

# A Powerful and Pertinent Value Proposition

In our first article in this series, we introduced the three foundational success factors for new product launches. In this article, we will review the importance of a powerful and pertinent value proposition as a success factor in the unique context of the Canadian market.

## DEVELOPING A POWERFUL AND PERTINENT VALUE PROPOSITION

A strong value proposition at a global level, including both clinical and economic proof points, is essential but must also be adapted effectively to local market conditions to achieve a successful launch. Canadian patient journey studies can reveal key drivers and access barriers with respect to patients, health care providers and distribution channels. However, an essential feature of the Canadian market landscape is the role of the payer and the impact of reimbursement decisions on launch uptake and longer-term brand performance. Although companies in Canada are among the quickest to launch following notice of compliance (NOC), the time from launch to reimbursement is also among the longest in the world<sup>1</sup>.

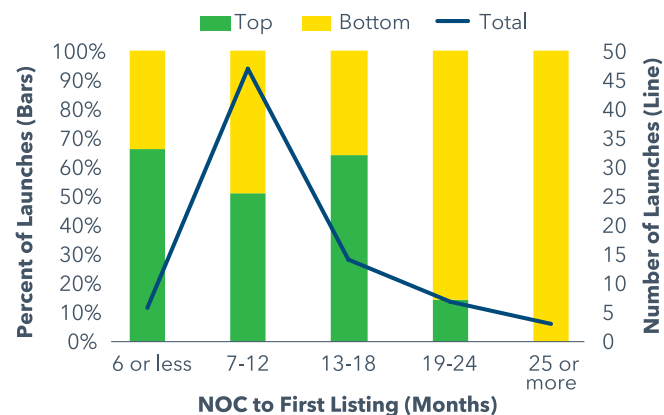
## TIME TO LISTING IMPACTS PERFORMANCE

Access for newly launched brands has become increasingly challenging in Canada over the past five years. Whereas in 2013 the average time from NOC to first public listing was less than a year, in 2017 it was closer to one-and-a-half years. Furthermore, time-to-listing appears correlated with market share to the extent that *launch brands are unlikely to achieve market leadership with time-to-listing longer than 18 months*, as demonstrated in Figure 1.

Most brands launched after March 2011 had a time-to-listing of seven to 12 months. In fact, only eight per cent of recent launch products achieved a time-to-listing of

less than six months. The exclusive group of products which managed to achieve listing within six months included not only products such as Harvoni and Sovaldi in the curative care space, but also Zytiga and Xtandi in the prostate cancer market.

**Figure 1: Market Share Performance For Recently Launched Products by Time-to-Listing**



Source: IQVIA Access Tracker; CDH; Note: Analysis includes only branded products launched after March 2011, with at least 18 months post-launch data, and Time-to-Listing data for BC, AB, ON, and QC

## A STRONG VALUE PROPOSITION TO PAYERS IS KEY TO ACHIEVE EARLY ACCESS

All products achieving early listing were clearly able to deliver a compelling value proposition to public payers. However, where Zytiga represented a highly successful and innovative launch product in a market with clear unmet need, the second-to-market launch brand Xtandi achieved excellence based on clear differentiation from the incumbent market leader.

Although the two brands have followed different paths to success, Zytiga and Xtandi showed comparable sales uptake at six months and through the initial one year launch period (Figure 2).

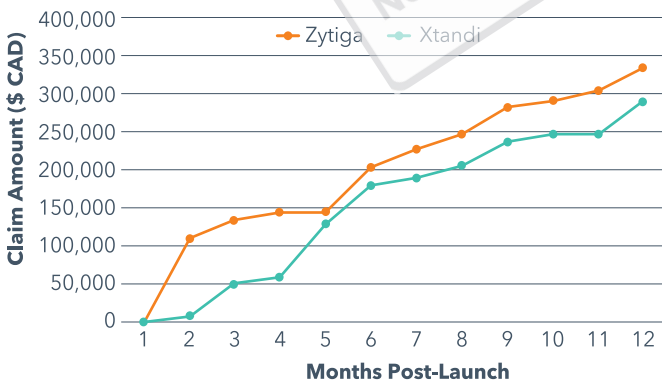
Referring to our earlier article on Launch Archetypes (CPM Vol. 30, No. 5), this clearly shows that companies can achieve launch excellence whether in the Science

<sup>1</sup> Access To New Medicines in Public Drug Plans, Innovative Medicines Canada, 2016 Annual Report.

<sup>2</sup> Generally, a PSP can be defined as assistance provided to the patient ranging from basic financial assistance through comprehensive HCP support to maximize outcomes on therapy.

Sells (Zytiga) or Market Shaping (Xtandi) archetypes, as long as strategies are well aligned and based on a solid understanding of each product's unique situation at the pre-launch stage.

**Figure 2: Zytiga and Xtandi Sales - First 12 Months**



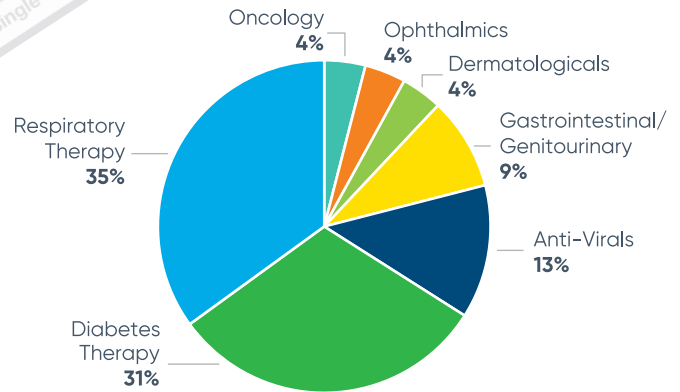
Source: PharmaStat

## PLAN EARLY TO GENERATE EVIDENCE AND INSIGHTS IN SUPPORT OF YOUR VALUE PROPOSITION

Patient Support Programs<sup>2</sup> (PSPs) are one way to generate evidence and provide immediate access to the newest treatment options regardless of early reimbursement constraints, thereby accelerating patient access. The PSP enables the generation of key insights from physician and patient experiences which companies can use to demonstrate the value of their product and potential budget impact to payers.

Such PSPs are often an essential part of launch planning and not just for products with specialty distribution and very limited patient populations. Figure 3 summarizes the breadth of therapeutic areas with launch products using the patient support model.

**Figure 3: Patient Support Programs by Therapeutic Condition**



Source: STI (IQVIA); Full NPL Card Programs; 2013-2016

Pre-launch payer research is another important vehicle to help shape the company value proposition. In one recent example, a client of ours was preparing to launch a novel drug-delivery system to treat cancer in two patient populations. The reimbursement pathway was expected to be complex given the comparative price points. Augmented with desk research and internal market access expertise, IQVIA facilitated a series of 1:1 qualitative interviews with health technology assessment advisors, key opinion leaders, cancer agencies and hospital administrators. This research helped address key questions about perceived value drivers among key stakeholders, by whom and how the product would be evaluated, as well as unique funding mechanisms.

In essence, powerful value propositions anchored in research will address key concerns of payers evaluating uncertainty around real-world clinical benefit and the health economic or budget impact of new drugs. As part of an overall real-world evidence strategy, this will help alleviate the challenge of longer time-to-listing, lower price and anything less than excellent launch performance.

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