Launch excellence: beyond the six-month mantra

While the first six months of a product's life on the market are important, they shouldn't define its success or failure. Leading companies are taking an agile approach at launch, shifting attention from the six-month mantra to the customer.

One of the pharmaceutical industry's longest-held mantras is that the first six months of a product launch defines future success, encouraging a 'do-or-die' approach within companies. With such success often defined as performance against an internal revenue forecast, teams can be transfixed by such output measures, rather than focusing on input measures that are predictive of future performance. Leading companies are taking a more agile approach at launch – they use multiple data sources to gain an objective picture of the drivers of performance, and respond quickly. They see the first six months not as setting future trajectory, but an opportunity to quickly learn from customer feedback and adjust accordingly. Their mantra of focus on the customer, rather than on time, holds lessons for the entire industry.

Launch excellence is obvious, right?

To make the most of a product launch, most companies have a launch excellence process. The internet is full of ‘how to’ guides that claim to be the key to launch success – they are typically based around a set of fundamentals that when combined with a well-defined process, should be taken as a basic minimum for any high-performing organisation:

Launch Excellence Fundamentals

- Construction of a compelling data package
- Deep patient, payor and physician insight
- Clear patient and physician segmentation
- Solid health economic story and dossier
- Understand customer channel preference
- Focus, focus, focus!

While such a launch excellence process is a basic requirement, in the absence of a launch mindset, it will only get you so far. Part of this mindset is to look at the environment as it is, rather than one that teams have experienced in the past. Taking a fresh approach enables teams to see changes that are occurring in the environment and adjust accordingly. Today, there are several seismic shifts that any launch team needs to be conscious of when pulling together its plan:

Seismic Changes Influencing the Launch Environment

- Real World Evidence
- Regulatory Changes
- Rise of ‘Emerging Markets’
- Algorithmic Prescribing Management
- Individualised Medicine
- Increasing Price Pressure

Companies have been adapting to these challenges for some time, but it is the pace of external change that teams need to respond to. Increasing price pressures, driven largely by aging populations in developed markets make it tougher for companies to launch without a compelling health economic argument. Recent political developments in the USA in relation to price have caused big pharma to relook at its model. Combined with the trend for medicine to become more individualised, this means that pricing models need to evolve and move in step with regulatory demands. The industry must therefore work in step with regulators to achieve common goals.

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Data driven algorithmic prescribing and real-world evidence also mean companies must get much stronger on data gathering and analysis as health systems no longer seek to rely on the 'artificial' environment of a clinical trial to make informed decisions about the value of a specific medicine.

We need to talk about forecasting…

All companies need to have a sense of future revenue – this is particularly important at launch where expectations are high. Having confidence in the future enables companies to secure and allocate resources, manage investors and commit to long-term programmes. Unfortunately, no-one can predict the future and forecasts are in essence an educated guess as to what will happen. Given their highly unpredictable nature, organisations should see them as directional, rather than an absolute. A focus on the latter leads to the 'tyranny of the forecast', whereby teams are focused on 'delivering the numbers' at all costs, rather than taking time to understand the lead measures that drive success. As teams want to be recognised and rewarded for their efforts, this can lead to a cat-and-mouse game of forecast manipulation to ensure success – sandbagging numbers is extremely common. In the most extreme cases, it can lead to unethical or non-compliant behaviour. Leaders need to be wary of the culture created by relying exclusively on forecasts, as it can have many unintended consequences.

Forecasts can take on a whole new level of importance at launch. Teams that hit the plan, have been 'successful'; those that miss it are 'failures', irrespective of whether the strategy was correct, or implementation sound. As performance is normally measured as achievement against an output driven forecast such as revenue, it is curious that the six-month mantra of launch trajectory is often based on share gain. Whilst this provides objectivity, it is not how companies view success or failure – and yet this is the mantra to which many in the industry adhere.

Think inputs, not outputs

When it comes to forecasts, the industry behaves like a car driver who wants to get to 80mph, but lacks a good understanding of the weather conditions, the amount of traffic or the performance potential of their car. Leading companies see the flaws in this approach and are much more agile, especially at launch – they of course create a forecast to provide direction, but invest to understand what happens as soon as the product is launched, using as many sources as possible. This enables them to get an objective, dispassionate view about what the customer really thinks about the product and means they can respond quickly. A significant advantage of this approach is it removes HIPPOs (Highest Paid Person's Opinion) from performance discussions – it's all about the data, not politics or opinion and is common place in other sectors such as fast-moving consumer goods. At a more fundamental level, it is about the company focusing on the needs of the customer, not an artificial time horizon

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Focus on the customer, not time on market

Breaking with an established approach is never easy, particularly when careers can be made or broken as a result – yet this is what leading launch teams are doing by shifting attention from the six-month mantra, to the customer. Leaders recognise that they should prepare as well as possible for launch, using a clear process and framework. They also realise that the real work starts when the product is available and being used by customers for the first time – this is when companies find out what customers really think.

A post-launch optimisation process that gathers relevant data and creates insights into the root causes of performance, enables teams to take rapid course-correcting action. To achieve this, companies need to invest in a process that is right for them and their unique context– there is limited value in establishing an objective process that is over ridden by a hierarchical culture.

While the first six months of a product's life on the market are important they shouldn't define a product's success or failure. Organisations that see this initial period as an opportunity to understand the customer and create a data-driven, response will be able rapidly course correct. This makes them more customer focused, confident in the reasons for success and creates greater belief about the future. Breaking from the six-month mantra may not be easy, but it's worth it.

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