

# Marketing & Sales Spend Optimization for Pharma Brands

## THE CHALLENGE

Our client, one of the largest European Pharmaceutical companies, was looking to optimize its S&M spending throughout the life-cycle of their brands. Previously, decisions on spending were based on ad-hoc decision-making, rules of thumb and often no clear rationale. The client wanted a more rigorous structured tool to facilitate decision making.

## OUR SOLUTION

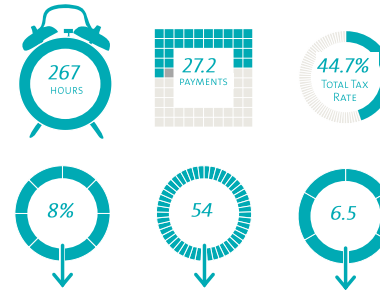
We obtained country level sales, prescribing and promotional data for a series of brands. We supplemented with general demographic and market data (healthcare physicians, spending etc.). We considered drug specific dynamics (launch dates, patent expiries etc.). The model was run on competitive brands as well.

We ran a series of descriptive and predictive models decomposing the relationships between the sales of drugs into lag based- and range-based components.

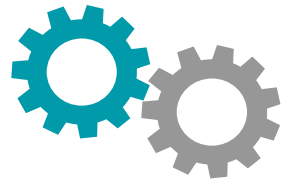
## THE RESULTS

The model's components helped our client to identify the extent to which S&M spending drove short-term and long-term drug sales vs. a baseline and thus provided an ROI measure for different types of activity. The insights were used as part of the clients budgeting process.

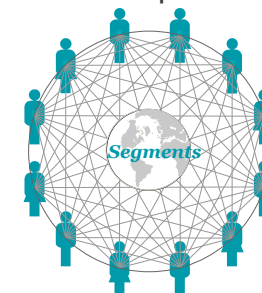
**1. Run Descriptive & Predictive Models**  
Mathematical Models describing and predicting sales



**2. Analyze Findings**  
Decompose sales into inertia and elasticity



**3. Extract insights and define ROI**  
Calculate short- and long-term ROI of marketing and sales spend



**4. Optimized Budgeting**  
Determine Marketing and Sales budgets based on insights

