

# MMC INTERNATIONAL

From Strategy To Implementation

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## Forget Rx industry norms. They have no relevance to what will be transpiring between now and 2025.

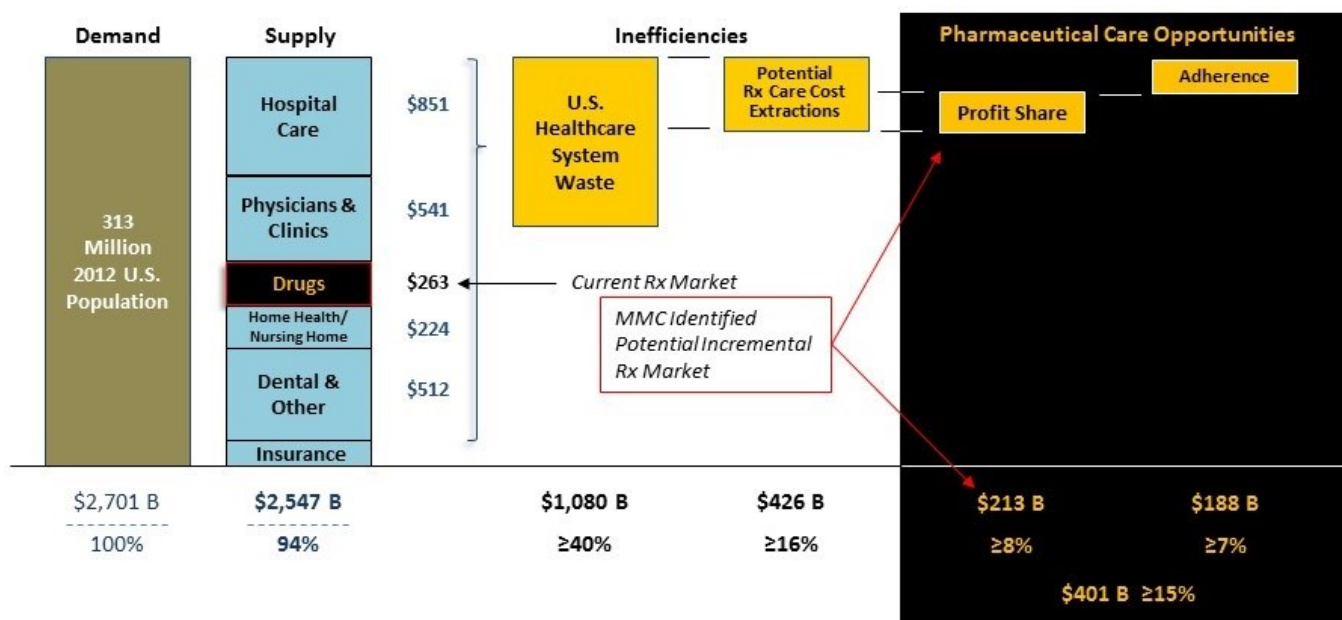
On May 25, 2014—Edmund L. Valentine stated, “The single largest transformative trend through 2025 is technology-enabled consumerism. Consumers will move health insurance into a price-driven commodity product. Competition will force pricing transparency and parity by providers. Consumers will fundamentally transform how and where patients are diagnosed, screened, and treated, and how diseases are monitored and managed. They will also shift where and how care is delivered. More care will be provided close to home and through the utilization of digital devices and away from the historic hospital complex and physician’s office. They will influence product and therapy choices for many products. Consumers will shape the political agenda. Their persistence and compliance with doctors’ instructions will migrate to affect physician compensation and, for select products, reimbursement. Patients will become more involved in their healthcare. The importance of the role of the patient

and consumerism will increase through and beyond 2025. As a result, industry boundaries and industry norms for virtually every U.S. healthcare industry segment or stakeholder will be upended.”

Passage of the Affordable Care Act in March 2010, the implementation of health insurance exchanges in October 2013, the release of hospital and provider payment data by the Centers for Medicare & Medicaid Services (CMS) in May 2013 and April 2014, respectively, and the amount of venture capital flowing into new consumer-oriented healthcare information websites in the first quarter of 2014 heralded the beginning of the transition to true United States healthcare consumerism and the migration of United States healthcare into a provider commodity market.

Valentine stated, “Transparency will have a transformative impact in how all healthcare industry stakeholders conduct their business. It will also open myriad opportunities for the pharmaceutical industry to expand its market and increase the value of its total offering.” MMC International estimates this opportunity at \$401 Billion, which would increase the size of the U.S. pharmaceutical market by 150%.

**2012 U.S. Healthcare Inefficiencies Rx Opportunity, In Billions of U.S. Dollars**



Sources: Centers for Medicare & Medicaid Services, Office of the Actuary, IMS Health, and MMC International Analytics.

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From Strategy To Implementation

# MMC INTERNATIONAL SERVICES

## STRATEGIC PHARMACEUTICALS CONSULTING

### STRATEGY

Vision (confirm, define and/or refine)  
Mission (confirm, develop and/or refine)  
Strategy (formulate and/or refine)  
Goals (define long-term goals)  
Objectives (establish annual objectives)  
Business Modeling

### Analysis

Environmental Audit (PEST analysis/future outlook)  
SWOT Analysis  
GAP Analysis  
Alternative Scenarios  
Portfolio Prioritization  
Strategic Plan  
Geographic Expansion Strategy/Plan  
Diversification Plan (product line, therapeutic area, industry segment, industry)  
Operating Plan

### STRATEGIC MARKETING

Lifecycle Management Plans  
Therapeutic Area Plans (TALT Plans)  
Forecasting  
Market Segmentation Analysis  
Market/Commercial Assessment  
Managed Markets  
Reimbursement  
Product Evaluations (current and future)  
Product Design Goals (e.g., TPP, TPI)  
Product Life Cycle Plans  
Product Plans  
Marketing Plans  
Launch Plans

### Analysis

Alternative Industry/Customer Scenarios  
Competitive Intelligence  
Marketing Research (Strategic)  
Decision Support

### BUSINESS DEVELOPMENT

Business Development Plans  
Target Identification and Prioritization (products and companies)  
  
Opportunity Assessment  
Term Sheets  
Due Diligence

### BOARD OF DIRECTORS

Decision Support  
Strategic Planning

### GENERAL MANAGEMENT

Business Portfolio Analysis  
Geographic Expansion (Worldwide)  
Diversification Implementation  
Resource Allocation  
New Venture Reviews  
Due Diligence  
Fact-Based Problem Solving  
Support Services  
Socio-Technical Processes

### TECHNOLOGY ASSESSMENT

Product Reviews  
Portfolio Implications

## TEMPORARY PHARMACEUTICAL EXECUTIVE MANAGEMENT SUPPORT

Interim CEOs  
Outside Directors  
Change Management  
Succession Management  
Strategic Planning

Business Development  
Project Management  
Team Facilitation  
One-on-one Executive Counseling, Executive Coaching, and Executive Mentoring



From Strategy To Implementation

# MMC INTERNATIONAL SERVICES — Continued

## OPERATIONAL PHARMACEUTICALS CONSULTING

### MARKETING

- Maximizing Branding
- Effective Product Positioning
- Appropriate Promotional Mix Allocation
- Successful Product Launches
- Revitalization of Existing Products
- Brand Life-Cycle Management
- Building Customer Relationships
- Effective Contracting Strategies
- "What's Important Now" Visualization
- Sales & Marketing Synergies
- Establishing a Long Term Strategic Vision
- Improving the Decision Making process
- Building a Sustainable High Performance Team
- Maximizing Sales Force Effectiveness
- Effective Global Partnering
- U.S. Commercialization Strategy and Implementation

### SALES

- Patient-Centric Sales and Service Strategy
- Sales Excellence
- Field Training Process

### MANUFACTURING/SUPPLY CHAIN

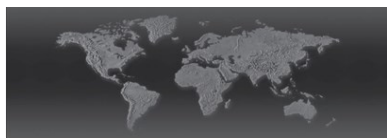
- Lean Manufacturing
- Six Sigma Quality
- Purchasing
- Supply Chain
- Capacity Analysis
- Capital Management
- Sourcing Strategy
- Operations Alignment With Product Lifecycle Management
- Translation Of Customer Requirements Into Manufacturing Specifications
- Technical Support Strategy
- Operations Management/Interim Management

## STRATEGIC OPERATIONAL PHARMACEUTICALS WORKSHOPS

- Strategic
- Marketing
- Manufacturing

## EXPERT WITNESS, LEGAL SURVEYS AND LITIGATION SUPPORT

Expert witness testimony, litigation support, and survey design and implementation is provided on a selective basis for clients covering a wide range of cases involving pharmaceutical marketing and pricing. Cases include: 1) Lanham Act false advertising cases, where both surveys and expert testimony are provided, 2) patent infringement cases, where commercial success testimony and surveys to support infringement are provided, 3) general pharmaceutical marketing and pricing testimony regarding industry standards, basic pricing terminology and practices, and 4) damage modeling where marketing and pricing issues are involved. MMC consultants are selected and methodologies are designed to survive all Daubert and other similar challenges.



Whenever the power shifts from the provider of the service or product to the consumer, the offering becomes a commodity. Commodity marketplaces are typified by price competition, transparency, and differentiation through perceived relative quality and price. Cost is generally related to volume/market share. Commodity markets require a continual drive to improve quality while lowering costs. During the transition to a true commodity marketplace, inefficient practices and intermediate services are eliminated or obsolesced - often by innovative offerings from new market entrants/competitors. They are enabled by the availability of new technologies and/or enabling products and/or services and/or legislation. Now is the juncture where the opportunity for pharmaceutical companies is materializing. What is clear is that first-mover advantage will be critical for most product/disease offerings. The choice is simple: innovate (not just in R&D) and prosper, or stagnate and perish. History has shown that most managements will play lip service to innovation and in the process most companies in existence today will be acquired, merged, or driven out of business.

## “Trends Shaping U.S. Pharmaceutical Industry Strategies”, 14th Edition

The launch of the 14th Edition of MMC’s *Trends Shaping U.S. Pharmaceutical Industry Strategies* report was delayed in anticipation of the release of physician payment data by CMS in April 2014. The release was paramount to migrate United States healthcare into a commodity market between now and 2025. The 13th Edition focused on the implications of the Patient Protection and Affordable Care Act (ACA) and the American Recovery and Reinvestment Act. The 14th Edition updates and extends the analysis and incorporates the implications of the unprecedented convergence of disruptive technologies and technology enabled consumerism on the U.S. healthcare system - and more specifically the U.S. pharmaceutical industry between now and 2025.

The 14th Edition identifies a myriad of disruptive technologies and trends which present both threats and opportunities to the U.S. pharmaceutical industry. The report contains a number of observations and answers questions which are new and proprietary to MMC International. Examples include:

- What will the impact of disruptive technologies be on the U.S. pharmaceutical industry?
- Why will non-traditional competitors redefine U.S. healthcare?
- How and why will transparency change everything?
- Can more value be created via marketing investments than through certain R&D investments for certain diseases?
- Is the integrated pharmaceutical company model dead?
- Why will it not be enough to just have a unique, differentiated product?
- Can entry barriers for certain diseases really be created to virtually eliminate the threat of generics and “me-too” competition?
- Why will the very definition of what constitutes a pharmaceutical company be brought into question?
- What are some of the new competencies that will be required for success?
- Why will first-mover advantage become even more important?
- How will Rx marketing be turned on its head?
- Who is the customer today and who will the customer be in the future?
- Will risk sharing be required for success?
- How will product distribution change?
- Is the blockbuster drug really dead or is it just redefined?
- Why will drug pricing come under assault?
- Will PBMs become insignificant for certain products?
- What roles will biomarkers play in product success?
- What are the marketplace forces that will come into play that will reshape the U.S. pharmaceutical industry?
- Are we going to see really innovative Rx industry strategies—or is it really just more of the same?
- What will be required for Rx companies to succeed in 2025?



**ORDER NOW** and be one of the first to receive the strategic analysis. To order, [click here to download the editable electronic pdf form](#), complete the form and e-mail it to: [orders@mmcint.com](mailto:orders@mmcint.com), or fax it to: 203-547-6307; contact your MMC representative or Ed Valentine at 203-961-9352 (office) or 203-536-3686 (cell).