

Case Study

PORTFOLIO STRATEGY

How does a top ten global pharmaceutical company develop a comprehensive approach for disease area strategy and identify greatest opportunity for investment and economic return?

Decision Resources

www.DecisionResources.com

Situation

A top 10 global pharmaceutical company selected Decision Resources Consulting to develop a new and comprehensive approach for disease area strategy and to clearly identify the areas that presented the greatest opportunity for investment and economic return. Decision Resources was asked to realign discovery and development portfolios to be more focused, achieve greater synergies, and limit resource allocation to areas of “highest potential.”

Challenge

The key challenges for the Decision Resources consultants were:

1. Develop appropriate and consistent metrics to enable comparison of eighty dissimilar diseases.
2. Achieve consensus within the client organization regarding the commercial and scientific attractiveness of the diseases and their respective franchises.

Approach

Decision Resources Consulting assembled a project team with expertise across many disease areas and developed a multivariate scoring model that evaluated the scientific and market merits of each disease and therapeutic area to identify and rank investments with the greatest potential:

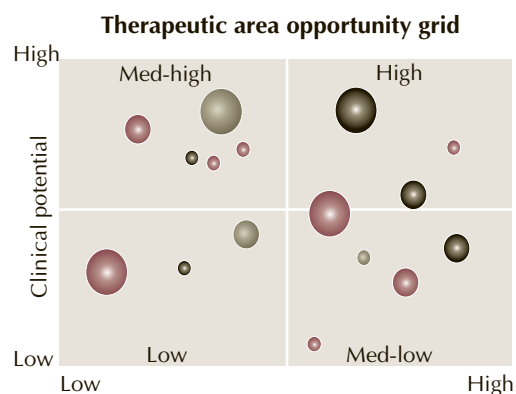
Step 1 The team evaluated medical need, competitive environment, market potential and growth, emerging technologies, and the regulatory environment both within and across disease areas.

Step 2 Working closely with the client team, Decision Resources developed a detailed set of supporting data and attributes, with special emphasis on commercial forecasting, epidemiology, likelihood of success, competition, and cost of development.

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Disease Area "X" - Illustrative

| Disease position by sensitivity | | | |
|---------------------------------|----------------|------------------------------|--------------------------|
| | Balanced model | Scientific opportunity model | Market opportunity model |
| 1st quartile (most attractive) | | ✓ | |
| 2nd | ✓ | | |
| 3rd | | | ✓ |
| 4th (least attractive) | | | |



Step 3 Decision Resources quickly and thoroughly quantified the hurdles, opportunities, threats, and risks that define each disease to build a defensible and comprehensive case for prioritizing diseases and therapeutic areas.

Step 4 Each disease was also assessed under multiple sensitivity analyses to test the model against differences in market conditions as well as corporate direction to support balanced and complete decision making.

Outcome

The deliverable was a large and transparent data set that allowed senior management to realign their R&D priorities and build a portfolio strategy around areas with the greatest scientific and market potential. By working side by side with the client and engaging them in the model development, as well as the analysis and scoring process, Decision Resources Consulting was also able to assist the client in building internal consensus regarding future strategic and resource allocation decisions throughout the company and its individual franchise areas.

The Decision Resources Difference

Decision Resources Consulting was able to combine seasoned management consultants with analysts from across Decision Resources' therapeutic areas and epidemiology division to deliver an unparalleled understanding of disease markets and pharmaceutical business strategy to assist in complex portfolio decisions.