

Peter Mansell talks to Seyed Mortazavi, president, EMEA, at IMS, about how the most successful product launches require new commercial models from the outset



Seyed Mortazavi

Grasping the new realities of launch excellence

Charting the right course for an excellent launch remains a huge challenge. There is a lot of talk about declining R&D productivity and the need for companies to deliver real innovation and value in pharmaceuticals. What lends this debate particular urgency is the faltering performance of new products. Launches – even the best ones – are currently achieving less in terms of their early market share than ever before.

At the same time, the wider business environment is marked by continuing pressure on healthcare budgets, rising market access barriers and an

unprecedented stream of major patent expiries over the next four to five years.

This trend is evidenced in the third *IMS Launch Excellence* study. It found that only eight (0.6%) of the 1,388 promoted brands studied entering the top eight mature pharmaceutical markets worldwide in 2009 met the criteria for excellence in launch. In fact, the *Launch Excellence* studies have shown a decline in the percentage of brands achieving launch excellence year-to-year from 2007 to 2009.

One of the underlying drivers, but not the sole cause of these declines, has been the dearth of innovative

new launches entering the market. However, there are signs this trend may be reversing. After reaching a low point in 2008, when there was only one launch singled out as a prospective blockbuster (\$1bn in global sales), the pipeline for launches with major potential is showing signs of revival: a raft of important upcoming entrants, primary care and specialist, promises to create new markets or at least revitalise existing ones.

As the *IMS Launch Excellence* report highlights for those in search of a successful launch, there are still opportunities to excel but these will be

contingent on a shift in mindset toward a new business, commercial or launch model.

The DNA of a successful launch

Getting it right from the start “by working smarter much earlier in the launch cycle has never been more important”, notes Seyed Mortazavi, president, EMEA. “IMS has been studying launch excellence since the 1990s, working with pharma to develop innovative new metrics, analysis, insights and launch models to figure out the DNA of a successful launch.”

The insights come not only from the vast array of quantitative IMS assets but from qualitative interactions with brand managers at local and international level. “With the retreat of the clinician-detailed driven market, particularly in the UK, cost has come to the fore and will stay there,” Mortazavi points out. “Our research has identified three foundational success factors that are common to every excellent launch and which we believe will be the key to launch success in the future. These are: 1) An aligned and prepared organisation 2) A powerful and pertinent value proposition and 3) Effective and efficient stakeholder engagement.”

Accordingly, companies are beginning to grasp the need for a more comprehensive brand proposition, conceived earlier in the product lifecycle and geared to a wider range of stakeholders.

From shotgun to sniper

That change in emphasis is pushing up investment in the pre-launch phase. “It’s all about achieving what we call the five As (Adherence, Adoption, Access, Approval and Advocacy) to make the portfolio decision,” says Yoshiko Tarapore, head of the UK Thought Leadership team. The drawback is that higher investment comes with higher risk, given the uncertainties around clinical trials and approval outcomes.

“That’s something that companies haven’t really resolved yet,” observes Tarapore. “And when you think about it from the portfolio perspective, one product is fine but when you have six, seven, 10, 15 drugs in Phase II or III, it creates a new challenge.”

Industry “cannot afford to spend money as it did in the past, when your

return on investment was higher”, she adds. “Pharma needs to move from a shotgun to a sniper approach. You have to be extremely precise about how you prepare, how you launch, and where you put investment.”

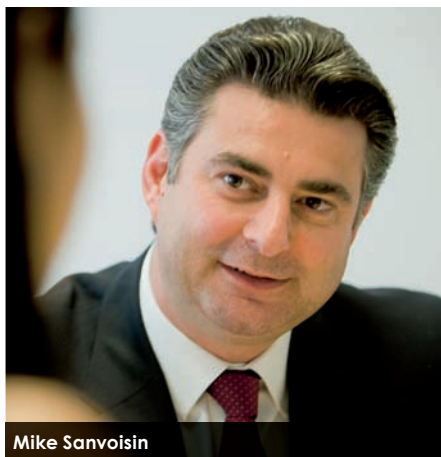
While some companies are finding best-in-class solutions to these issues, many are still behind the game, Tarapore contends. Companies will muster all their resources behind a launch that is strategically crucial. But that does not guarantee the same depth and breadth of attention for the next launch – nor, critically, the same internal alignment between regional and local.

She cites an example of a recent project whereby a leading pharmaceutical company asked IMS Consulting to facilitate alignment for a product launch. One sticking point was that opinions on the product’s potential in some national markets were “very different from what the brand team had in mind” – so different, in fact, that a number of major European countries were reluctant to introduce the product at all.

IMS Consulting was able to bring a practical, independent, third-party perspective to the issue and develop local impact launch planning to deal with a range of stakeholders, whether from country to country or at regional/local level. “Because we have a strong presence in all markets, we do have that particular understanding globally, regionally and locally,” adds Tarapore. “It’s not good enough to have a regional plan, then leave each country to execute that.”

The dynamic market

Underpinning the consultancy insights and analyses in the *Launch Excellence* study are IMS’ information



Mike Sanvoisin



Yoshiko Tarapore

assets. The study across 17 major chronic therapy areas in the USA found that in all cases the proportion of the market that was “dynamic” (that is, consisted of new, switch or add on prescriptions) was on average a mere 10% of all prescriptions. And the window of opportunity for a new launch to establish its share within that market is on average just three months. Pre-launch activities are the most critical and rarely do launches that start poorly dramatically improve after six months. IMS’ latest study shows this is still the case: fewer than 20% of launches significantly improve their uptake trajectory between six and 18 months in the market.

“Tapping into that market,” Mike Sanvoisin, general manager, UK, Ireland & South Africa, says, “is about understanding how national or regional healthcare programmes can affect the local market economy. For IMS in the UK, that may involve looking at how primary care organisations operate or focusing even closer on area-level commissioning, such as GP consortiums.”

“For industry, there is still a lot of adjusting to do. If companies are realising they ‘have to work with the payer at large’ nationally, they also need to make marketing plans responsive to local economic issues and payer constituencies,” Sanvoisin stresses. While charting the right course for an excellent launch still remains a huge challenge, organisations such as IMS are working with pharma companies in defining a route to launch excellence.

To contact IMS about launch excellence, email answers@uk.imshealth.com