

ANONYMOUS v SANOFI-AVENTIS

Representatives' call rates.

An anonymous telephone caller alleged that Sanofi-Aventis was asking its representatives to breach the Code by making their bonus dependant upon them seeing key customers 9-12 times.

The Panel noted that the representatives' briefing material and training slides clearly detailed the requirements of the Code and its supplementary information with regard to call rates ie that the number of calls made by a representative each year should not normally exceed three on average. This did not include attendance at group meetings, including audiovisual presentations, a visit requested by a doctor or other prescribers, a call made in response to a specific enquiry or a visit to follow up a report of an adverse reaction. The Panel thus noted that although a representative might call on a doctor or prescriber three times a year the number of contacts with that health professional in the year might be more than that.

The representatives' briefing material about their incentive scheme referred to activity payments which were based on cumulative targeted activity over a 12 month period. All contacts, face-to-face and all types of meeting contributed to this element. Each time activity payments were referred to representatives were reminded of the requirements of the Code.

A presentation about the incentive scheme contained a slide specifically noting the requirements of the Code with regard to call rates. The slides about targeted activity payments stated that the targets cited referred to all contacts, by the entire team for a specific customer; they were not individual target call rates.

On the basis of the material before it the Panel considered that there was no evidence to show that Sanofi-Aventis had set its representatives contact target call rates outwith the requirements of the Code. No breach of the Code was ruled.

COMPLAINT

An anonymous complainant telephoned the Authority and alleged that Sanofi-Aventis representatives thought that they were being asked to breach Clause 15.4 of the Code with regard to the bonus on seeing a number of key customers 9-12 times. The company was entering a period of redundancy and some managers in one part of England were using short term objectives to look at representatives who were not meeting the 9-12 contact rate and were not receiving the bonus. Leverage was being used unfairly; the objectives were being used to identify poor performance. The complainant stated that this was grossly unfair because of the redundancy

phase and a breach of the Code.

The complainant stated that they would not identify themselves for obvious reasons.

When writing to Sanofi-Aventis, the Authority asked it to respond in relation to Clauses 2, 9.1 and 15.4 of the Code.

RESPONSE

Sanofi-Aventis submitted that all of its sales forces were trained on the Code at the start of their initial training course and via the 'I-Learn' training system, to which they also had continuous access as a reference tool. In both cases this training explicitly included the Code requirements on call rates (copies provided).

Additionally, all sales teams were comprehensively briefed on their activities and contact rates with customers. The briefing was based on the requirements of the Code, and specifically Clause 15.4 and its supplementary information. Examples of the current briefing materials which referred to contact frequencies of 9-12 were provided for the sales teams in the cardiovascular and metabolism business units. These were the initial briefing documents distributed to sales staff in early 2007, and the most recent briefing materials used in September 2007 for cycle 3. These all directly referred to and quoted the Code requirements on call frequency. Additional details referred explicitly to the targets as relating to:

- Team targets, not specific to individual representatives. This was briefed verbally to all teams in early 2007 when the targets were launched, and was reinforced in the cycle 3 briefing in September 2007.
- All contacts, not only representative-initiated calls.
- The time period of January – December 2007.

These elements were included to ensure that representatives had a thorough understanding of what was required and that they could satisfy themselves as to its compliance with the Code.

In the latter respect, Sanofi-Aventis' Employee Forum received a query on the Code compliance of the scheme in the first half of 2007. The following extract from the minutes of the Employee Forum meeting of May 2007, published on the company intranet, related to this query:

'Incentivised call rates of 12x per year

Individuals should discuss any concerns with their RBM/DBM. The incentive scheme has been agreed with [a senior manager] regarding the

input element that is included. The incentive scheme clearly highlights the ABPI Code Clause 15.4 which relates to 'Frequency and Manner of Calls on Doctors and other Prescribers' and representatives must abide by the Code. Contact rates include calls and meetings and the objectives set are for the brand and not an individual representative.'

There had been no further query on these targets which were revisited in the sales meetings in September as described above. It was disappointing that the response above, which encapsulated the current position, was not considered sufficient by the complainant and that they chose to ignore the company policy on 'whistle-blowing', which guaranteed confidentiality of complainants. Equally, Sanofi-Aventis noted that the complainant appeared not to have provided any written material or evidence to substantiate their claim of a breach of the Code.

Based on the material presented, Sanofi-Aventis therefore believed that the instructions to representatives, their training and briefing, complied with the letter and spirit of the Code and in particular that there had been no breach of Clauses 15.4, 9.1 or 2.

The complainant alleged that the targets referred to above were being used to identify 'poor performers' who might then be selected as possible candidates for redundancy in the forthcoming sales force reorganisation, and that this was a breach of the Code.

The Code covered training and briefing of representatives and their conduct and Sanofi-Aventis believed that the direction given by the company was consistent with the Code in these respects. However, Sanofi-Aventis did not consider that the Code covered assessment of individuals' performance, and therefore submitted that there was no prima facie case to answer on this point.

Furthermore, the need to restructure Sanofi-Aventis' UK sales force was announced at a sales meeting in September. When this complaint was made details of this restructure, including selection procedures and criteria, had not been shared with sales managers or representatives. Sales management was therefore not in a position to inform representatives that levels of bonus might be linked to performance or selection of

candidates. The complainant's allegations were therefore based only on conjecture.

PANEL RULING

The Panel noted that the representatives' briefing material and training slides clearly detailed the requirements of Clause 15.4 of the Code and its supplementary information ie that the number of calls made by a representative each year should not normally exceed three on average. This did not include attendance at group meetings, including audiovisual presentations, a visit requested by a doctor or other prescribers, a call made in response to a specific enquiry or a visit to follow up a report of an adverse reaction. The Panel thus noted that, although a representative might call on a doctor or prescriber three times a year the number of contacts with that health professional in the year might be more than that.

The representatives' briefing material about their incentive scheme referred to activity payments which were based on cumulative targeted activity over a 12 month period. All contacts, face-to-face and all types of meeting contributed to this element. Each time activity payments were referred to representatives were reminded of the requirements of Clause 15.4 of the Code.

A presentation about the incentive scheme contained a slide specifically noting the requirements of Clause 15.4. The title of the slide indicated that its inclusion in the presentation was mandatory. The slides about targeted activity payments stated that the targets cited referred to all contacts, by the entire team for a specific customer; they were not individual target call rates.

On the basis of the material before it the Panel considered that there was no evidence to show that Sanofi-Aventis had set its representatives contact target call rates outwith the requirements of the Code no breach of Clause 15.4 was ruled. It thus followed that there was also no breach of Clauses 9.1 and 2 of the Code.

Complaint received	1 October 2007
Case completed	24 October 2007