



Managed Markets & National Accounts Service

Managed Markets Headcounts Experienced Growth in 2014

Pharmaceutical manufacturers continue to invest in staffing their managed markets organizations to support initiatives aimed at ensuring ongoing access to their products through existing customers while simultaneously cultivating relationships with emerging entities such as ACOs and Health Insurance Exchanges.

Key Finding:

Pharmaceutical companies experienced modest growth in 2014 with headcounts moving to the centralized Managed Markets Unit.

- Overall managed markets headcounts for HIRC's 30-company panel increased approximately 3% or the equivalent of close to 7 FTEs per firm.
- Thirteen firms had increases in headcounts in 2014, twelve had declines and five had no change.
- Reimbursement Support headcounts are up 3.6 FTEs per firm and are now second only to Account Management as the leading functional sector.

BIGGEST CHANGE IN MANAGED MARKETS ORGANIZATIONS IN 2014

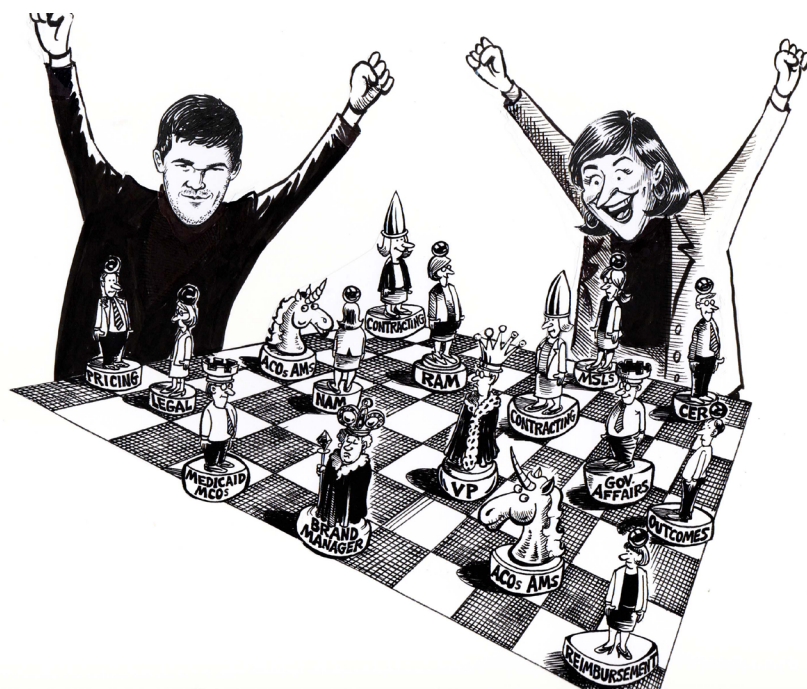
Category	# of Firms Reporting
Targeted Expansion	5
No Significant Changes	4
More New Product Introductions and Product Indications	3
Downsizing/Reduction in Forces (RIF)	3
Added Specialized Health Exchange Account Managers	3
Major Expansion of Account Managers	2
Major Expansion of Reimbursement Groups	2
Added ACO Account Managers	2
Combined Specialty Drug Account Managers into Managed Markets Unit	1
Added 100+ FTE Nurse Educator Force	1
Moved Marketing from Product Management into Managed Markets Unit	1
Moved Reimbursement into the Managed Markets Unit	1

Source: HIRC, *Managed Markets Service*, Winter 2014/2015, N= 30 companies.

The Seven-Firm Biologic Sector Enjoyed Robust Growth of Almost 9%

Growth in Biologic firms was led by their Reimbursement Support groups (up nearly 10 FTEs per firm). The 23 non-biologic companies in the HIRC panel only grew by 1% in 2014 vs. 2013.

Account Management (AM) headcounts grew only slightly [+1.2%] for the 30-company panel. Biologic sector Account Management is up 8.7% while non-biologic sector companies are at a plateau in Account Management headcounts.



Research Methodology and Report Availability

HIRC surveyed leading pharmaceutical companies during fall 2014 to gain insights concerning their Managed Markets headcounts, organizational structures and key issues driving their staffing investments. Each company's data are privacy-protected and results are only reported in aggregate to ensure confidentiality. Participating firms receive a customized, confidential analysis of their firm's headcounts compared to a cohort of key competitors. The complete report, **Managed Markets Headcounts and Organizational Study**, is available to HIRC's *Managed Markets and National Accounts* subscribers at www.hirc.com.

The Managed Markets & National Accounts Service provides a wealth of strategic and tactical information, including benchmarking, competitive intelligence, customer needs and emerging issues within eleven separate markets; environmental assessments of market segments that influence the availability, price and utilization of pharmaceuticals; and managed markets headcounts and organizational trends based on confidential data from 30 pharmaceutical companies.

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HIRC

HIRC, Inc. is an independent, nonpartisan organization that conducts strategic market research on trends in health care, pharmaceuticals and managed care businesses. HIRC's benchmark studies focus on the marketing needs of pharmaceutical companies by providing research critical to the development of successful customer-focused marketing strategies.

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