



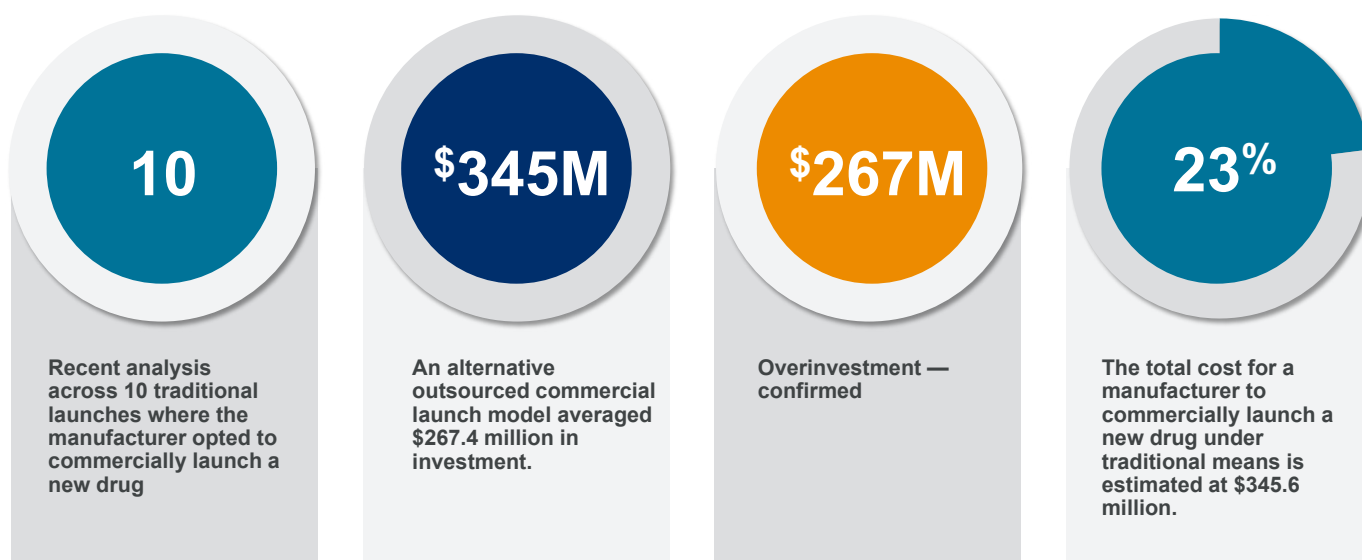
EVERSANA™

SUCCEED WHEN OTHERS FAIL:

Avoiding 20% in Investment Waste During Launch

Today's economics do not support building launch capabilities from scratch for every occasion, only to dismantle that infrastructure until the next need arrives. And very often, most organizations do not dismantle fast enough, resulting in unnecessary, high costs that can impact the success of the product. This is one of the key drivers behind the long-standing perception that pharma overspends during launch. Historically, we did not have the data or methodology to understand or validate this notion. Until now.

Consider these numbers:

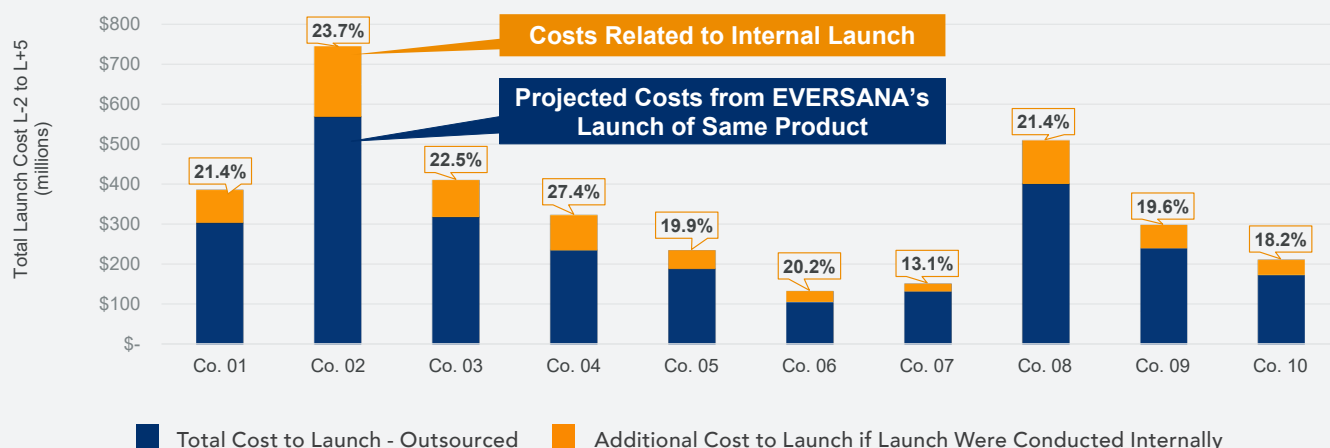


Closer Look: Results are Consistent Across Company Size and Therapeutic Expertise

The research team quantified the cost of a traditional launch by analyzing real-world examples. After examining a cohort of 75 companies with launches completed between 2014 and 2020, 10 launches with rich commercialization data were analyzed. After comparing that data to the cost efficiencies that can be realized through adopting a fully outsourced commercial model typically offered by contract commercial organizations — a new option that emerged in the past three years — the results were astounding. Across the 10 launches, the estimated average total cost for a manufacturer to commercially launch a new drug on its own was \$345.6 million. Meanwhile, the total commercial launch costs in an outsourced commercial model average \$267.4 million, or **23% less than the fully in-house launch model**.

This was true across a spectrum of indications, a range of products and a differing scale of companies. There is a **consistent +20% cost improvement** by using an integrated, outsourced model rather than an internal launch. The study also found that cost efficiency dynamic impacting each time period — through pre-commercialization, launch and expanded commercialization.

Figure A: Total Cost to Commercially Launch a New Drug: Internal vs. Outsourced (millions)



Company List				
COMPANY 1: First treatment for ultra-rare genetic disease	COMPANY 2: Targeted therapy for mutations in rare genetic	COMPANY 3: First treatment for refractory respiratory tract infections	COMPANY 4: First in class oncology supportive care	COMPANY 5: Prognostic assay for major oncology indication
COMPANY 6: Innovative diagnostic for infections	COMPANY 7: Irrigating solution in ophthalmology	COMPANY 8: Preventative therapy for osteoporosis	COMPANY 9: Innovative formulation for chronic osteoarthritis pain	COMPANY 10: Symptom relieving treatment for respiratory

How? Why? The Reasons for Consistent Overspending

Across the analysis, two major sets of drivers stood out — reasons and cost types — for why overspending consistently happened regardless of all the other variables.

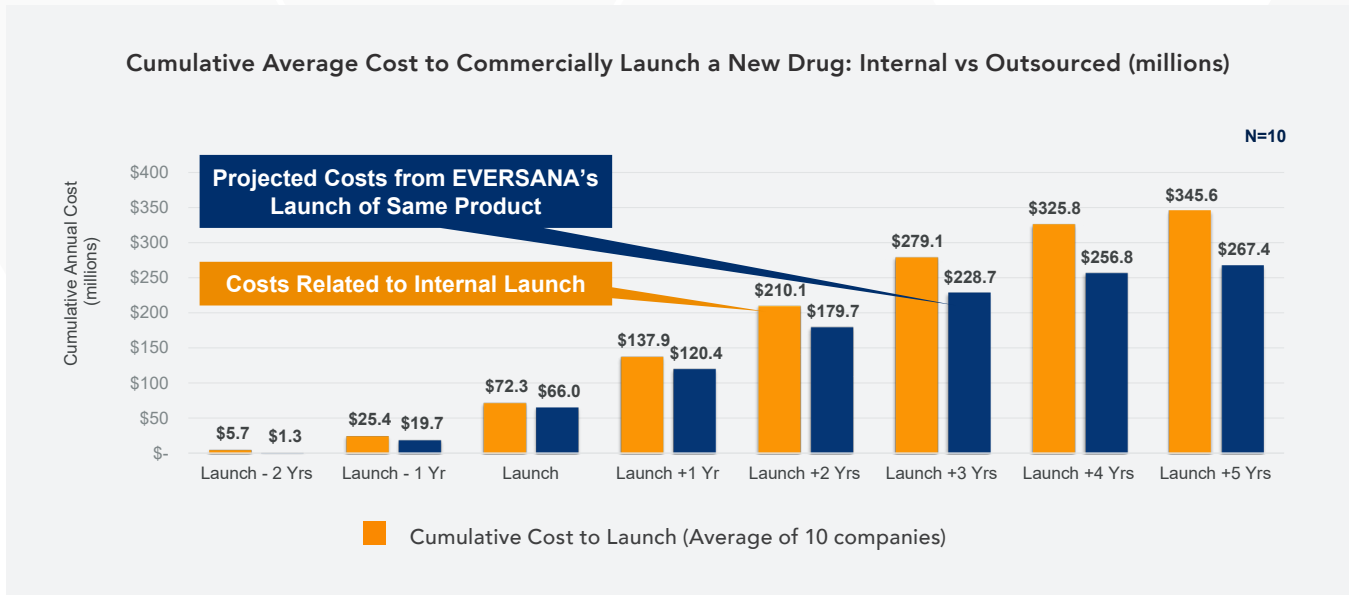
1. Resource Utilization:

Simply put, pharma hires people too soon and keeps them too long, and in between, they don't utilize them in the most efficient way. Typically, 30-50 team members are hired across 15+ core and support functions above and beyond the field force. Due to the challenge in bringing on great talent and the long lead times to onboard them, companies typically err on the side of overbuilding too early.

As the nature of resource needs evolves over time, it is extremely challenging to make sure that resources are fully utilized. This is especially true with team members whose greatest contribution comes early in the program's life cycle. This cost could be absolved if the company could deploy the same teams across three to four programs — but the study found that it almost never happens.

In a similar dynamic, what occurs during the middle of a program is also true toward the end of a program. Many team members who have created a lot of value but are underutilized in the later years are kept in the program. It is very challenging to let people go or remove resources that were helpful during a previous period.

These savings can be realized pre-launch and post-launch per year (Figure B).



This dynamic is not true for a contract commercial organization since the right resources can be deployed in the right places just in time. In the same model, these resources are easily redeployed on other programs. As a result, the choice of “keep” or “retire” is no longer the paradigm.

2. Infrastructure Utilization:

The same applies beyond human resources. The reality is that every time a pharma organization launches a new product — whether it is their first or not — everything needs to be “built from scratch.” The supporting infrastructure from the pre-launch phase needs to keep evolving and changing as the product goes through its various phases. But the highest of costs could be spent on infrastructure beyond the core commercial functions, including systems, data and analytics, finance, legal, corporate communications and pharmacovigilance, to name a few.

Similarly, how contract organizations utilize teams is true for infrastructure as well. Contract organizations have the opportunity to utilize repeatable and proven processes that drive the cost of launch significantly down.

Conclusion

The 20% overspend identified in this study can be avoided with an efficiency-driven approach and can have true impact on results for management, investors, payers, providers and patients alike. A fully integrated commercialization model does provide true financial benefits and should be considered over the traditional model of pharma “doing it alone” through a series of outsourced vendors. By partnering with a contract commercialization provider like EVERESANA, manufacturers can avoid overspend by tapping into an advanced commercialization services platform that can be adapted for varying market needs.

[Download the complete white paper for more details from this study](#)



About EVERESANA™

EVERESANA is the leading provider of global commercialization services to the life sciences industry. The company’s integrated solutions are rooted in the patient experience and span all stages of the product life cycle to deliver long-term, sustainable value for patients, providers, channel partners and payers. The company serves more than 500 organizations, including innovative start-ups and established pharmaceutical companies, to advance life sciences services for a healthier world. To learn more about EVERESANA, visit EVERESANA.COM or connect through [LinkedIn](#) and [Twitter](#).

