

ANONYMOUS EMPLOYEES v ROCHE

Activities at a meeting and call rates

Two Roche employees complained anonymously about the conduct of colleagues at a European meeting and also about call rates for representatives.

The complainants alleged that during the course of a European meeting colleagues took customers to a bar late at night and bought illegal substances.

The Panel noted Roche's submission that there was no truth in the allegation. Given that the complaint was anonymous the Panel could not ask the complainants to comment on the company's response before making a ruling. The Panel considered that it had received no evidence that the conduct of company personnel had breached the Code. No breach of the Code was ruled.

The complainants further alleged that Roche required its representatives to see doctors more than three times a year. The complainants had to see at least four doctors every day and if this was added up on all territories it meant that the complainants had to see some of them 8 times a year. Bonuses were lost if this was not done.

The Panel noted that the supplementary information to Clause 15.4 stated, *inter alia*, that the number of calls made on a doctor or other prescriber by a representative each year should not normally exceed three on average. This did not include attendance at group meetings and the like, a visit requested by the doctor or other prescriber or a visit to follow up a report of an adverse reaction.

The Panel noted Roche's submission that hospital representatives were expected to see two senior target customers each day in one-to-one meetings and this in effect meant that senior target customers would receive 1.6 calls per year. In reality this meant that some would receive one call a year but the majority would receive two. Given that some territories would have more than the average number of senior target customers and that on all territories some would be difficult to see, the Panel considered that, in theory, some representatives at least might find it difficult to achieve the expected daily call rate without have to see some customers more than 3 times a year. The Panel, however, had received no evidence that call rates in practice had breached the Code. Given the anonymity of the complainants, the Panel could not ask them to comment on Roche's response before making a ruling. The Panel considered that on the basis of the material before it there was no evidence that call rates had breached the Code. No breach of the Code was ruled.

Two employees at Roche Products Limited complained anonymously about activities at a recent European meeting and call rate targets for representatives.

1 European meeting

COMPLAINT

The complainants alleged that the behaviour of some colleagues recently had brought the industry into disrepute. At a European meeting, two colleagues

had taken some customers to a bar late into the night and bought them illegal substances. Several doctors had commented on this on their return, this was outrageous behaviour and made the complainants look as though the price of the medicines they sold was so that this could go on.

The complainants alleged a breach of Clause 2.

When writing to Roche, in addition to Clause 2 cited by the complainants, the Authority also asked it to respond in relation to the requirements of Clauses 9.1 and 19.1 of the Code.

RESPONSE

Roche categorically denied the allegation. The individuals concerned, and a significant number of other company individuals who had attended the meeting, were all quite definite that these events did not occur. Therefore Roche submitted that there was absolutely no truth in this allegation.

PANEL RULING

The Panel noted the company's submission that there was no truth in the allegation. Given that the complaint was anonymous the Panel had no way of contacting the complainants to ask them to comment on Roche's response prior to a ruling being made. The Panel considered that on the basis of the material before it, there was no evidence that the conduct of company personnel had breached the Code. No breaches of Clauses 2, 9.1 and 19.1 of the Code were ruled.

2 Call rates

COMPLAINT

The complainants alleged that Roche required its representatives to see doctors more than 3 times a year. Roche tried to get the complainants to see at least 4 doctors every day and if this was added up on all the territories it meant the complainants had to see some of them 8 times a year. Bonuses were lost if this was not done and the complainants alleged that they were being financially hurt by not breaching the Code.

The complainants alleged a breach of Clause 2.

When writing to Roche, in addition to Clause 2 cited by the complainants, the Authority also asked it to respond in relation to the requirements of Clauses 9.1 and 15.4 of the Code.

RESPONSE

Roche submitted that the standard rate of 4 calls per day only applied to the hospital sales team.

Roche explained that the minimum performance standards set in order for its hospital sales

representatives to qualify for the multiplier components of its incentive scheme was 4 one-to-one calls per day, 2 of which were to be on senior target customers. The average number of senior target customers per territory was 241 which, based on a 190 day year and the application of minimum standards, led to a frequency of 1.6 calls per customer. This was clearly well below the average of 3 specified in Clause 15.4 of the Code and did not take into account additional calls permitted due to the customer making requests to see a representative.

Roche submitted that on occasions individual managers could ask their teams to deliver more than the minimum standards but this would not take them beyond the limits of the Code and would not result in any loss of bonus for the individuals concerned. Roche noted that no member of the hospital sales team had ever lost their bonus due to failure to meet the minimum standard call rates.

Therefore, in summary, Roche submitted that it was true that it asked for 4 calls per day, but only 2 of these were on senior target customers (the smaller audience) and this could be delivered without being in breach of Clause 15.4. Roche took adherence to the Code very seriously, and moving forward it would continue to take proactive steps to ensure that it remained compliant with the Code regarding calling activity for all of its sales teams.

Roche provided a copy of the 'Roche baseline performance standards for hospital sales representatives' explanatory booklet for 2006 for information.

to Clause 15.4 stated, *inter alia*, that the number of calls made on a doctor or other prescriber by a representative each year should not normally exceed three on average. This did not include attendance at group meetings and the like, a visit requested by the doctor or other prescriber or a visit to follow up a report of an adverse reaction, all of which could be additional to the three visits allowed.

The Panel noted that hospital representatives were expected to see two senior target customers each day in one-to-one meetings. Given the average number of such customers in each territory (241), and based on 190 days a year in the field, this meant that senior target customers would receive 1.6 calls per year. The Panel noted, however, that in reality this meant that some customers would receive one call a year but the majority would receive two. Given that some territories would have more than the average number of senior target customers and that on all territories some senior target customers would be difficult to see, the Panel considered that, in theory, some representatives at least might find it difficult to achieve the one-to-one call rate of 2 per day without having to see some customers more than 3 times a year. The Panel noted, however, that the complainants had not provided any evidence that call rates in practice had breached the Code. The Panel considered that on the basis of the material before it there was no evidence that call rates had breached the Code. No breaches of Clauses 2, 9.1 and 15.4 were ruled.

PANEL RULING

The Panel noted that the supplementary information

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