

Innovation Navigation: Road Map from Idea to a Successful Company

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September 19, 2017



Agenda

- Fighting the Product Development Paradigm from a commercial prospective
- Why Marketing is Important from the Start
- Voice of the Customer
- How to Define a Critical Unmet Need
- How to Determine the Marketing Opportunity
- Go to Market Strategy

Fighting the Product Development Paradigm

- Problem:
- #1 Building "something" nobody wants – 36%
- #3 Lack of Focus - 13%
- #4 Fail to execute Sales & Marketing early - 12%
- Solution:
- No one size fits all - very true in marketing

Why Marketing Decisions are made in Product Development?



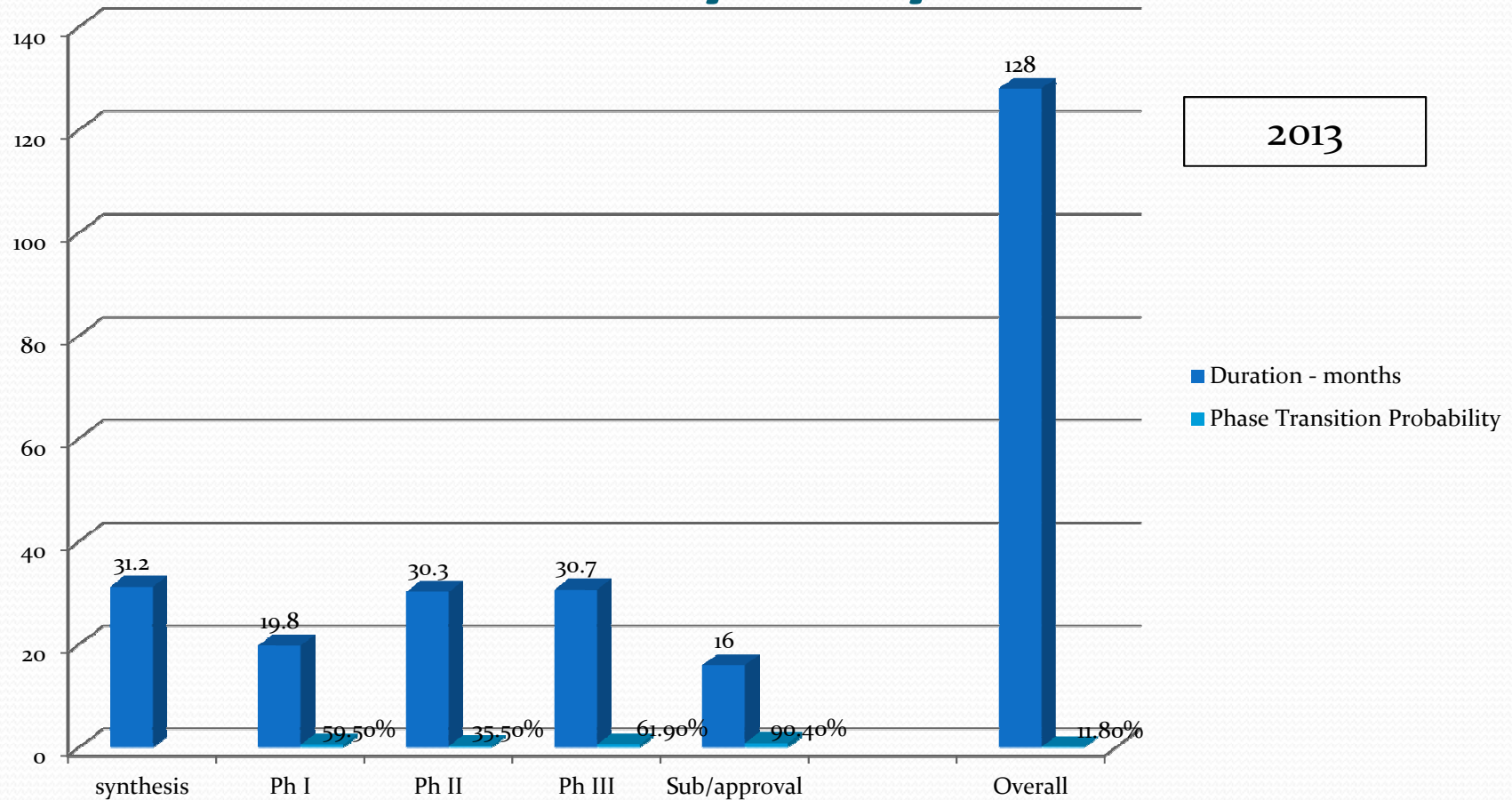
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Start-up or Small Company

- Angel or VC investors
 - What problem (unmet need) are you solving?
 - How are you going to solve it and better?
 - Innovation
 - What is the market opportunity?
 - Overall market
 - Product opportunity
 - How are you going to penetrate the market?
 - Product adoption and Market strategy
 - Financial Projections

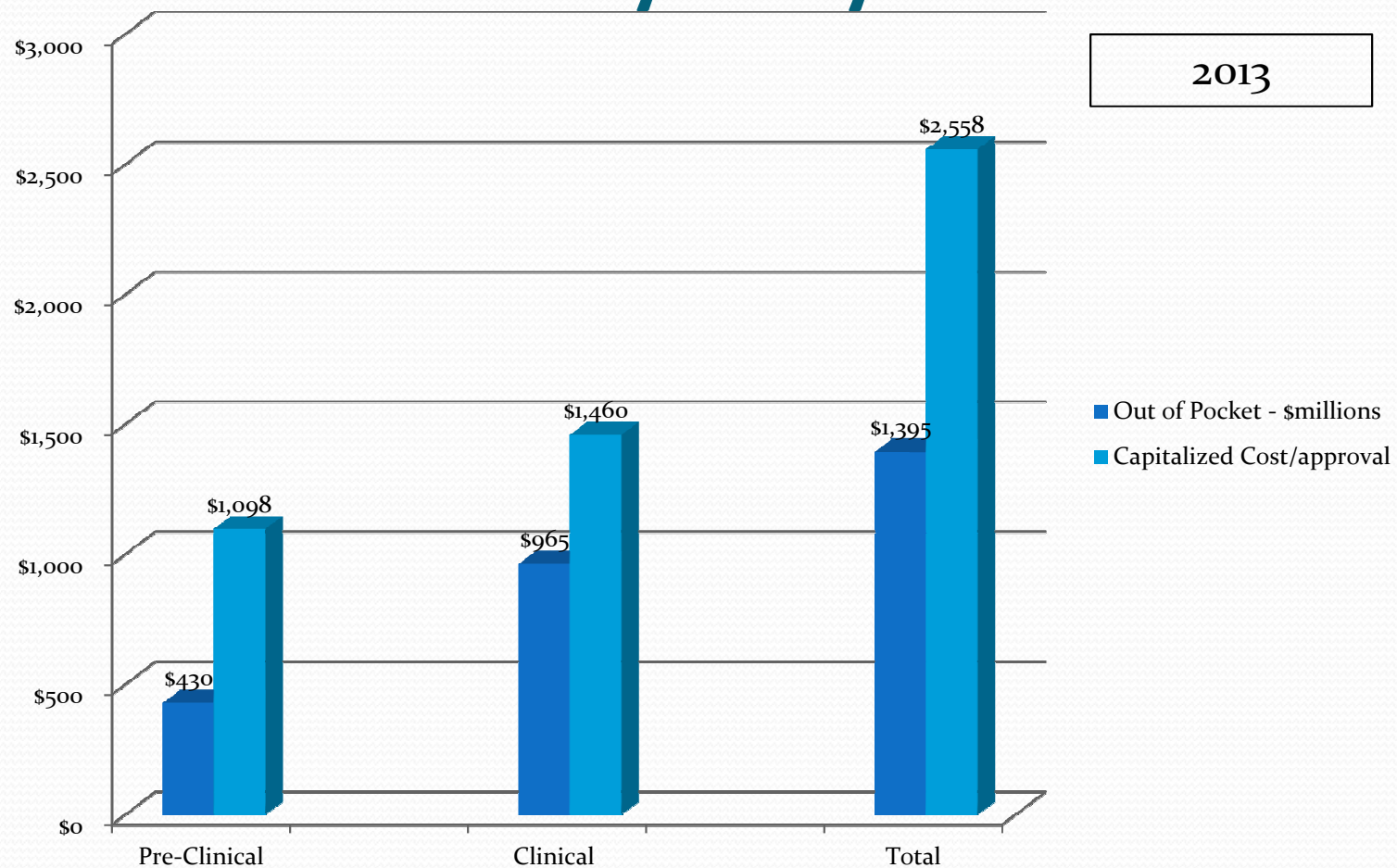
Product Development is Very Risky



DiMasi, JA et al, "Innovation in the pharmaceutical industry, New estimates of R&D cost." J. of Health Economics, 2016, Tuft CSDD

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Why Are They Asking These Question?

- They have investors who invest in their funds
- Goal: To achieve a 5x or 10x return



Solution: De-risk Product Development

- Two things to de-risk the product development process:
 1. Good Science
and
 1. **Business/Commercial Due Diligence**

Voice of the Customer

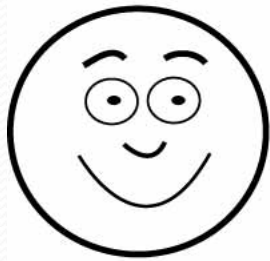


- Customers can tell you what problems they have.
- Customers are rarely qualified to solve their problems.
- Marketing defines if it is a critical unmet need.

Important How and What Questions You Ask Your Customer

- Example:
- Dr. Jones, what do you think about our product for “x” disease?
- Bias, only ask about the product not about problem, MD will be helpful, but product may not solve his problem.

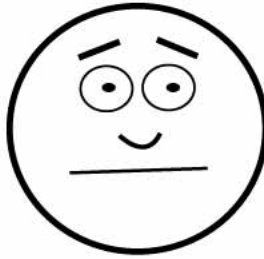
Are you in pain?



0
very happy,
I do not hurt
at all



1 - 2
hurts just
a little
bit



3 - 4
hurts a
little more



5 - 6
hurts even
more



7 - 8
hurts a
whole lot



9 - 10
hurts as much as
you can imagine,
you don't have
to be crying to
feel this bad

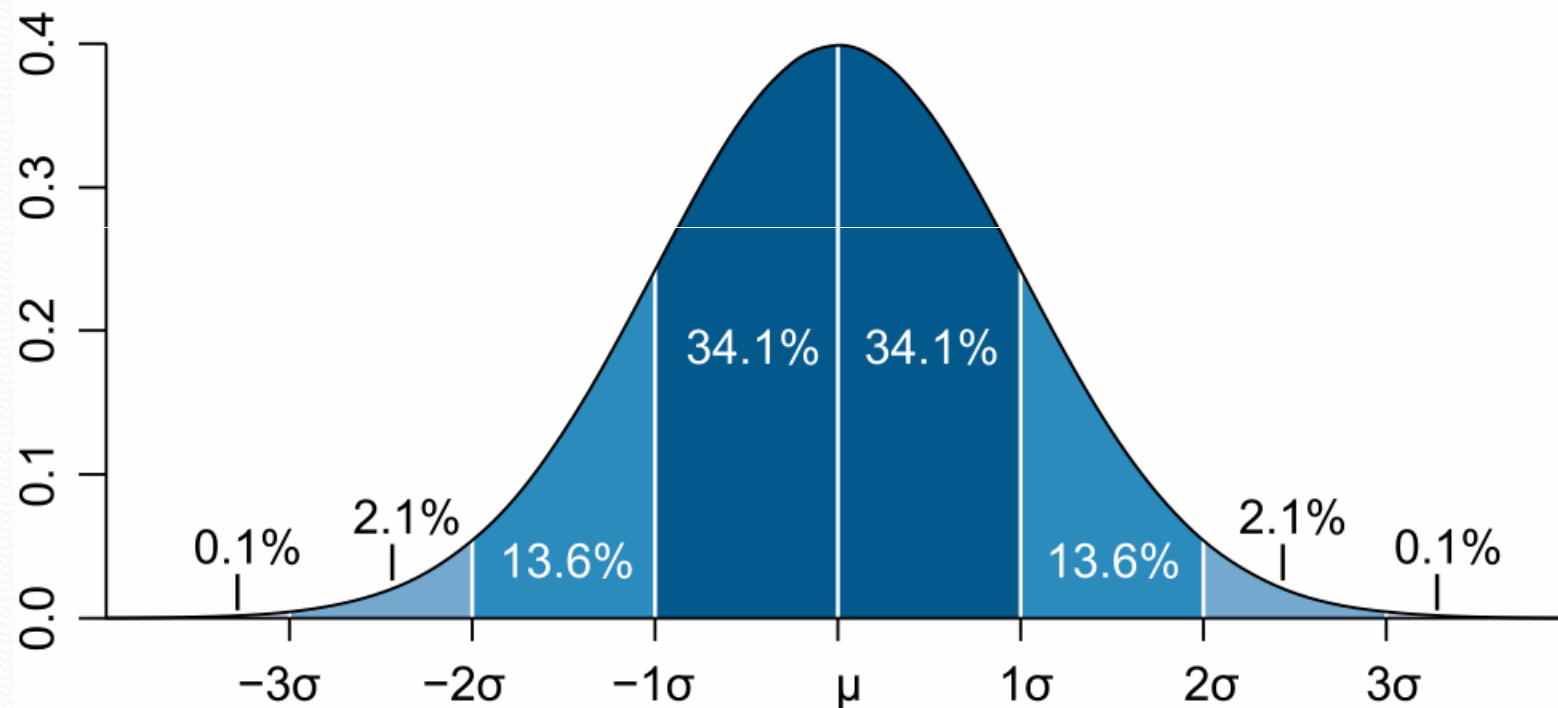
Definition of an unmet need

Nice to Have (0-2) or Must have = critical (7-10) ?

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Is your definition of Unmet Need the same as others?

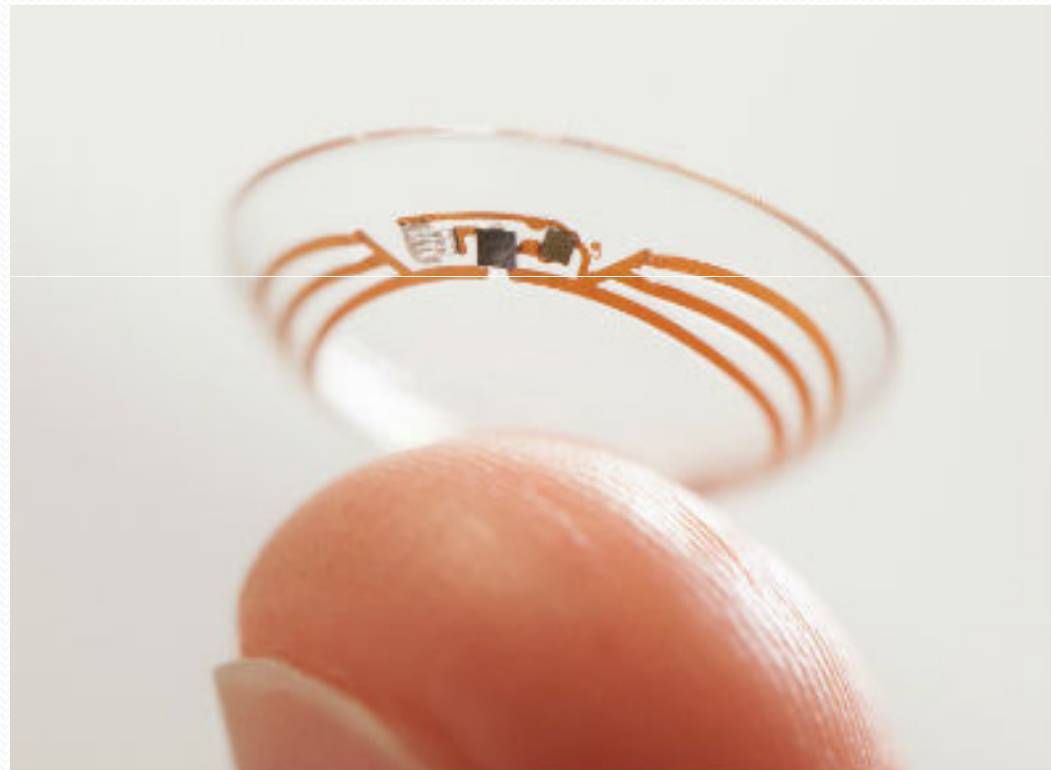




Market Opportunity for Product

- Product Adoption ★
- Define target segment/s
- Competitors
- Market Trends
- Technology Trends

Google/Alcon Contact Lenses: monitoring glucose levels





Product Assessment

- What problem (unmet need) are you solving?
 - Finger pricks to measure glucose
- How are you going to solve it and better?
 - Elimination of finger pricks – measure thru tears
- What is the market opportunity?
 - Start with overall market
 - Calculate the product opportunity
- How are you going to penetrate the market?
 - Product adoption and Market strategy



Diabetes Market – Overall Market

- Diagnosed and undiagnosed diabetes in the United States
 - Total: 29.1 million people or 9.3% of the population have diabetes.
 - Diagnosed: 21.0 million people.
 - Undiagnosed: 8.1 million people (27.8% of people with diabetes are undiagnosed).
 - Type 1 - 5% of diabetes population, Type 2 - 95% of diabetes population



Product Opportunity

- What Percentage of People Use Vision Correction Device?
- 75% of adults use vision correction device.
 - 64% wear eyeglasses
 - >50% women
 - 45% men
 - 11% wear contact lenses
 - 18% women
 - 15% men

Source: Vision Council of America



Product Opportunity

- Three Segments of the Population
 - Those that wear glasses – 64%
 - Those that wear contact lenses – 11%
 - 2.31 million diabetics
 - Those that don't wear vision correction device – 25%
- Two sub-segments for each
 - Men and women

Those who wear glasses

- How do you convince them to wear contact lenses?



- How do you convince those that don't wear corrective vision to wear contact lenses?

Questions You Need to Ask When Developing Your Product

- Will it be part of the contact lenses or a separate device?
 - If sensor is part of the device, how comfortable is it?
 - Too thin, Too thick, aesthetic appearance
 - If separate device, how easy is it to apply?
- Will it be a daily disposable lenses or regular disposable?
- Are the contacts to be worn 24/7?
- How do people clean their contact lenses due to protein build up?
 - Multipurpose solution or Clear Care – hydrogen peroxide, damage to sensors



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Product Adoption – Voice of the Customer

- Key Players – 7 Ps
 - Prescribers
 - Healthcare providers
 - Patients
 - Payers
 - Policy – regulatory
 - Politics
 - Public



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Why Product Adoption is Important

- Once the product is out there, the first impression is the lasting impression.
- Once the product is out there, you can't take it back.





Go To Market Strategy

- Questions to answer in developing your strategy:
- How are you going to differentiate yourself?
- What is your competitive advantage that is significant?
- Where you are going to be better in the treatment process?
- How do I get product adoption from all seven (7) stakeholders?

Building Commercial Value Early in Product Development

Product Development Process			
Disease Strategy	Candidate Nomination	First in Man	POC
Pre-Clinical	Phase I	Phase II	Phase III
Disease Area Strategy Value Proposition Indication Prioritization Financial Trade-Off Decision Analysis Pricing Analysis <u>Target Product Profile</u> Competitive Analysis Patient Disease Analysis Shareholder Analysis Policy (regulatory) Landscape Payer/Provider/Patient Adoption Technology Assessment KOL Analysis/Interviews Draft Launch Label	Regulatory Plans NDA Submission Plans "Occupational Efficiency" Clinical Development Plans Health Economic Data <u>Market Access Plan - PhI/II</u> Stakeholders Needs Assessment Patient Access consideration	Regulatory Plans Clinical Development Plans <u>Value Proposition</u> NVP/ROI Evaluation <u>Market Access Plan</u> Stakeholders Needs Assessment Patient Access consideration	<u>Development of Launch Plans</u> Messaging Positioning Marketing Strategies Sales Channels

Everything in bold is part of New Product Planning/Strategic Planning



Susu Wong - Agenda

- Accelerated Marketing Plan - The Marketing Canvas
- Establishing your Brand Positioning Statement
- Building the Ideal Customers Persona
- Customers' Experience Journey
- Competitive Analysis
- Crafting the Optimal Marketing Content

Questions?



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