

Optimal Pricing Strategy (OPS™)

OPS™ HELPS YOU TO DETERMINE VALUE DRIVERS THAT AFFECT PRICE AND ESTIMATE THE MAGNITUDE AND DIRECTION OF THEIR IMPACT. A COMBINATION OF QUANTITATIVE AND QUALITATIVE METHODOLOGIES ARE USED TO REFINE THESE ESTIMATES. FINALLY, VALIDATION TECHNIQUES TEST TO SEE IF ESTIMATES ARE IN LINE WITH OVERALL PRODUCT POSITIONING STRATEGIES.

Highlights

Understand key value drivers

Estimate differential value

The Value Price equation

Implications of Pricing Positions

Validation of Findings

Recommendations

Pricing Incentive Evaluation

THE VALUE DRIVERS

THE PRODUCT

Understand key aspects of the product's attributes and their potential to drive value. Bring together clinical and economic data and information to provide clear understanding of the product's overall value proposition.

CURRENT THERAPY

Assess state of current therapies and the role that the new product will play in changing the current treatment paradigms.

THE DECISION MAKERS

Identify key decision makers affecting choices to prescribe, dispense, consume or pay for the drug at each stage. Use a rigorous process of understanding the extent to which they impact use of the product.

UNDERSTANDING COMPETITION

Evaluate the competitive landscape and assess the real impact on decision makers. Anticipate competitors' likely response to different pricing positions.

VALUE MATRIX

Create a value matrix to understand relative importance of various decision makers. Assess relative importance of each decision maker in terms of their ability and willingness to use or impact the use of the product.

VALUE TO PRICE

DIFFERENTIAL VALUE

Develop understanding of "value" to different key decision makers. Utilize advanced quantitative and qualitative analytical tools for this valuation.

FROM VALUE TO PRICE

Estimate what portion of value can be harvested into price. Generate key assumptions on which the price points are based. Determine optimal price points to effectively support the overall product positioning strategy.

RESPONSE TO PRICING

Model likely responses from competitors, policy makers, payors and consumers and feed them into internal decision making processes.

VALIDATION OF ASSUMPTIONS

Validate assumptions with key stakeholders - both internal as well as external. Fine tune the results to reflect changes in assumptions, if any.

RECOMMEND OPTIONS

The OPS™ exercise is a comprehensive exercise with emphasis on the components listed above varying based on the characteristics of the market into which the product is entering. The final product is a pricing recommendation that fully supports the product's overall positioning strategy.