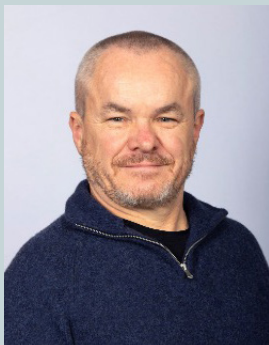


Gerard Doherty

Vice President, Commercial Consulting

Navigating New Competitive Crosswinds

How pharma can plan for success



Gerard Doherty
Vice President, Commercial Consulting

With a wealth of industry and consulting experience, Gerard Doherty, MBA, has expertise in critical thinking and in creating innovative workshops, with a particular focus on segmentation, future market scenarios, competitor planning, and marketing excellence. Gerard has a broad range of therapy area experience, with a deep understanding of cardiology, neurology, and diabetes.

As markets become increasingly competitive, pharmaceutical companies must find new ways to differentiate their offerings from others in a therapeutic space. Gerard Doherty explains that success requires both a thorough understanding of the competition and a more agile approach to the evolving landscape.

Challenging therapeutic areas and increased competition

It's not as simple as it once was for pharmaceutical companies to find a niche within the market. Where organizations could once identify less crowded therapeutic areas in which to build a competitive advantage, today's pharma market is full of established and emerging manufacturers working to bring novel products to patients. As a result, many companies have piled into previously unpopulated segments, and few – if any – quiet corners of the industry exist today.

Organizations used to deliberately search for areas that were less competitive to launch products in. For example, three of four years ago you saw many companies going into orphan and rare disease with the idea that there was less competition, which may make it

easier to both develop relationships with customers and remain profitable, even if the opportunity in absolute terms is smaller. But when everybody else does the same thing, even areas that were previously quieter become challenging.

To adapt to the new area of increased competition, pharmaceutical companies must pay constant attention to their competitive context, rapidly addressing competitive deficits and seizing short-term opportunities to get ahead while remaining aligned with their long-term strategy.

And with traditional market research taking months and data generation years, techniques such as social media listening (SML) and real-world evidence (RWE) generation can help companies move faster in addressing competitive deficits and support a more competitive position.

Contributors to a changing landscape

Several factors have combined over time to change the competitive dynamics of today's pharma market – with the COVID-19 pandemic having a notable impact. One silver lining of the pandemic is that it created a compelling case to change the current way of developing strategies. For example, phase 3 trial programs experienced marked delays in recruitment, meaning pharma companies

needed to revisit assumptions of how long their and their competitors' assets would take to reach the market.

The pandemic also forced pharma to pivot more rapidly from face-to-face meetings to virtual and omnichannel formats. The adoption of new communication methods evolved by several years in the space of just a few months.

As an example, one of our customers understood that there was a need – and, indeed, an opportunity – to reassess their strategy to meet stakeholders' changing needs post-pandemic. Before COVID-19, they would have planned for a launch based on historical projections of sales force size and contract rates, but they quickly realized that their models would be obsolete in the current climate.

With our support, they started from scratch to build an integrated, omnichannel plan to support sales force activities and communications, which ultimately provided a new source of competitive advantage in a short timeframe.

New opportunities in a fast-changing landscape

The fast-changing landscape brings new opportunities across therapeutic areas to approach and connect with customers, gaining advantages in the market.

When you accept that the environment is rapidly changing, you realize that you need to go beyond understanding the competitor's intent and develop a model of the future environment in which competitive battles will play out. This requires the development of future market scenarios hypothesizing future market value drivers, understanding which stakeholders will drive treatment choice, and what will drive their needs.

These changes may look different depending on the therapeutic area. In the diabetes market there are many trends that will impact future market drivers. For example, the increasing publicity around the dramatic weight loss achieved from new GLP-1 treatments raises patients' expectation of weight loss as part of their diabetes treatment. This could open doors for newer classes of even more life-changing drugs.

In addition, the rise of digital technologies like continuous glucose monitoring devices have increased patients' and providers' potential to track glucose levels more efficiently. This could markedly increase the level of control expected by both payers and clinicians.

Important considerations to be successful

So, how can you identify new opportunities in a faster-paced, more competitive and more complex market?

As markets continue to become more fragmented, social media listening (SML) can help pharma understand what their stakeholders are saying and thinking, giving rapid insights into where potential issues lie, as well as understanding strengths, weaknesses, and where to enhance their value proposition. Real world evidence (RWE) can also play a significant role in addressing data gaps from randomized trials. Including RWE and SML analysis in a highly competitive landscape builds a much more robust case to confidently pursue opportunities with new stakeholders.

1. Understanding the drivers of change and potential future scenarios

The first step to building a compelling strategy is studying the themes that drive changes in the market to develop a hypothesis of what the future will look like, including potential new stakeholders or drivers of business.

It is also useful to identify commonalities and differences across these scenarios to help you understand what you need to plan for, what may happen, and what future events may be indicative of other specific scenarios.

2. Mapping your competitors' strategies and likely 'moves' against the future scenarios

The second step is to develop a detailed understanding of how competitors will adapt their business in a future market scenario. Using primary and secondary research, pharma can understand answers to key questions: Where will they seek to play? How will they win? What will be their positioning? And what evidence will they generate to strengthen their position?

Having developed a view of the future market and how competitors will seek to win, it makes it possible to evolve your competitive strategy, executing and adapting it in a true agile manner.



Summary

As new biotechnology firms continue to emerge with highly specialized products – the pharma industry and markets will only become increasingly competitive and complicated in the years to come. Novel analytic or artificial intelligence technologies may also impact the data landscape. With more changes and challenges on the horizon, pharma needs to hone their strategies with up-to-date knowledge of their perception in the market.

It is clear that we can no longer rely on what has happened in the past as a proven method for anticipating the future. Instead, it's crucial to listen effectively to what customers are saying, assimilate the insights rapidly and to understand what's most important and why.

Adapting to this new paradigm can be daunting, but don't underestimate what you can achieve with dedicated competitive analysis focus. We believe that there is significant value in making time to develop a consistent perspective across cross-functional and global/local teams for how your strategy will play out... challenging core assumptions, discovering new insights, and connect different approaches to develop a comprehensive and winning strategy.

Lumanity applies incisive thinking and decisive action to cut through complex situations and deliver transformative outcomes to accelerate and optimize access to medical advances. With deep experience in medical, commercial, and regulatory affairs, Lumanity transforms data and information into real-world insights and evidence that powers successful commercialization and empowers patients, providers, payers, and regulators to take timely and decisive action.

Contact us to learn more about how Lumanity can support your unique challenge.

lumanity.com