

# BHBIA Awards 2007 - 'More for Less'

## Sample Entry - Evaluation of the market opportunity leading to the forecast and launch strategy for Product X by Pharmaco.

**Note:**

*Although the example below is anonymised, referring only to "product x/market y", your entry should specify the actual product/market in question.*

*Please be assured that your submission will be treated as strictly confidential. The only part of your entry that may be reproduced in any way is the executive summary, which is the one part of your submission that you may wish to ensure is not product/market specific.*

### **Executive Summary:**

Less than a year before the planned launch of Product X into the niche Syndrome Y market Pharmaco had learnt that the market was likely to be smaller than anticipated, and its competitive advantage was likely to be short-lived.

A decision had to be made quickly about whether and how to launch the product. Little information was readily available about the market, and little was known about the potential customer base. No market research budget had been pre-allocated.

By creative use of a hospital dataset and other data, combined with an iterative information seeking programme of attending globally sponsored MR fieldwork and sending product team members to see key stakeholders Pharmaco was able to meet all its research objectives for a total cost of £1,400 plus travel.

Despite the modest expense the project enabled the team to:

- Manage the expectations of senior management in terms of the market potential for Product X
- Gain management support to launch despite limited return on investment, because the risks were well understood and there were non-financial benefits
- Target limited resources effectively to achieve the key launch objectives without a negative return on investment
- Save the lives of many people with Syndrome Y!

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## 1. Background – Situation Analysis:

Product X is a product developed for the use in Syndrome Y, a rare but life-threatening condition. Early stage analysis had shown this was a niche market, but with a relatively significant potential. Later desk research seemed to indicate the opportunity was much smaller than originally anticipated. Launch was anticipated late 2005.

Likely Competitor Z entry into the market in 2008 with the potential for a substantial cost advantage meant that the opportunity looked small and potentially short term. However, the medical need for Product X in the short term was high.

In early 2005 a re-evaluation of Product X's market opportunity in Syndrome Y was undertaken including analyses of:

- Patient numbers
- Prescriber attitudes
- Patient needs
- Payer agendas
- The evolving competitor situation

There was also a key question about the rationale and benefit for Pharmaco in launching this product.

There was no specific market research budget, though specific proposals would be considered on merit.

## 2. Research Objectives

To assess the market potential for Product X in Syndrome Y, and provide recommendations for the following:

- Target customers
- Launch strategy, including possible market expansion activities as well as the possibility of no launch
- Promotional effort

## 3. Approach

A multi-faceted approach was chosen:

- Literature research as well as mapping usage at hospital level of products known to be used in Syndrome Y, in order to understand where the key customers were located and who they were.
- Close involvement with our Global market researchers in order to add UK specific topics in discussion guides used for the local interviews associated with Global MR projects.
- A programme of personal visits by the central members of the Product X Team – Marketing and Medical personnel visited the key customers in the Syndrome Y specialist centres, the patient association, and payers.

## 4. Fulfilment of Research Objectives

Target customers were initially identified through literature searches and conversations with the Syndrome Y patient organisation. To verify this information a hospital level dataset was purchased from IMS for £1,400, including sales by department for each product used for Syndrome Y. These products are also used for other conditions, and hence the next step was to exclude all departments that were likely to treat these other conditions rather than Syndrome Y. This exercise identified several usage clusters that were then verified to be either existing certified Syndrome Y centres, or in the process of applying for such status. The exercise identified more customers than the initial desk research had, but it was clear this was a highly specialised area in terms of the number of HCP customers.

A European programme of market research had been commissioned by the head office product team in early 05, with all projects involving interviews with UK physicians. The UK team felt that attempting further formal

research may well lead to negative reactions from the very limited respondent pool in this therapy area. Instead, the UK team utilised the research as follows:

- The UK team added UK specific topics in discussion guides used for the local interviews associated with Global MR projects, and would also be present at the interviewer briefings to ensure any last minute questions from the UK team could be added.
- The results of the studies were fed into our own discussions with customers (which were taking place at the same time) and allowed us to have more in-depth discussions about likely market reaction, as well as testing hypotheses as they were developed.

The market potential was worked up by combining a number of sources and cross-referencing them:

- The estimates of patient numbers provided by customers were of the right magnitude to tally with global estimates of patients suffering from Syndrome Y provided by the head office product team.
- The number of treated patients was worked up by talking to each of the specialist centres about their numbers of treated patients, and comparing this to our calculated patient equivalents from the IMS dataset
- The IMS data had also identified some centralised purchasing, but through our customer conversations we were aware which centres were included in this arrangement and hence we could make the necessary adjustments to our calculations
- Our analysis was checked with key customers for verification, and market potential was confirmed as being very small but with treatment rates growing rapidly.

The initial draft numbers and the discussions with KOLs were used to build a new forecast model, where additional understanding was added as the programme proceeded.

The launch recommendations were primarily based on the insights gained from the conversations the Product X team had with Syndrome Y specialist centres, the patient association, and payers. These conversations had included questions raised from our global MR programme as well as from the ongoing desk research.

## 5. Recommendations Made

Key recommendations:

- Launch despite the likely return on investment being very modest. The main rationale was the clinical need for this treatment. An added reason was the positive halo effect for the company from being seen to do the right thing.
- Focus on helping the specialist centres do a good job. This meant NOT attempting to expand the market in terms of the number of physicians actively treating the condition. The rationale for this recommendation was the substantial specialist resource required once a patient started deteriorating. If patients are treated outside the specialist centres they may not have sufficiently rapid access to this resource. Another competitor had already attempted expansion, and as a result did not have the trust of the specialist community. Trust was a critical factor for the Product X Team, and the team had learnt that there were a number of factors limiting the potential for an expansion strategy
- Set up regular contact with the key Specialist Centres and the patient organisation, using medical specialists rather than traditional sales force. This would provide the support the customers had said they would find useful, while the product team could maintain good quality customer contact with currently available resource, and with limited additional investments.
- Ensure substantial but balanced press coverage at launch, to contribute to a positive company perception but without trying to create inappropriate demand for the product.

## 6. Successful Outcomes/Impact on the UK Business

The product has been launched, with significant and appropriate press coverage, while a close and trusting working relationship has been established with the key Specialist Centres. Usage so far is tracking above expectation, but within the predicted range. Promotional spend has been very targeted, and the Team is on track for reaching break even in only one year from launch.

The market evaluation for Product X cost only £1,400 plus travel costs, but has enabled the team to do the following:

- Managing the expectations of senior management in terms of the market potential for Product X
- Gain management support to launch despite limited return on investment, because the risks were well understood and there were non-financial benefits
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- Save the lives of many people with Syndrome Y!