

How business strategy and forecasting advances integrated business planning in pharmaceutical sector.

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Introduction

Every business needs a dedicated strategy, and pharmaceutical companies are no exception. Documenting marketing goals and strategies helps everyone on the team stay on track and work cohesively. The last 2 years or so has been a rollercoaster ride for many firms, not least those within the pharmaceutical sector. The COVID-19 pandemic has influenced the way pharma brands communicate and deliver their products: consumers are becoming more knowledgeable and proactive, whilst businesses have to adapt to an increasingly digital-first world [1].

And this has all happened alongside broader trends which according to KPMG will have a significant impact on revenues and business and operating models: “The pharmaceutical sector is at a crossroads. In a heavily disrupted marketplace, characterized by shifting payer attitudes and patient empowerment, neither incremental adjustments nor steady evolution are likely to halt the decline of the traditional pharmaceutical business model.”

What Does Pharmaceutical Marketing Comprise? How does Business strategy and forecasting create winning pharmaceutical strategies?

Marketing strategies for pharma companies have two primary audiences: patients and healthcare professionals (HCPs). To be successful, the tactics you use must engage with both audiences to:

1. Build brand awareness
2. Establish a reputation of trust and reliability
3. Provide information about diseases, symptoms, and available treatments
4. Communicate details of new drug launches and treatments.

Little further than employing enough sales reps to make regular HCP visits to promote products and services. However, the market has changed. In today's digital age, fewer and fewer HCPs are rep-accessible, and it's estimated that the pharma industry spends over a billion dollars each. In earlier years of pharmaceutical sales, strategies went year on unsuccessful attempts to see physicians. Plus, patients and their caregivers are not as reliant on HCPs for medical information as before. The internet has become a wealth of knowledge and a place

where people can connect with other members of the disease community independently of their healthcare providers. This trend is likely to continue with 82% of pharma execs agreeing that digitalization will likely continue post-COVID [2].

At a time of rapidly evolving scientific breakthroughs and, coincidentally, of the expiration of many blockbuster drug patents, the key to innovation and revenue growth is pharmaceutical business strategy and forecasting. While some innovation and new revenue can come from internal pipelines and assets, forecasting teams are under intense pressure at most companies to supplement internal efforts with driving numbers to showcase product uptakes and matching with shareholders aspirations [3].

Effective pharma marketing strategies use a variety of data sources and integrate into the broader strategy to provide curated insights and connect with patients. When done well, the right pharmaceutical marketing strategies carry both HCP and patient target audiences through the sales and marketing funnel while also providing reps with the support they need to drive sales.

Key Areas where Business strategy and forecasting play a critical role in ever changing times:

The impact of the COVID-19 pandemic on content marketing

Whilst the pandemic is no doubt the major trend impacting the pharmaceuticals sector, it's worth exploring how it has influenced marketing. Post pandemic has forced many pharma operations to move online and provided new options to communicate with customers. This has given pharma brands an opportunity to create content for both healthcare professionals (HCP) and patients and distribute this across different channels. It's become more important than ever to have a clear idea of the customer/ patient information journey and how to communicate with them at different stages:

The consumerization of healthcare

Pharmaceutical consumers want to have the same experience in healthcare that they have from other businesses. The presence of tech brands like Amazon, Netflix and Facebook has exposed patients to new information and levels of service that weren't present 10-15 years ago. This has influenced in all walks of

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life encompassing pharma brands too meaning marketers must take a customer-first approach to their marketing planning. Thus, this has to be incorporated when developing budgets for winning launches in the overall strategy [4].

Enhancing consumer engagement

Competitiveness within the pharma sector and the consumerization of healthcare mean that engaging and retaining healthcare customers is crucial. This trend requires pharma companies to review and invest in platforms that they can use to create a consistent view of the customer across many touchpoints, including targeting, segmentation, and performance management. A primary barrier to the creation of an effective marketing strategy often knows where to start.

How Integrated Business Planning Helps in Pharma strategy?

Traditional thinking in Pharma organizations has been to generate demand signal from decentralized marketing teams in individual markets, then consolidate it into total SKU level forecasts for second guessing by central supply planning team in supply chain, followed by Dosage Form Production Planning, followed by Active Pharma Ingredient API Production Planning.

Integrated Business Planning can optimize operations across the entire enterprise from market facing teams providing demand intelligence in a way that maximizes profitability [5].

Integrated Business Planning plays a key role in balancing competing pulls of high service levels in markets and low supply chain cost and inventory waste in the supply chain. It enables robust scenario management capability to model new drug approvals, NPI/EOL, new market entry, etc.

It can model regulatory approval lead time variability for new capacity expansions to be able to assess risk in terms of best case / worst case demand and capacity projections in order to make prescriptive and optimal calls for capacity reservations and API sourcing planning.

Integrated Business Planning does away with the sequential and decentralized approach in favor of a centralized demand sensing engine to generate a granular and accurate signal across the whole portfolio. Helped by this accurate demand signal, which is enriched for market intelligence with demonstrated pattern of adding value to forecast, it can solve for inventory, production DF, production API, raw material procurement,

distribution / logistics, etc. as one integrated business planning exercise that seeks to solve for demand and generate supply response with an eye on optimizing financial outcomes, e.g., net margin or return on capital. A mix of financial objectives by SKU/Market is possible in terms of market share, revenue, profit, or asset utilization (return on capital) focus. This approach requires far less human effort and produces both accurate forecasts and financially optimal supply response [6].

Looking ahead

The needs of pharmaceutical and life sciences consumers, physicians, health systems, payers and governments are changing rapidly. To address the implications and succeed in this increasingly complex, competitive environment, you'll want to elevate your capabilities and deliver the value customers require. These modifications include rethinking and retooling business models, operations, strategies, and execution so you can provide enhanced care delivery, diagnostics and therapeutics, payment systems, and wellness and support [7].

Companies must rethink and retool their business models, operations, strategies, and execution so they can provide enhanced care delivery, diagnostics and therapeutics, payment systems, and wellness and support to meet the challenges of this shifting marketplace.

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