



Bio-pharmaceutical companies invest millions—sometimes billions—of dollars in developing a drug that wins approval by the U.S. Food and Drug Administration. Yet less than half of the pharmaceutical products that make it to market ever recoup the high costs of research and development. With so much at stake, pharmaceutical companies rely on solid product sales forecasts to allocate resources wisely. A miscalculation can be devastating.

► CONSIDER KEY FACTORS

With shorter product lifecycles, complex incentive structures, regulatory adjustments, and other industry dynamics, achieving accurate healthcare product forecasts is more challenging than ever. That's why it is vital that your research partner is familiar with your business, your product, and the market you hope to win.

As with any type of market research, your forecasting study will yield the most accurate and relevant information if it's built on a foundation of strong objectives. Below is a list of common objectives for a primary market research study dedicated to building a forecast model:

- Understand physician intent to prescribe a brand based on exposure to product profiles
- Evaluate the impact of various attributes that make up a product profile
- Determine the brand's likely market share versus competitor(s) for a period of two years



► ACHIEVE RELIABLE INPUTS

There's no crystal ball to flawlessly forecast a brand's performance. However, a variety of tactical tools are designed to simulate the real world to predict sales. But they are only as good as the data that go into them. Accurate inputs, or assumptions, are everything.

Based on specifics of your business, product, and market, your G & S Research team will develop the following three inputs, or assumptions, for your forecasting model:

- **Peak Share** indicates how much market share the new product can expect to achieve. It considers the total market size as well as the market's anticipated growth. It also accounts for the number and activity of existing and potential competitors in the marketplace.



- **Time to Peak** represents how long it will take your product to achieve its peak share. Indicators such as the maturity of the market and information from physician surveys can help narrow the time to peak estimate.
- **Peak Curve** is the slope and shape of the curve to peak share. If your brand is first to market and patients are waiting to begin therapy, the curve is likely to be sharp. Yet, if you're entering an already-crowded market, it may increase only slightly for years. Aside from competition, a variety of other issues can impact the slope of your curve to peak.



► USE THE RIGHT METHODOLOGY

Your project team at G & S Research will provide useful assumptions for your forecasting model by selecting an appropriate methodology for your study. Based primarily on your product's lifecycle and therapeutic marketplace, one of two approaches will be used:

- **Market-Based Models** predict how a new brand will perform based on prescription data and other information for comparable products already in the market. Knowing how to use this information to forecast a new product's performance requires deep understanding of the therapeutic category and marketplace.
- The **Patient Build-Up Approach** predicts performance for first-to-market products by building a likely market size and scenario. An evaluation of unmet needs in the market and knowledge of events and changes that are expected to occur in the forecast period are important components of this approach.

► DISCOUNT DATA APPROPRIATELY

Discounting, or adjusting, forecasting data creates a more realistic picture about the market by managing exaggerated predictions of use. Physicians do not typically provide accurate estimates about future use for reasons that include access or attention to product information, reimbursement issues, and other real-world considerations.

Applying discounts is one of the most challenging components of a forecasting study. It requires a solid familiarity with the therapeutic category, its key players, and the particulars of the new product. By using a combination of the following tools, G & S Research will adjust your data to create a realistic view of your market.

- **Product analogs** provide launch data for similar products.
- **Industry rules of thumb** help put your data into context.
- **Physician survey data** help assess subjective ratings, such as "believability" and "likelihood to prescribe."
- **Therapeutic experience** provides intuition about the data.

► MAXIMIZE PERFORMANCE WITH G & S RESEARCH

Approach	Peak Patient Share	Time to Peak	Comment
Pessimistic Undiscounted	11.4%	3 years	Time to peak matches competitor Brand A and Brand B.
Pessimistic Discounted	9.0%	3 years	Same as above, but peak is discounted 21% using Last Patient Seen survey data. Peak is lowest of survey methods.
Optimistic Undiscounted	14.9%	9 months	Peak is highest of survey methods. Time to peak matches physician survey data (next 10 patients and maximum usage estimates).
Optimistic Discounted	11.8%	9 months	Same as above, but peak is discounted 21% using Last Patient Seen survey data.
G & S Research Recommended	10.4%	12 months	Peak is mean of various survey methods, discounted 21% using Last Patient Seen data. Time to peak is more aggressive than analog and closer to survey data.

Useful forecasts require more than great data; meaningful interpretation requires insight to your product's disease category and marketplace. As your consultative partner, G & S Research can help you make reliable predictions about your products market performance by developing an appropriate and focused study.

Equally important, the deliverables you receive from G & S Research will provide timely, relevant, and insightful information in easy-to-read, presentation-ready formats. It's one of many ways we show our commitment to making your job easier.

Forecasting Research Deliverable Example

G & S Research provides difference-making market research to healthcare decision-makers. With inside experience at top pharmaceutical and biotechnology companies, G & S Research helps clients engage internal groups in the research process and influence brand strategy with results. Visit www.gs-research.com for details.

