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# THE FIELD MEDICAL GROUP VALUE PROPOSITION: PART 1

*Strategy → Value Drivers →  
Key Performance Indicators*

*Steven Dodge, Pharm D.*  
Novartis

*David Jencen, PhD*  
Novo Nordisk

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**Corresponding Author's Addresses:**

sdodge@thems today.com  
djencen@thems today.com

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The business adage, “If you don’t measure it, you can’t manage it,” applies fully to the work of field medical groups (FMGs) and individual medical science liaisons (MSLs). Absent measurement of performance against meaningful, agreed upon metrics, value drivers are not maximized and the value of such groups is not effectively established and articulated to the organization decision makers. Though FMGs have enjoyed significant growth across the pharmaceutical and biotechnology industries over the last ten years, that growth comes with much more visible impact to financial statements - relatively easily measured impact in the form of costs and very difficult to measure impact in the form of revenues or other benefits generated. Luckily, the FMG has been viewed by most companies as an indispensable function despite not being able to adequately characterize the value proposition. Operating with sound business principles, that will not be the case forever; without a stakeholder accepted value proposition tied well to the strategic objectives of the company and evaluated via a simple set of metrics or key performance indicators (KPIs), FMGs can come under significant negative pressure.

As a starting point, we assessed the literature on the topic of MSL metrics, productivity and performance, finding a dearth of publications or meaningful analyses. Though we initially intended to have one comprehensive

article about metrics, the value proposition and performance management within MSL groups, we realized that these are complex topics warranting substantial detail and are much better addressed through a series of articles. In this series, the authors would like to present a perspective on the FMG value proposition and the use of KPIs or metrics to manage that value proposition for your executive decision makers and other stakeholders within the company as well as your customers outside the company. In full realization that FMG performance management is top-of-mind for many stakeholders and the subject of much debate, as the series rolls out, we would like to foster a dialogue with MSLs and FMG management regarding the value proposition, value drivers and KPIs for field medical. Finally, we intend to drive toward a



simple set of standard measures, in the form of a balanced score card, which can be used as the basic framework for all FMGs, while being flexible enough to accommodate differences in specific teams.

In this first article, we will introduce a framework for taking high level, organizational strategy and translating this into individual and group measures. We will start the process of building a case for FMGs defining their value proposition and adopting KPIs that allow for management of that value proposition. We will then briefly set the stage for the rest of the series and provide an opportunity for dialogue and input into the content of this series.

As you read through this article and the full series, bear in mind that we use Key Performance Indicators (KPIs) and metrics interchangeably; we prefer KPIs. Further, though it may be intuitive, by FMG or field medical group, we mean a group of MSLs working for a specific company. We will refer to value throughout the series - we use a classical definition where value = benefit/cost. Finally, we address all variety of MSL, knowing that the roles differ somewhat across the industry and even within teams of a single company.

**The Case for Linking KPIs and the Value Proposition:**

As mentioned at the start, measurement allows for management. Absent meaningful measures of performance tied clearly to the bigger strategic goals of the organization, thoughtful prioritization of improvement efforts, resourcing of FMGs and building of internal advocacy are much more random, reliant

upon luck and likely to fail. Let us take as a basic principle that an organization sets down its strategy and the key strategic objectives it must attain to be successful. As in most organizations, the average MSL will struggle to see how her work supports those strategic objectives without a clear link between her own work and performance objectives, the value drivers of the FMG and those strategic objectives. A thoughtful set of KPIs, which generates the individual performance objectives but also populates the balanced score card for the FMG, will provide this link to the strategic objectives of the organization, will greatly facilitate the articulation of the key value drivers of the FMG and its value proposition and will allow FMG management to consistently communicate this to stakeholders in the organization. Further, it will allow managers to reward the “right” strong performance and address poor performance to maximize the value drivers of the FMG.

If we take as facts that people inherently do not like being measured on performance when it will make them look bad and have no problem being measured on performance when it will make them look good and that FMGs and MSLs are not unique in this respect, we land on one significant reason why KPIs for FMGs are difficult to develop. With that said, when a 100-member FMG now costs an organization



\$30-40 million per year, the value proposition of that group and metrics around that value proposition are being assessed, whether in a thoughtful way with alignment across stakeholders or in a short-term, activity-driven way, analogous to sales force measures. MSL groups are at a significant inflection point in terms of size, cost and risk in an industry that is changing rapidly. On the one hand, in an organization with strong executive advocacy, a MSL group could grow rapidly as the sales organization shrinks, simply in the hope that the FMG will fill some of the share of voice void. A FMG can also grow proportionately with a new sales force expansion for the purposes of total disease management partnering with managed markets. On the other hand, in an organization without that strong executive advocacy, the MSL group could shrink, or worse, face elimination, right along with other functions in the organization as the leadership tries to reduce cost. Stakeholders across these organizations will work to establish their own understanding of the value generated by FMGs, almost always finding it easier to define the denominator - cost - than the numerator - benefit. Our mandate as leaders in the FMG space is that we must define that numerator.

We must answer the questions:

- What are we getting for our FMG spend? In other words, what is the real value of the FMG and how does this compare to alternative uses of this capital?
- How do we measure benefit in a way that will not destroy the MSL regulatory safe harbor but that is meaningful to stakeholders?
- What is the right set of KPIs for assessing productivity and value generation?

Without being able to answer these and other common and challenging questions, we are faced with another question, which might have a rhetorical answer - If we cannot measure the benefit of the FMG, can we justify the cost? Define the benefit part of the value equation and you do not have to fear this question.

#### The Rest of the Series:

In the forthcoming series, we will look closely at Key Value Drivers of FMGs, KPIs and a balanced score card for FMGs, Performance Management, KPIs and the Unintended Consequences to be avoided.

Our goal is to establish the case for use of the balanced score card with diverse KPIs in order to clearly elicit and communicate the value drivers and overall value proposition of FMGs and position these groups to seize what is likely to be an unprecedented opportunity to benefit your organizations, your customers and patients as the U.S. pharmaceutical market continues to change over the next few years. Further, we wish to engage our field medical colleagues in the discussion in such a way that the results of this series reflect the best thinking and offer the greatest utility to FMGs.

#### Part 2 - Key Value Drivers of FMGs.

## THE FIELD MEDICAL GROUP VALUE PROPOSITION SERIES

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- Define the stakeholders and understand value from their perspectives.
- Assess value drivers that maximize benefit vs. cost opposite the best alternatives to achieve organizational strategic objectives.
- Create a final inventory of unique value drivers for FMGs - the MSL toolbox for outcompeting best alternative uses of customer time and corporate resources.

#### Part 3 - Key Performance Indicators & a Balanced Score Card for FMGs.

- Inventory the key metrics or KPIs currently being used to measure productivity, outcomes and performance of FMGs. This inventory will be constructed via a survey and other input from FMG colleagues across the industry as well as an evaluation of the limited literature on this topic.

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- Establish components of a general balanced scorecard for FMGs.
  - Review KPI rules to follow when defining and types of KPIs to drive desired behaviors and value.

***Part 4 - Performance Management - Linking strategy to value proposition to individual work.***

- Review KPIs tied to individual performance objectives.
- Define and discuss the link between the individual efforts and organizational success.
- Discuss KPIs for recognizing outstanding and suboptimal performance.

***Part 5 - The “Unbalanced Scorecard” - Unintended consequences of misaligned or poorly chosen KPIs.***

- Discuss the phenomenon of driving undesired behavior with metrics/KPIs.
- Explore the error of focusing on activities versus outcomes.
- Discuss the issue of focusing on short-term, easy to measure metrics and destroy- ing long-term value.

- Review the case of good KPIs poorly communicated.
- Consider the problem of data for the sake of data - wasted effort with KPI capture without use.

We look forward to engaging many of you in a dialogue, which will produce the best to-date set of KPIs and definition of value for FMGs, allowing FMG managers and MSLs to focus on what will truly bring the greatest value to your organizations and your customers. With the use of surveys and some social networking, via our wiki - <http://mslproductivitywiki.pbworks.com>, we intend to make these articles a reflection of your ideas and commitment. Most importantly, given that the environment of the FMG continues to change - the internal corporate environment as well as the external regulatory and customer environment - we hope that this work allows FMGs to continue to realize their full value and articulate this value within their organizations.

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The MSL Today call to action asking readers to email and contribute to open discussions that will be featured in articles to come.

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