

Key Factors in Launch Excellence:

In our first article in this series (*CPM*, Vol. 30, No. 3), we introduced key findings from our research of more than 10,000 product launches across eight markets, including Canada. Our analysis demonstrated the importance of early uptake in the initial six-month window after launch as a predictor of long-term success. We also introduced the three foundational success factors determining launch performance: an aligned and prepared organization, a powerful and pertinent value proposition, and effective stakeholder management.

In this article, we will provide more specific Canadian context on the six-month window and the most important of the success factors: alignment.

THE SIX-MONTH WINDOW: AN EARLY PREDICTOR OF SUCCESS

Our international analysis showed that less than 20% of launches in the period 2011-2015 improved significantly in terms of market share between six and 18 months after launch. In order to validate this finding in a Canadian context, we were interested in addressing two additional questions:

1. Given the market access dynamics particular to Canada, would the findings be different if we examined a period longer than 18 months?
2. Would the findings apply equally well to primary care and specialty brands and be independent of brand size?

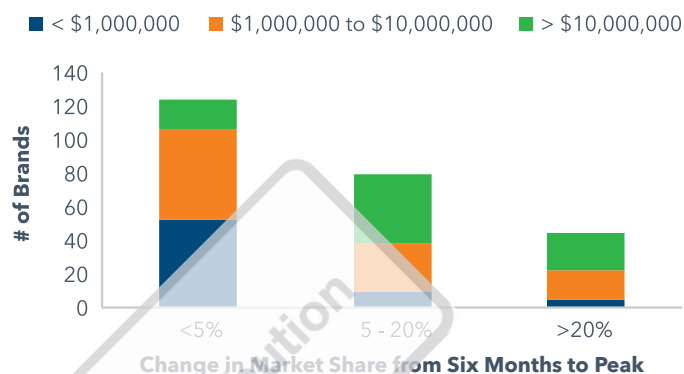
Using Canadian Drugstore and Hospital sales data, we analyzed the sales performance of all brands which launched between 2011 and 2017 with at least 18 months of data available at the time of analysis (n=248). We grouped these brands according to peak sales volume, and assessed the difference in market share at six months and at time of peak share.

Results showed that 50% of the brands launched in Canada from 2011-2017 gained less than 5% market share from six months to peak, while 18% of brands increased market share by 20% or more in that timeframe. Our analysis confirmed that these trends were similar among primary care and specialty brands, except that only 14% of specialty brands increased by more than 20% outside the six-month window.

A sub-analysis showed that brands with peak annual revenues exceeding \$10 million are more likely than the average brand launch to increase significantly after six months. Even so, it is still only 28% of those brands that do.

Knowing that the six-month window is also important in Canada, the question we then turn to is, in those crucial pre-launch planning and early execution phases, what is it that successful companies do differently than others?

Change in Market Share from Six Months to Peak by Brand Size



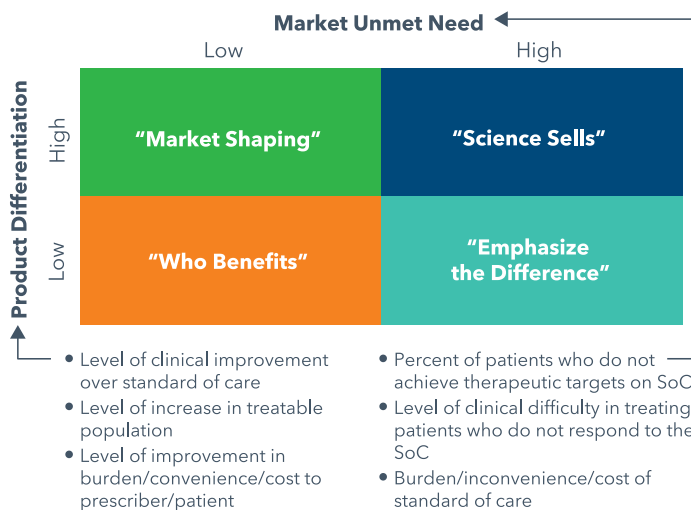
ALIGNMENT AND ARCHETYPES

The number one foundational success factor for an outperforming launch, confirmed through our research, is unequivocally alignment. Companies which effectively align expectations and activities between global and local teams, as well as across functions, are more likely to deliver outperforming launches.

Based on our research, IQVIA has developed an archetype framework which serves as a practical tool to facilitate alignment.

Essentially, the archetype framework classifies products into four categories according to the level of unmet market need and degree of product differentiation relative to the standard of care (SoC).

ARCHETYPE FRAMEWORK

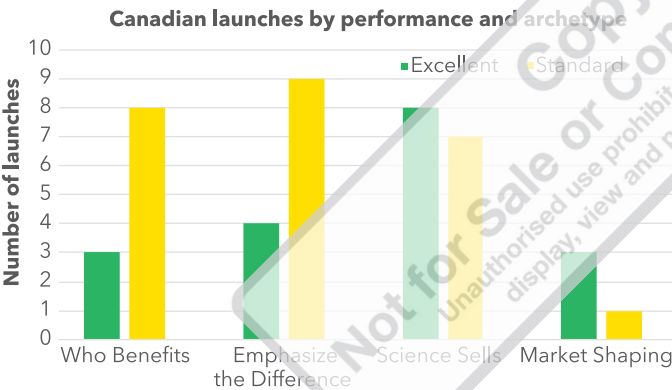


An Aligned Organization

In order to understand the correlation between launch performance and product archetype, we analyzed Canadian launches which were included in our Launch Excellence V study. Forty-three products, launched between 2011 and 2015, were grouped according to archetype and degree of launch excellence.


As per the chart below, our expectation that most outperforming launches were in the Science Sells category was confirmed. At the same time, almost half of the Science Sells product launches were not excellent, which may serve as a cautionary tale for companies with those brands to not take success for granted. More importantly, the data also showed that it is possible to achieve launch excellence with proper planning and execution, whichever archetype your product is in.

While we have to be careful drawing conclusions from this relatively small number of launches in some of the archetypes (e.g. Market Shaping), there does appear to be a trend supporting the level of product differentiation over the market unmet need in determining launch success.

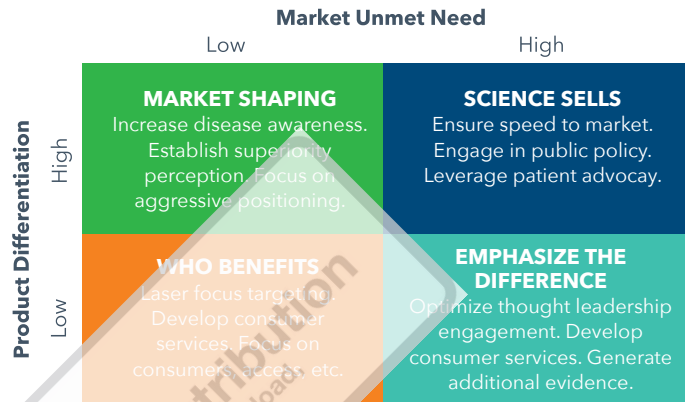


The product archetype has important implications for launch strategy. As illustrated in the Strategic Focus Area by Archetype chart, the focus area for a highly differentiated product addressing a market with low unmet need will relate to market shaping activities such as disease awareness, while a less differentiated product in a market with high unmet need must focus on emphasizing its difference, e.g. through generation of real-world evidence.

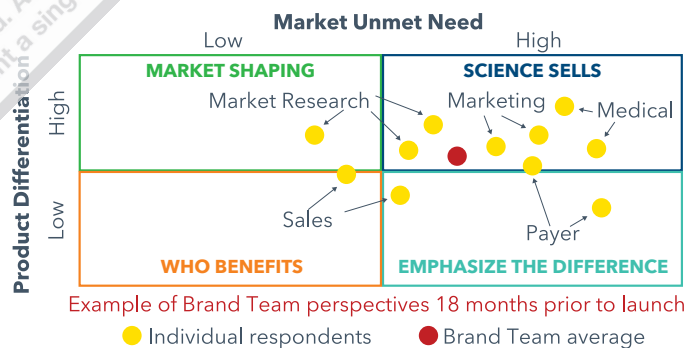
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STRATEGIC FOCUS AREA BY ARCHETYPE



By leveraging the archetype framework, companies can surface and align perceptions by various functional areas within the organization. Below is an actual example of how such perceptions varied within one launch team.



The framework can also be applied through market research to other external stakeholders such as payers, patients, and physicians. Through better understanding of their perceptions of the launch product, companies can develop a more effective communication and engagement strategy.

In our next article in this series, we will explore best practices for developing a powerful value proposition in support of outperforming launches.