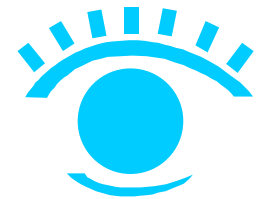


Monitoring Sales and Marketing:  
**The Conduct Behind  
the Numbers**

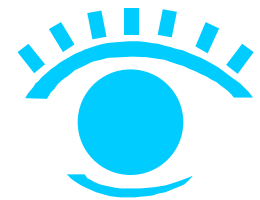
Paul J. Silver, Director  
June 12, 2001

# Context



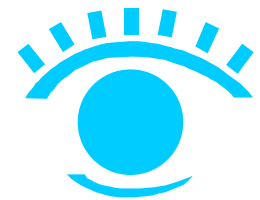
- ❖ Pharma, biotech, and research are all center-stage acts with enforcement agencies
- ❖ *Qui tam* litigation will continue in earnest even if the regulatory and enforcement climate becomes more favorable

# Challenging Attitudes



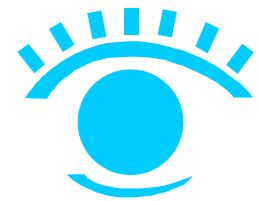
- ❖ “What do you mean I can’t do that? How do you expect me to grow share? I’m just going to lose the business if you make me follow that policy.”

# Challenging Attitudes



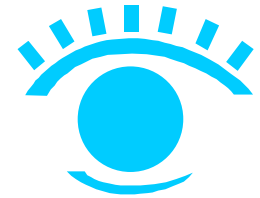
- ❖ “What do you mean I can’t do that? Our competitors are doing it. I can’t compete if you make me follow that policy.”

# Challenging Attitudes



- ❖ “Measuring the return on investment of money spent on a physician proves that you’re buying a doctor’s business.”

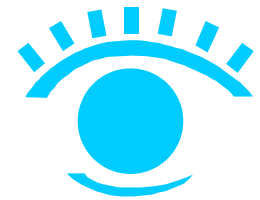
# Risk Areas



## ❖ Gifts

- Monetary Gifts
- Merchandise
- Travel and Entertainment
- Drug Products
- Continuing Education

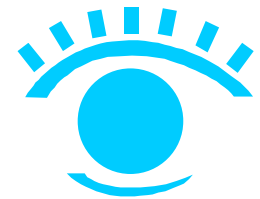
# Risk Areas



## ❖ Grants

- Education
- Training/Preceptorships
- Research
- Phase IV clinical Trials
- Unrestricted Educational Grants

# Risk Areas

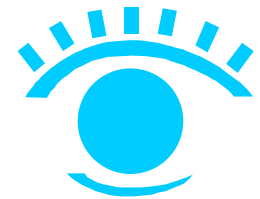


## ❖ Promotional Programs

- Discount Purchasing Programs
- Rebate Programs
- Patient Assistance Programs
- Cognitive Services Programs



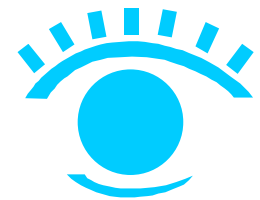
# Risk Areas



## ❖ Promotional Strategies

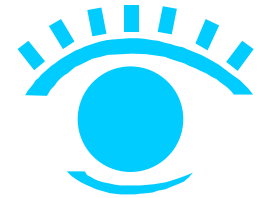
- Cooperative Sales & Marketing Arrangements
- Independent Contractors
  - Speakers/Writers Bureaus
  - Advisory Panels
- Health Information Collection and Use

# Challenging Climate



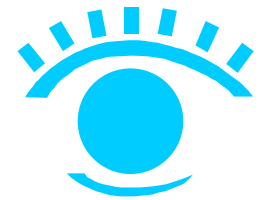
- ❖ Geographically dispersed sales organizations
- ❖ Customer expectations
- ❖ Shareholder expectations

# Solutions



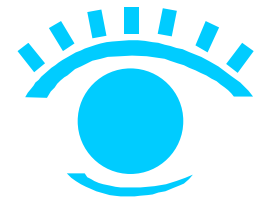
- ❖ Embed compliance in routine functions and departmental responsibilities
- ❖ Data mine and analyze sales and marketing tracking/reporting databases

# Solutions



- ❖ Engage internal audit to help develop auditing and monitoring protocols and provide staff for periodic audits

# Questions?



## **Paul J. Silver**

Health Sciences  
Litigation Advisory Services

- **Ernst & Young LLP**  
**Assurance and Advisory**  
Business Services  
Suite 2800  
600 Peachtree Street  
Atlanta, Georgia 30308-2215
- Phone: (404)874-8300  
Direct: (404)817-5766  
Fax: (404)817-4343  
paul.silver@ey.com