training needs and objective
2. Training; design the training that includes selection of trainees, trainers, method, technique, level of training, modules, time
3. Evaluation; evaluate programme effectiveness. Kirkpatrick (1994) in his theory has explained the four level of evaluation model as follows:
  - a. Reaction of trainee. What participants thought and felt about the training. Reaction can be gathered form verbal reaction in training, post-training surveys or questionnaires.
  - b. Learning. The increase of knowledge or capability. Tools that can be used are

- pre and post training assessment or interview and observation.
- c. Behavior. Behavior and capability improvement. The information can be gathered from observation and interview over time are required to assess change, relevance of change, and sustainability of change.
  - d. Results. The effects on the business or environment resulting from the trainee's performance. Measures are already in place via normal management systems and reporting - the challenge is to relate to the trainee.

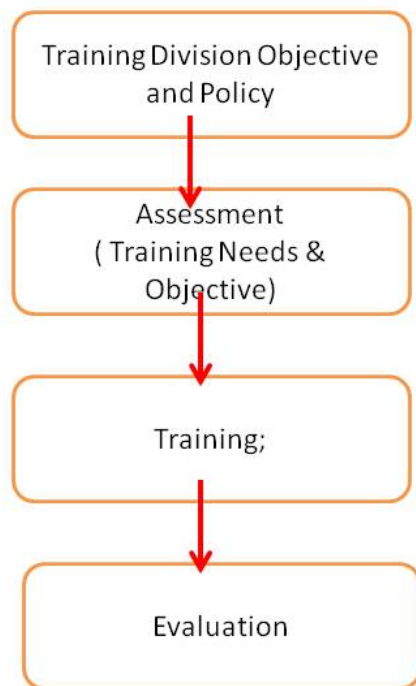


Figure 1. Training & Development Framework

While, data collected not only from document review and library research, but also from:

1. In-depth interview with six sales forces from other PMAs in pharmaceutical industry.
  2. In-depth interview with the expert in Training and Development in Pharmaceutical industry. He worked as a top management in several companies, both PMAs and PMDNs companies'.
  3. In-depth interview with eight sales forces and two Area Managers in one Metabolic division of PT. XYZ.
- After collecting data, we gathered, selected, interpret and analyzed the relevant data. The gap analysis method employed to assess the well-designed practices and practices required improvement in the Training Section in the Commercial Excellence Division of PT. XYZ.
- The gap analysis (GA) proposed by Parasurman, Zeitham and Berry (1985) that has been considered as one of the most popular decision-making technique due to its wide application in various field (Tsai, 2011). Gap in Training is the difference between the current practice in PT. XYZ and other PMAs in pharmaceutical industry. The ideal practice used as the criteria. In addition to the assessment, collect the user satisfaction data was also from the Metabolic Division as the client of the Training Section of the Commercial Excellence Division.

## RESULT AND DISCUSSION

Based on data, in depth interview and feedback gathered from internal and external companies, below is the summary gap analysis of current practices (Annex 1). Participant were asked about their opinion on some aspect of Training practices in PT. XYZ Training based on standard or based on need analysis. Ninety percent of participants agree that the training programs in PT. XYZ based on need analysis. It means the modules given are useful for them in doing their daily work.

While, 29% from respondent stated that PT. XYZ has good training modules and 22% respondent stated that the training and

development practices is good. Forty-three percent respondent stated that selling skills are the most improved by training. Twenty-nine percent respondent stated that the Product Knowledge is improved by through training. While thirty-three percent respondent stated that training helps career since it provides job related knowledge.

Twenty-three percent stated that training helps to increase value. On the other hand, 23% respondent think training has insignificant impact to their career. Forty-three percent respondent stated that they needed to improve their leadership skills. Twenty-two percent respondent states that they need to learn how to build and maintain motivation for them.

In other hand, 56% from respondent stated that PT. XYZ has good modules and 19% respondent stated PT. XYZ has good trainers. While 29 % from respondent suggested that PT. XYZ should provide leadership and management training for Sales Reps and 22% respondent suggested PT. XYZ should consider to have external trainers.

The objective of this part is to analyze the data collected both from internal and external sources, compare and contrast them, weigh them against the theoretical understanding gathered through literature survey, and come to a specific set of conclusions as to what is happening at PT. XYZ with respect to the management and practice of training. The analysis will cover the following three important steps.

1. Compare and contrast the training objectives of PT. XYZ against the its business objectives;
2. Compare and contrast the training strategy against the business objectives; and,
3. Compare and contrast the process and implementation of the training division against those of other companies.

As the first step, we will compare the

objectives and the strategy between Training Division and PT. XYZ as a whole. There should be alignment between the organization's objectives to the Training division's objectives. The objective of training are tied to organization goals (Silzer, 2004). Good training program should be support organization to achieve its goals (Kulkarni, 2013). Attia *et al* (2005) stated that sales training in maximized when there is alignment between objective of training division and strategic organizational objective.

**Table 1. Comparison of Training Division's Objective and PT.XYZ's Objective**

Training & Development Division	PT. XYZ
<u>Objective of training division:</u> To have better focus and to monitor and evaluate sales and marketing activities on the high quality right process.	<u>Objectives of PT. XYZ:</u> <ul style="list-style-type: none"> <li>• We focus our expertise on one enduring commitment: to transform medical science into breakthrough solutions that make a difference in people's lives.</li> <li>• We will create an innovative, successful pharmaceuticals business with global reach by leveraging our core strengths.</li> <li>• We want to build a company being recognized as "best pharma."</li> <li>• Our success will benefit patients and reward employees and owners.</li> </ul>

Considering from the comparison above, we analyze that the objective of training division is already aligned with the objective of PT. XYZ, which aims to position PT. XYZ as the best pharmacy company by strengthening its core strengths through employees excellence, emphasize in high quality process and result.

In reliable organization, policy is very crucial because it act as foundation in implementing the objective, strategy and action plan. Policy especially in training division critically should be developed. In learning organization a strategic training policy is important instrument (Stam, 1999). Some lack

founded in the implementation process of training policy, there is no existing policy applies in training and development. Therefore, we recommend training division to develop clear policies.

In Analysis on assessment as the first step of training cycle, in this section we will describe on training needs assessment and training objective.

Needs assessment. The starting point in creating credibility is to analyze the needs of the sales force. Training need analysis is an important first stage in the systematic training (Bowman, 2008). Bee and Bee (2003) asserted, that training solution is based from business needs to close performance gap. The information could be gathered by distributing the questionnaire to the Sales Reps, Area Managers and Sales Managers, by travelling with sales reps, observing them and asking what they need to know, what will help them perform more effectively or by looking at Job Description.

PT. XYZ has to improve its needs' assessment implementation, as currently it only provides standard training needs of Field Forces such as disease knowledge, product knowledge, selling skills and grow coaching. On the other hand, Most PMAs conduct needs assessment to prepare yearly training program. The method they use is distributing questioner/survey to department heads and users. The assessment is done before preparing the yearly plan as Boydell in his book stated that "the identification of training needs must therefore be resolved before training itself can be useful undertaken"

Define Objective. Setting specific, realistic, and measurable objectives are necessary in conducting training program. Before designing and implementing the sales training program and it is necessary to establish specific training objectives (Meshach Gomam Goyit *et al*, 2012). In practice, PT. XYZ has an objective in its each training program.

**Table 2. Need Assessment**

Needs' Assessment			
Propose	PT.XYZ	PMA	Analysis
As an initial step in conducting Training. It is assessing the knowledge, skills and or abilities needed by learners.	Most of the Training is a standard training, it is not based on needs analysis.	Most of PMAs conduct needs' assessment before making a yearly training program.	Needs' Assessment is the critical foundation for training development in order to achieve great results for employee and organization.

The next phase of training cycle is training. That it is include decide who are the trainees, the trainers, method and technique to be used, place or training, training scheduled, what should be the level of training and the modules. Some companies are using outside agencies to handle their training programs or only to handle specialized needs. PT. XYZ handle internally its training and development program. Below is the analysis of the program design and its implementation.

**Trainers.** Trainers can be from internal and external of company. In PT. XYZ, all trainers come from internal. They can be the training managers, product managers and from medical side. On the other hand, some of PMAs only have internal trainers. The others have mixed internal and external trainers. PT. XYZ should consider to have external trainers since there is tendency people will learn more when the trainers/speakers come from externally. Research conducted by Wayne and Lancaster found that external trainers had some advantages over internal sources (Brown, 1993) people value more input from external than internal trainers (Simmonds, 2008).

In addition, Mr. Khrisna Rajendra, a HR expert mentions that PT. XYZ must be aware that there are shifting roles in training, speakers not only act as a trainers who only improve skills, knowledge and attitude but also they act

as consultant (who can solve problems) or a facilitator (who act as a facilitator only, participants learn by sharing knowledge of each participants).

**Trainees.** The training division in PT. XYZ and other PMAs focuses on Sales force and Area managers. The training for other than sales forces and area managers are conducted by corporate as a 'parent company'. While, method and technique aspect, there are many methods can be used such as on the job training, in class training, role playing and computer-based. Both PT. XYZ and other PMAs use in class training, role play and computer based training such as through email or web.

**Place of training.** The training can be conducted in centralized, decentralized and through online. PT. XYZ and other PMAs applies centralized, decentralized and by online. It depends on kind of training. PT. XYZ policy in deciding place of training is already good. It suits the costs and benefit analysis. Moreover, 11% of the correspondents from internal PT.XYZ mentioned that PT.XYZ provides good facilities such as accommodation and locations of training in their training program.

**Level of the Training.** Level of Training varies from basic training (induction) to advance training. Designing training program should consider what level in training. There are only two categories level of training in PT. XYZ, training for Area Managers and Sales Representative. However, the refresher training is designed for both AM and Sales Reps regardless the capabilities of each field force. On the other hand, Other PMAs aware of the level of training. The refresher modules in most PMAs are provided based on the Field Forces' capabilities. PT.XYZ already has modules that in line with the level of capabilities of its sales forces. However, the implementation of it must be revisited again. It has to align with capabilities of its Field Forces. Each new module should be reviewed by skilled and experienced workers. Prentis 2004 mentioned

that aligning with skill level is demonstrate appreciation for participants' knowledge without intimidating them with new material.

**Modules.** Modules are for Field Forces are wide from Product Knowledge to Legal/Ethical issues. PT.XYZ has an excellent modules in Product Knowledge, Disease knowledge, Selling Skills and Coaching. In general, most of PMAs have same type of modules as PT. XYZ .However, since other PMAs conduct needs' assessment, the modules given based on that assessment. Moreover, they will have additional modules/training that that based on that assessment if those needs not include in general type of training as mentioned before. For example, one PMAs provide driving safety training for its Sales Forces. On the other hand, even though Fifty percent of participants agree that PT.XYZ has excellent modules, but PT. XYZ needs to improve their modules based on need analysis.

**Schedule.** Clear and fixed schedule must be release annually so the stakeholders will have enough preparation for it. PT. XYZ has no clear schedule for its training program. The training program is informed to the stakeholders at maximum thirty days before the event. Other PMAs have a clear schedule that they release it at the beginning of the year. PT. XYZ must improve its training scheduled. Twenty percent or participants agree that PT.XYZ should improve its training Schedule. Training schedule is necessary for the employee in gaining skills and knowledge at the right time thats include offering more instruction, time to practice and adequate timetable (Soja,2009).

**Evaluation.** The evaluation process is also important to ensure that the objective of training is accomplished and the training programs are effective. Evaluation process should include feedback to the trainers and the training process as mentioned before. With evaluation, training division would be able to modify training process or methodology which would be best for PT.XYZ. Mann and Robertson(1996, p14) pointed out that "the

evaluation of the effectiveness of training programmes is critical because without it, organizations have no good way to know whether training pounds are being spent wisely". To assess its effectiveness in training it is vital to evaluate training (Lin,2008)..

Kirkpatrick in his theory has explained the four level of evaluation model which are: Reaction of trainee, learning, behaviour and results. "For the past 40 years, the fundamental assessment and evaluation framework employed by sales training practitioners has been the 4-level model developed by Donald Kirkpatrick" (Attia, Honeycutt Jr., and Leach, 2005). Doing all level, the company sets up all process in evaluation and monitoring system. In addition, this process provides feedback to implement better training and development program. Alvarez 2004 stated that the simplest method for understanding training evaluation is Kirkpatrick first model (learning).

In PT. XYZ, the evaluation applies only in level two which is focus on learning. This is proved by the only evaluation method used by PT. XYZ is post training assessment whereas the participants have to answer the post training evaluation exam. In addition, this result is not fully utilized since the database system needs to be improved. On the other hand, most PMAs apply the above processes in evaluation in order to evaluate, monitor and increase the performance of their Field Forces and to improve their training programs.

## CONCLUSION

Based on the analysis above, As training division foundation, we conclude that the objective of PT. XYZ training divisions is aligned with the objective of Management, which is high quality process and result would be obtained through optimizing employees skills which eventually support the company in achieving operation excellence, better sales service and more profit to PT.XYZ. This is

aligned to PT.XYZ's philosophy to be the best pharma company by strengthening its core strengths. However, Training division's policy needs to be improved since the training division does not have any training policy.

Need Assessment and objective should be improved as well as training division does not conduct any needs assessment. Even though there is a training objective in every training but it is not based on needs assessment. Some gaps of process implementation between PT.XYZ and other PMA should be improved. PT.XYZ should improved its training schedule, level of training and maximize the role of speakers.

In evaluation phase, PT.XYZ only conducts evaluation in level 2 focus on learning whereas the participants have to answer the post training evaluation exam.

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