

# Achieving Launch Excellence

A new product launch represents one of the single-most important initiatives that a company will execute and is the culmination of years of research and planning. The risks and rewards are significant for all healthcare stakeholders. Understanding historical performance of new product launches provides invaluable insights, enabling companies to benefit from the experiences of others and to best position themselves for success.

In recognition of this, IMS conducted a groundbreaking, multi-country study that examined pharmaceutical launches across therapy areas and launch types (defined as separately branded and promoted entities) between 1997 and 2004. Based on in-depth analyses of these launches, a set of outstanding performers and the four key drivers that companies should focus on, to maximize future launch success, were identified.

## *The four key drivers*

### *1. Expand the markets, engage the decision makers*

An important characteristic emerged from the analysis. Out-performing launches actually expand markets rather than just capture shares. Intensive and early pre-launch investments that directly address the crucial decision makers in multiple markets are fundamental to a product's successful uptake, particularly in an environment where payers are becoming the dominant players.

### *2. Make local adaptations to emerging models*

The impact of promotion, especially physician detailing, on launch results varies considerably between countries. The belief is that this is due to differences

in the relative power of payers, policy makers, prescribers and patients. By acting on insights regarding how decision-making models vary according to a country and therapy area, companies can adapt and optimize pre- and post-launch marketing and sales efforts.

### *3. Eliminate organizational inconsistencies*

Even among out-performing launches, only a small fraction of organizations consistently achieve excellent results across countries. The study shows that companies can enhance launch success by eliminating the inconsistencies that arise between the goals of clinical and commercial teams, as well as between global teams and local affiliates.

### *4. Optimize and adjust within the launch window*

The study demonstrated that the vast majority of launches only have a six-month window of opportunity in which to set a successful brand in motion. Therefore, launch success is therefore dependent not only on the full pre-launch development of strategy, but also on the identification of launch metrics, as well as on a contingency plan that outlines just which actions will be taken should corrective effort be required.

The impact of launch excellence can be long-term and significant. Comparison of the average absolute market share penetration of excellent launches, with that of a peer group of other large launches, indicates a consistent absolute market share advantage across all countries. Extrapolated forward to 2006, the study calculated that an excellent launch would have gained a (median) total of \$334 million US in incremental sales per year across the studied markets.



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### *What metrics should a brand team use to measure performance?*

Understanding the volume of true new patients brings clarity to current performance and will position the brand for long-term success.

The analysis suggests that proactively establishing metrics and closely monitoring performance during the initial launch window is crucial to achieving a strong launch trajectory, which ultimately contributes to long-term brand performance. Building and sustaining market share over time requires that brand teams answer important questions during launch planning—and that they understand the number of new patients brought to their brand once the product reaches the market.

Traditional performance metrics blend new and repeat prescriptions, clouding the real source of brand growth. Isolating the dynamic market (*i.e.*, the true volume of patients new to a brand), involves establishing patient-centric metrics. These new metrics help brand teams identify performance issues more quickly and reliably, provide greater lead time for corrective

action and serve as a more reliable prediction of future total prescription volume (TRx) performance.

Key questions to consider when establishing launch performance indicators include:

- Is there a better leading indicator than new prescriptions?
- Can the metrics currently in place predict future TRx performance?
- How quickly can a performance gap be detected?
- How much time does a leading indicator give a brand team to correct a performance gap?
- Which proportion of patients is truly new to the brand vs. those refilling prior prescriptions?
- How is this proportion changing over time?

**CPM**

*To receive a comprehensive analysis of the key findings of this study please contact an IMS representative.*



## A BOOMER TURNS ONE

**Nichol Pelchat** has been with BOOM for one year now as Account Director on Roche Diagnostics, and a dynamic and committed addition to our team. He arrived fresh from three years as account manager at Rogers Healthcare Pharmacy Publications. (No doubt he is already known to many of our readers!) Nichol began his pharmaceutical career as a sales rep at Eli Lilly. He received his MBA at Université du Québec. With an agile and creative intellect, he has played a key role in the long and successful partnership—recently renewed—between BOOM and ROCHE. Please join us in wishing Nichol a very Happy First Boom Birthday.

### **And the agency remains 6+ years old**

In the last marketing issue, BOOM's five year birthday ad was run mistakenly. We *did* have a blast on our 5th birthday – in August 2006. Thanks CPM for reminding us!

\*—BOOM