End of the Blockbuster Model - What Next?

by

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What is a Blockbuster?

- A drug is said to be blockbuster when its annual sales crosses US$ 1 Billion.
  - Zantac

Blockbuster Model

- Blockbuster model is adopted by many big pharmaceutical companies.

Reasons for failure of Blockbuster Model

- Declining research and development productivity
- Rising costs of commercialization
- Increasing payer influence
- Diminishing exclusivity period

What Next?

- Personalised Medicine
- Focus on Drug Delivery
- Shared Drug Development
- Fixed Dose Combinations
- Diagnostics
- Consumer segment


Pharmaceuticals
Biologics
Consumer Healthcare/OTC
Generics
Devices
Services
Animal Health
Biosimilars
Diagnostics
Nutrition/Wellness
Sanofi
Pfizer
Abbott
GlaxoSmithKline
Novartis
Johnson & Johnson
Roche
AstraZeneca
Merck
Bayer

Shift

Opportunistic	→	Focus
Fully integrated pharmaceutical company model	→	Using partnerships to manage risk and return
Science-driven provision of specific drugs	→	Providing customer solutions
Functional model with separate functional units	→	Integrated business organization model

Conclusion

- Global pharmaceutical industry has become very competitive and companies have to strive very hard to just retain their previous years ranking.
- If any pharmaceutical company aims to move up the ladder, then it needs to really gear up and adapt quickly to the changing business models.

Thank you