

## Leveraging Large Scale Resources within a Drastically Shifting Marketplace

*The Mendel Group Provides Strategies for an Oncology Business Unit*

### THE CHALLENGE

Dramatic change has characterized the oncology market over the last decade. Leading pharmaceutical players face an increasingly complex and competitive commercial environment, with numerous and similar products launching at the same time. This market dynamic presents both industry leaders and newcomers with significant barriers to success in establishing an oncology business unit. For example, the number of oncology sales representatives has increased severalfold, while the number of oncology physician specialists has remained relatively constant. In addition, both reimbursement and patient advocacy have forced a new oncology treatment paradigm. These factors combine to create a daunting scenario for any company without a well-defined product strategy.

A Fortune 500 pharmaceutical manufacturer faced a serious short-term gap in their oncology product pipeline. The manufacturer had successfully established a critical product franchise. However, their business unit was focused almost exclusively on an organic growth strategy. The key product reaped considerably high sales and profit levels for the franchise, but the business unit anticipated declining revenues when patents expired in the near future. The client had analysts and strategic specialty committees consisting of cross-functional teams within the organization—as well as external resources—working on a new strategy for this business unit. Nevertheless, they came to The Mendel Group for strategic validation and recommendations for the best overall approach.

Our client had an extremely successful franchise, but faced a short-term gap in the product pipeline with no concrete solution in place.

Although the pharmaceutical company had collected the intelligence needed to devise a total strategy, the firm needed validation and integration of this information.

As a consultant for this strategic initiative, The Mendel Group identified five key areas to explore and refine:

**Critical Areas of Focus**—With at least 23 distinct tumor types and numerous areas of supportive care, for which areas in the oncology market would it make sense to develop new products?

**Critical Market Drivers**—What were the key issues and benchmark criteria: Sales force size? Current distribution channels? Current therapies?

**Gap Analysis**—When and where did potential gaps exist in the client's pipeline?

**Strategic Plan**—How could all available data be effectively included within a Strategic Plan covering the next five to ten years?

**Proforma Analysis**—What would this type of business unit look like based on several risk-adjusted scenario projections?

With The Mendel Group's proprietary Rationalization Grid™ process, the client was able to visualize a broad array of disparate

information very quickly. By using this process, TMG highlighted the key risks facing the business unit:

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