



RESEARCH RESULTS

SELECTION SOLUTIONS

RESULTS OVERVIEW

- **FTS HIRES PRODUCE IN EXCESS OF \$2 MILLION MORE REVENUE THAN NON-FTS HIRES.**
- **USERS FIND THE FTS SELECTION SYSTEM TO BE MORE EFFECTIVE.**
- **FTS LEADS TO HIGHER-QUALITY HIRES.**
- **FTS HIRES BECOME FULL CONTRIBUTORS FASTER.**

INDUSTRY

Pharmaceutical

ORGANIZATION

Innovex

DDI PRODUCTS USED

FastTrackSelect™

Web-Screen™

Targeted Selection®

BUSINESS NEED

The pharmaceutical industry has experienced several major changes in recent years. An increased number of blockbuster drugs, a reduced product pipeline, and patients increasingly having limited access to physicians have all changed the way that drugs are marketed and sold. New pharmaceutical sales representatives need to be able to adapt to the changing aspects of this industry while also successfully promoting their products.

A pharmaceutical company needed to hire a new sales team of 235 representatives to sell a newly developed high-potential drug. The company decided to outsource the building of its sales organization, choosing Innovex. Innovex's hiring system was somewhat structured, but its field managers were heavily involved in time-consuming activities. Thus, the quality of candidates was inconsistent, and the system's cost per hire varied based on hard-to-fill territories. Innovex needed an efficient,

effective method of finding the very best sales representatives within a short period.

SOLUTION

During the past eight years, Innovex (a subsidiary of Quintiles Transnational Corp.) has built more than 110 sales forces in the U.S., comprising more than 14,000 hires. With more than 20 years in the global health care marketplace, the organization has been a partner of choice within the pharmaceutical industry for providing flexible, high-quality, and innovative sales and marketing solutions designed to accelerate the success of pharmaceutical, biotech, and other health care clients' products. A key service area for Innovex is supporting and managing the hiring of both permanent and contract sales professionals.

Innovex partnered with Development Dimensions International (DDI) to create FastTrackSelect™ (FTS), an online system to attract, screen, and manage applicants for sales representative positions. They integrated FTS with additional hiring tools and steps (described on page 2). The new selection system included a broad range of measures designed to fully assess candidates in the following areas:

- Who I Am: Dispositions and Work Styles
- What I Have Done: Work Experience
- What I Can Do: Competencies and Technical Skills
- What Motivates Me: Motivational Fit

The selection process comprised three primary phases of measurement:

- Online assessment of candidates' education, background, work experience, and skills (i.e., Web-Screen™). Based on this assessment, candidates were classified into "bands," indicating their priority for being passed on to the next selection phase. The bands were calibrated to Innovex's criteria for job success in the sales representative role.
- Telephone-based assessments, conducted by trained DDI assessors. Each assessment presented a series of challenges that a sales representative would face on the job. Applicants provided their responses for handling the challenge as well as rationale for their approach.
- Targeted Selection® (TS) behavioral-based personal interviews, conducted by Innovex field sales managers. All interviewers were certified in procedures associated with behavioral interviewing. Field managers used the banded results from the online assessment and the telephone interview to determine which candidates would receive a final TS interview in which interviewers asked candidates to provide behavioral examples of how they have applied six critical competencies on the job. Field managers then made the final decision to hire the candidates with the highest probability of success.

METHOD AND PARTICIPANTS

Data used to assess this selection process and its outcomes was drawn from two sources. First, we surveyed the field managers, asking for their perceptions of the process and its outcomes. All these managers were trained and certified in competency-based behavioral interviewing. Secondly, for nine months we tracked the performance of the new hires selected using the FTS process. For a comparison we also tracked the long-term performance of new hires who were hired outside the FTS process. The FTS and comparison groups were solely responsible for promoting the launch prescription products.

RESULTS

Predicting Sales Performance

FastTrackSelect hires produce in excess of \$2 million more revenue than non-FTS hires.

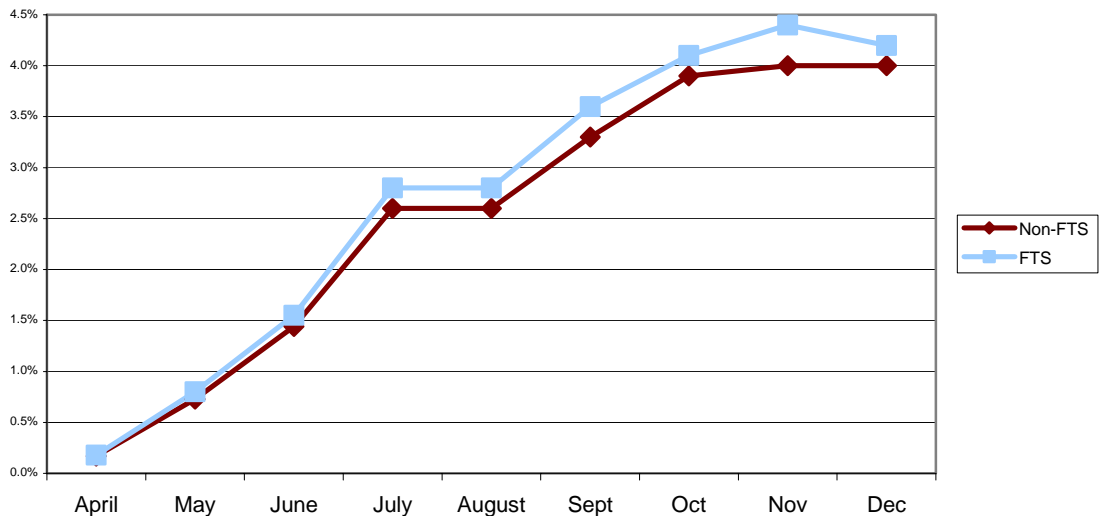
Across major indicators of sales performance, FTS hires have somewhat higher market share (correlation, $r = .08$, ns) and more product prescriptions (correlation, $r = .09$, ns) than non-FTS hires (see Table 1). These improvements were accomplished despite the average number of doctor and pharmacy calls being virtually identical. Figure 1 shows the long-term market share performance of the two groups (April–December, 2003).

Note: *Market share* is calculated by dividing the number of product prescriptions by the total possible number of prescriptions for the market (i.e., prescriptions for the market).

Table 1: Average Performance Data (April–December, 2003)

	Non-FTS	FTS	Difference
Average Market Share	3.4%	3.7%	0.2%
Average Product Prescriptions	382.1	412.8	30.7
Average Prescriptions for Market	10858.0	10964.7	106.7
Average Doctor Calls	10.3	9.7	-0.5
Average Pharmacy Calls	3.5	3.5	0.0
Average Calls	7.9	7.9	0.0

Figure 1: Market Share



Some of the differences in sales performance can be converted into dollar values to assess overall return on investment. Sales data indicates one prescription is worth an average of \$44.25. On average, FTS hires consistently yield 31 more prescriptions per month. For the FTS sample group—sales representatives in one year—this value soars to an excess of \$2 million. Therefore, each year the FTS hires add substantial value to the client organization in prescription sales for the market. This return alone far exceeds the costs of introducing the new selection system.

In an effort to analyze the best performers from both the FTS and non-FTS groups, we

conducted a direct comparison of each group’s top 10 performers. The study shows that the top FTS performers were significantly better than the leading non-FTS performers. The market share for the top 10 FTS is 7.94 versus 6.72 for top non-FTS salespeople. The relative differential is 18 percent. The powerful capability of the FTS process enables Innovex to conduct an in-depth analysis of the top-performing reps’ skills, attributes, and competencies. After conducting this analysis, Innovex was able to fill the backfill positions with the top 10 performing profiles and monitor the business impact of those reps in the territories.

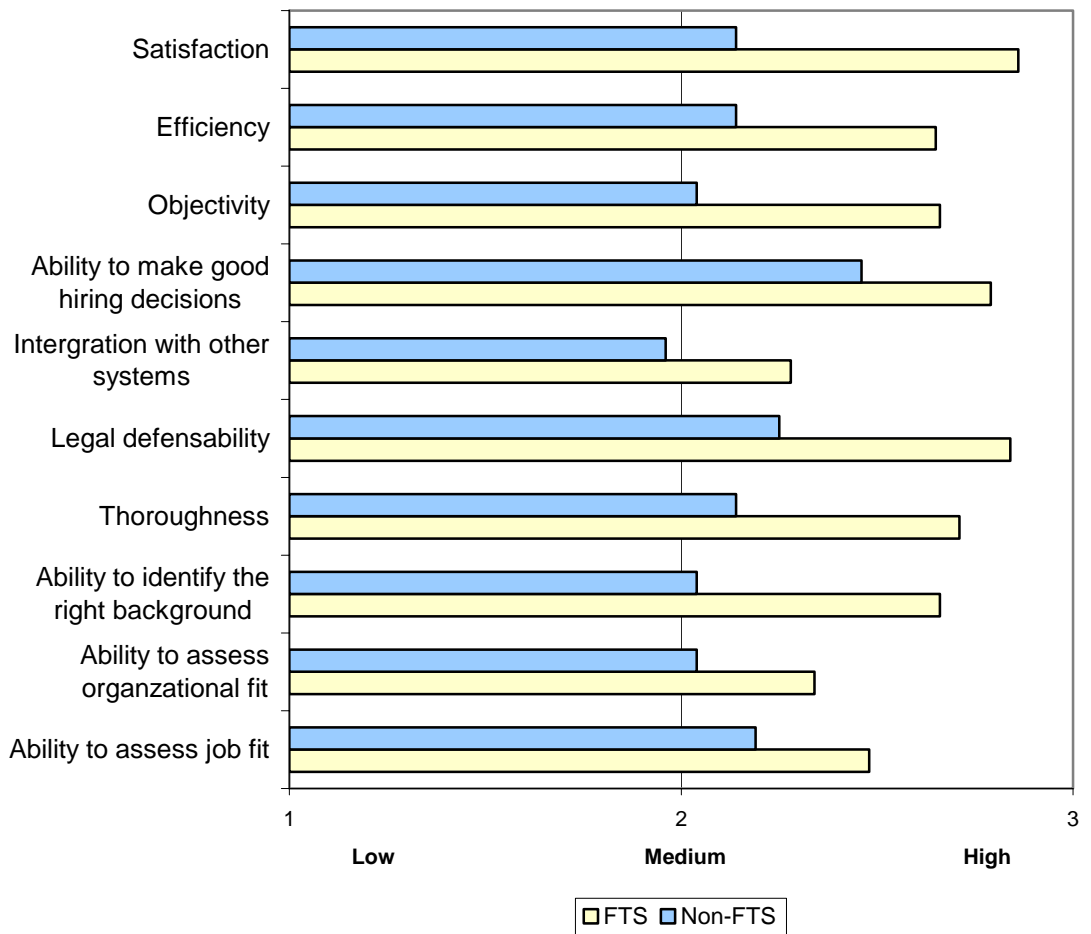
Selection System Quality

Users find the FTS selection system to be more effective.

Across every evaluation of system quality, the FTS selection system far outperformed the previous system (see Figure 2). The majority

of system ratings were “high,” and users clearly found the FTS system to be more satisfying and effective. All the field managers (100 percent) gave high or medium ratings for satisfaction, efficiency, objectivity, ability to make good hiring decisions, legal defensibility, and thoroughness.

Figure 2: Selection System Quality

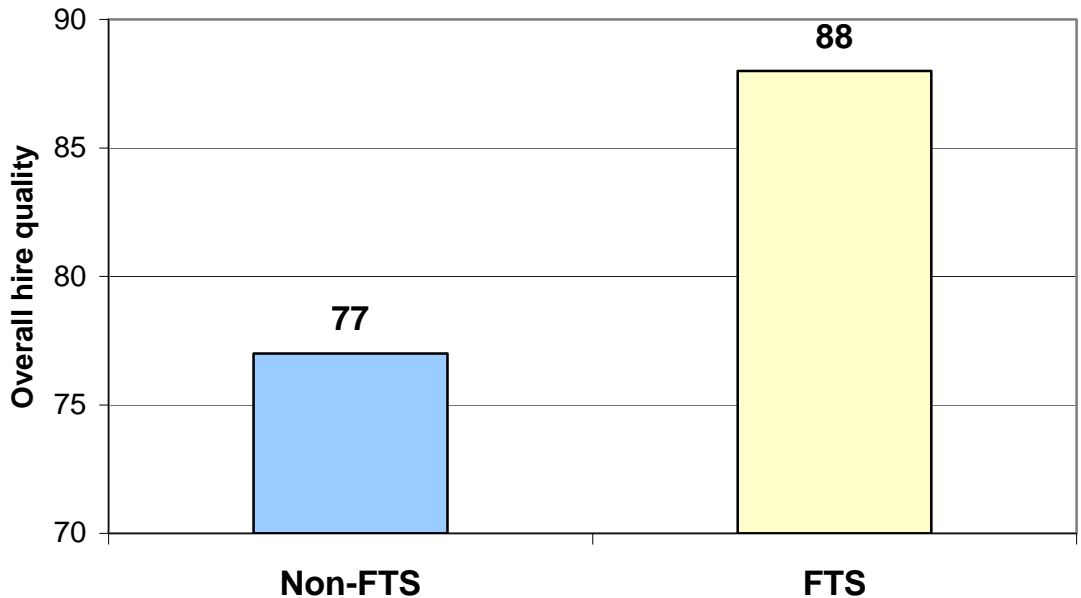


Quality of Hires

FTS leads to higher-quality hires.

Compared to the previous system, managers felt that the new FTS system produced a significantly higher quality of hires (see Figure 3). When asked to rate new-hire performance on a scale of 0–100 (0 = Completely Unacceptable; 100 = Highest Quality), managers rated the FTS hires an average of 11 percentage points higher than previous hires.

Figure 3: Quality of Hires



Time to Full Contribution

FTS hires become full contributors faster than non-FTS hires.

Time to full contribution is an important factor in pharmaceutical sales. New hires need to step into their roles quickly and then strive to reach their maximum potential. We asked managers to indicate the length of time it took for new hires to reach full contribution (see Table 2). The large majority of FTS hires (89 percent) were full contributors by the fourth month; only 75 percent of non-FTS hires were fully proficient by that period.

Table 2: Time to Full Contribution

	Non-FTS	FTS
1 month or less	18%	29%
2 months or less	43%	61%
4 months or less	75%	89%

Part of the ability to reach full contribution is dependent on a new hire's fit with the organization's culture and the job demands. When asked to rate the overall job fit and organizational fit for the FTS new hires, most managers indicated that the new employees had good or excellent job fit (86 percent) and organizational fit (90 percent).

PREDICTIVE VALIDITY OF SELECTION TOOLS

In a selection system, predictive validity is evaluated in terms of a selection tool's ability to identify long-term performance. In this section we evaluate two of the major components of the FTS selection system: Web-Screen and the interview-based phone

screen. When combined, Web-Screen and the phone screen provide real value by identifying the candidates who are most likely to succeed.

Web-Screen: Overall, some of the subcomponents of the Web-Screen banding process did show a significant correlation to measures of long-term performance. The education component was significantly correlated with salespeople's average performance in the areas of average product prescriptions (correlation, $r = .15$) and number of pharmacy calls (correlation, $r = .17$). (See Table 3 for the Web-Screen overall band.)

Table 3: Web-Screen Overall Band (July—December, 2003)

	A, B	C, D	Difference
Average Market Share	3.7%	3.7%	0.0%
Average Product Prescriptions	417.6	400.5	17.2
Average Prescriptions for Market	11,073.4	10,565.8	507.6
Average Doctor Calls	9.9	9.2	0.7
Average Pharmacy Calls	3.5	3.5	0.0
Average Calls	8.0	7.8	0.2

Phone Screen: Phone screen bands were not consistently related to long-term performance measures, except in the Communication competency.

Communication skills showed a significant correlation to July and August market share (correlations, $r = .14$). (See Table 4 for the phone screen overall band.)

Table 4: Phone Screen Interview Overall Band (July—December, 2003)

	Low	High	Difference
Average Market Share	3.5%	3.8%	0.4%
Average Product Prescriptions	397.7	428.3	30.6
Average Prescriptions for Market	11,042.7	10,884.7	-158.0
Average Doctor Calls	9.9	9.6	-0.2
Average Pharmacy Calls	3.5	3.5	0.0
Average Calls	8.0	7.9	-0.1

Interaction Between Web-Screen and Phone Screen: Candidates moved through the Web-Screen process before participating in the phone screen. Results show a significant interaction effect between these two measures: When candidates perform well in the Web-Screen, they are likely to have the same level of sales performance regardless of their performance in the phone screen; however, when they do not perform well in the Web-Screen (i.e., lower bands), using the phone screen adds real value. Regarding the performance of low-performer Web-Screen candidates, those who performed well in the phone screen had an average market share of 4.5 percent versus 3.2 percent for lower performers.

When converting this difference to a dollar value, 1.3 percent of market share equates to \$314,028 per year for the FTS hires.

These results support the importance of hiring not only for current ability, but also for potential. The competency-based phone screen is designed to “even the playing field” with regard to experience by enabling high-quality applicants without a great deal of sales experience to demonstrate their potential to be highly successful sales performers. The sales performance data clearly supports this hiring model.

CONCLUSIONS

- In the nine months following the hiring of the salespeople, the difference in their performance was obvious. The FTS hires were outperforming non-FTS hires in market share and total product prescriptions. The difference in market share between the two groups represents a significant dollar amount, exceeding \$2 million. As market share grows and sales representatives sell more prescriptions, even better sales figures for the DDI/Innovex hires will be seen. Initial results show that the program has already more than paid for itself in volume of prescriptions for the market.
- Overall system effectiveness has increased significantly compared to the previous system. Field managers are much more satisfied and feel that the system produces higher-quality new hires. These new hires typically have a shorter learning curve and show real strengths in terms of overall performance.
- Components of both Web-Screen and the phone screen show relationships to long-term performance. In particular, education and communication skills appear to be stronger drivers of performance. The combination of the two measures also adds value, in that, the phone screen builds on the results of the Web-Screen to identify higher performers.