



MMC INTERNATIONAL

From Strategy To Implementation

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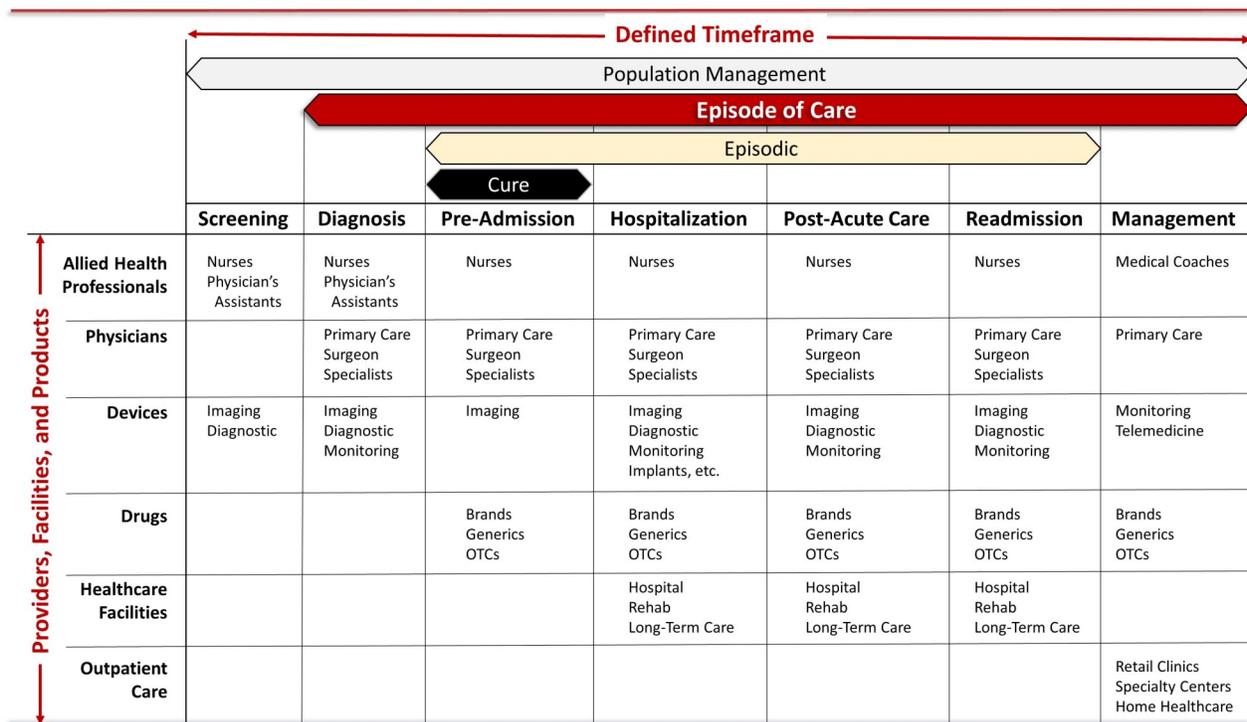
Are You Selling A Cure, A Result, Or An Outcome?

The answer will increasingly dictate a drug's success.

Most brand and, by default, product development teams are not well positioned to navigate the requirements of the rapidly-changing pharmaceutical marketplace. What works today will not especially work in the future. This is not a problem for a unique drug that has high demand and is not substitutable – but it is a challenge for the rest. The endemic problem is that the very experience that has made the brand teams and the members of product development teams successful is clouding how the team views their markets and potential opportunities. They are biased by “Group Think”. This is further exasperated by demands that brand teams focus on generating immediate results versus investing time in longer-term initiatives. What is happening right in front of our eyes explains the empirical observation that most incumbents fail when faced with disruptive industry change.

The Opportunity

Unprecedented disruptive industry change, which is being driven by the convergence of a myriad of outside forces, is forcing companies to ask where their product/product offering fits in the continuum of care. It will also force competitors to question what the company is selling and from where profits will be generated. MMC has identified the redefined marketplace as a potential incremental \$426 billion annual U.S. pharmaceutical industry value-added opportunity. That opportunity is unique for each product and resides in the total cost of care. What is interesting is that the opportunity is not restricted to brands; it also applies to generics. Definition requires non-traditional analysis and execution. Success requires/will require new competencies and organizational structures.



Source: MMC International.

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Integrated Disease Opportunity Review

The unprecedented depth and velocity of industry change necessitates brand managers for chronic disease products to conduct market specific integrated disease opportunity reviews to answer a myriad of interrelated questions. Some examples include:

- Where does my product fit into therapy today and where will it fit in the future?
- Do we need to invest in programs to increase the size of the diagnosed population?
- How will consumerism affect my product?
- Will provider innovation centers change how my product is used?
- How will transparency initiatives influence prescribing and utilization?
- What value-added programs will be required to compete?
- Who is my customer today and who will be my customer in five years, in ten years?
- Where do the costs of treatment lie within the treatment pathway?
- What and where are the cost differentials between providers to treat specific episodes of care?
- How can persistence and compliance programs be improved?
- What are the drivers/influencers that drive my price?
- Is it possible to take price out of the drug acquisition equation?
- Can the product's cash flow be protected after its exclusivity expiration expires?
- Are revenues limited to the drug or are there opportunities to increase revenues via related devices and/or value-added services?
- Will current contracting practices work in the future?
- How will patient support needs change over the next five years, ten years?
- How will provider needs change over the next five years, ten years?
- How will payer needs change over the next five years, ten years?
- What is my product offering today; what should it be in the future?
- Does the organization have the right competencies to be well positioned in the future?
- How will our organizational structure have to change to be competitive in five years, in ten years?
- What are the most critical actions that have to be taken over the next 12 months and 24 months to maximize product returns?



Edmund L. Valentine
Chairman and C.E.O.
MMC International

The required analysis, by necessity, moves outside traditional pharmaceutical industry boundaries because the pharmaceutical industry is being transformed from outside the industry. This is normal during periods of disruptive industry change which the pharmaceutical industry is undergoing. The implications of outside industry forces are generally discounted by most industry incumbents – explaining why most fail to act quickly enough and why, as a result, most incumbents fail during disruptive industry change. This would be happening faster except for the artificial entry barriers afforded by patents and exclusivity protections.

MMC has long utilized its *TRENDS* reports as a time- and cost-saving tool when conducting integrated disease opportunity reviews. The unprecedented velocity and depth of U.S. industry change requires MMC to utilize the complimentary and interrelated 13th and 14th Editions of the *TRENDS Shaping U.S. Pharmaceutical Industry Strategies* reports to: 1) conduct its project planning meeting (to ascertain what information will be required), 2) draft final presentation outline, 3) develop its three to five question client and industry questionnaires, 4) integrate select figures and tables into the final presentation, etc.

For More Information

For more information, a Board of Directors and/or senior management briefing, a strategic or marketing workshop, or a presentation related to the *TRENDS* report, contact Ed Valentine at 203-961-9352 or e.valentine@mmcint.com.

To order a copy of *TRENDS*, [click here to download the order form](#), complete the form and e-mail it to: orders@mmcint.com, or fax it to: 203-547-6307; or contact your MMC representative or call Ed Valentine at 203-961-9352 (office) or e.valentine@mmcint.com.