

When Sharks Attack

Launching a product? Your competition likely plans to interfere. Here's how to counter a counter-launch

Not so long ago, when a pharma company launched a new drug, it didn't have to worry about how competitors already in the market would respond. For the most part, they'd get a "free launch"—with competitors ignoring the product completely, typically not even mentioning it by name. Today, that free launch is gone. The industry has entered the competitive stage of its life cycle; brands are fighting to maintain and extend their share in markets that are increasingly constrained by price consciousness and promotional regulations.

These days, your launch is likely to be met by a competitive counter-launch, often created by a cross-disciplinary counter-launch team. Companies have learned that the best time for aggressive market defense is when a new competitor is still awaiting approval—when the product has the least corporate resources, market experience, and brand recognition, and when regulatory restrictions limit the manufacturer's ability to respond to attacks.

To borrow from business guru Harvey Mackay's metaphor: If you want to swim with the sharks, you need to execute a classic "shark launch," in which your product attacks the market, steals substantial share from rivals, and ultimately becomes the dominant beast. What you want to avoid is becoming shark bait.



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A Field Guide to Sharks

Counter-launch comes in many forms. Here are case studies of three classic shark attacks:

Case 1: Pfizer shark-baits Crestor In 2003, AstraZeneca was preparing to launch Crestor (rosuvastatin), a cholesterol-lowering agent in the same class as Pfizer's Lipitor (atorvastatin), but with greater cholesterol-lowering potency. Recognizing that Lipitor could not compete with Crestor on cholesterol-lowering efficacy, Pfizer changed the game, targeting the safety profile of Crestor, which appeared to have a slightly higher rate of muscle toxicity. Pfizer deployed a technique called "shark-baiting," skillfully alerting key stakeholders about this potential safety issue. By putting some of Crestor's "blood" in the water, Pfizer created a virtual feeding frenzy among practicing physicians, the media, consumer advocacy groups,

ent infringement lawsuits to keep Mircera off the market. Kevin Sharer, Amgen chairman and CEO, stated that "Amgen is working to win the peg-EPO trial, and to keep Roche's product off the market until EPO patents in the US expire some years from now." The next round of legal proceedings is scheduled for late 2009.

Case 3: Novo's hammerhead attack

Amylin and its partner Eli Lilly currently co-market the twice-daily drug Byetta (exenatide) for patients with type II diabetes, and are preparing to launch a once-weekly version of the drug called Exenatide LAR in the US. Novo Nordisk is seeking to launch its own GLP-1 analogue, with the generic name liraglutide, prior to the launch of Exenatide LAR. At the American Diabetes Association (ADA) meeting in June 2008, Amylin planned to present long-anticipated, new data for Exenatide LAR that had many physicians, investors, and media members excited.

On the eve of the ADA meeting, however, Novo conducted "hammerhead attack." The company issued a press release stating that preliminary results in a head-to-head clinical trial revealed that

A product awaiting FDA approval doesn't yet have corporate resources, market experience, and brand recognition. It is vulnerable to counter-launch tactics

investment analysts, and even some FDA officials. Ultimately, Pfizer's shark-baiting tactic crippled Crestor's launch, and ensured that the drug never became a serious competitive threat.

Case 2: Amgen sets a shark net Since the 1999 approval of Epogen, Amgen's portfolio of erythropoietin (EPO) anti-anemia products has been the company's lifeline. In 2005, Roche tried to launch a competitive EPO product, Mircera, in the US market. Anticipating this move, Amgen prepared a "shark net" by filing pat-

liraglutide was superior to Byetta in controlling blood sugar. Releasing preliminary data without any peer-review was a nearly unprecedented approach at such a high-level professional conference.

Market analyst David Kliff wrote in the journal *Diabetic Investor*, "With their bush-league tactics, Novo was deliberately trying to control the news flow, damage Amylin's share price, and steal Amylin's thunder." Amylin's stock price plummeted 9 percent that day; the buzz among the meeting attendees focused on liraglutide, not Exenatide LAR.

How to Shark-Proof Your Launch

To keep your product launch out of the jaws of a wily competitor, I recommend six steps:

Prepare the crew Select a team that is committed to developing and executing a comprehensive competitive launch plan. Many companies delegate a single brand-team member to handle competitive issues; in contrast, the more successful companies select an entire cross-functional team and dedicate the necessary resources.


Hire a shark expert While pharmaceutical companies spend enormous resources securing corporate work sites and employee laptops, they often fail to secure launch products, which typically take over a decade to develop and a billion dollars to bring to market. Engage a specialized competition consultant to lead the team

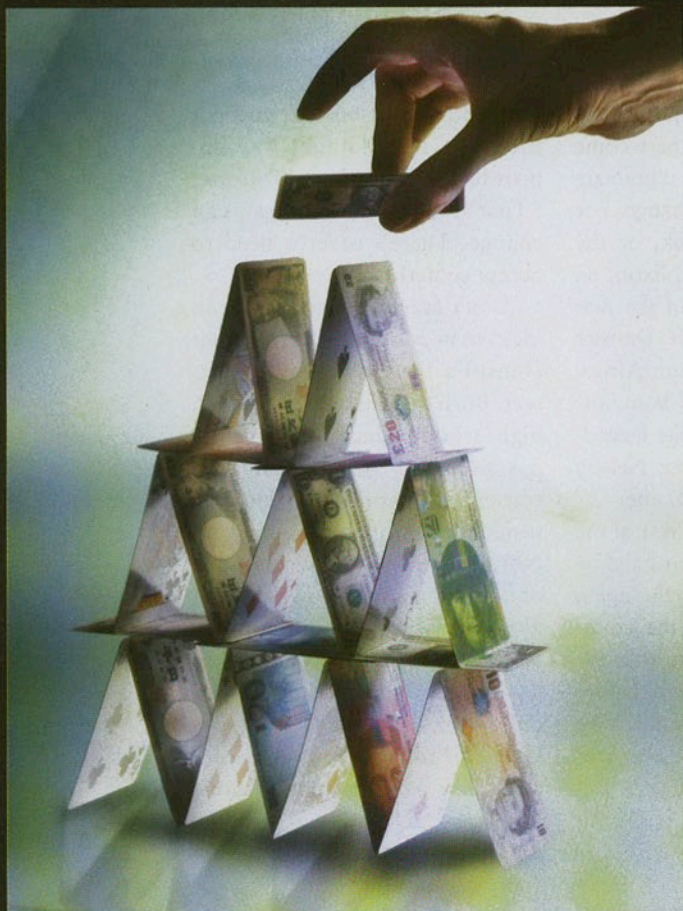
through the planning and protection process; this consultant should have deep industry expertise and extensive experience in both product launches and counter-launches. Importantly, do not rely on agencies that specialize in product launches but disregard product protection.

Engage in shark discovery The competitive consultant can lead the team through the development of a comprehensive analysis process that incorporates assessments of competitive, corporate, product, stakeholder, and market factors.

Conduct shark surveillance Establish a surveillance network and a process to identify signs of impending attack. This network can consist of field personnel, competitive intelligence experts, key opinion leaders, and other stakeholders. There should be a clear process for identifying, assessing, and acting on potential threats.

Swim in a shark tank The best way to prepare to swim with the sharks is to practice, practice, practice. Perform competitive simulation exercises—the new, improved version of war games. Competitive simulations are designed to be more realistic, engaging, and productive than traditional war games. Most importantly, competitive simulations lead to real results, including specific action steps which can be directly integrated into product launch plans.

Plan the fishing expedition Ultimately, the competitive planning team needs to prepare and execute a winning Competitive Launch Plan that synthesizes the findings from the competitive analysis, surveillance, and simulation. Ideally, this plan will not only shark-proof the product launch, but also create a ferocious shark launch that overwhelms competitors and captures the market for years to come. 



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