

Optimize prices globally and across the commercialization journey

Establishing drug prices is a big, important decision – one that's made even more difficult by the fact that many pharmaceutical manufacturers rely on complex, manual processes to track prices, create launch sequences, and respond to changes in International Reference Pricing (IRP).

Mispricing and mismanaging launch sequences can lead to multi-million-dollar mistakes. According to L.E.K. Consulting's Launch Monitor, nearly 50% of the products launched in the past 15 years have fallen short of their prelaunch estimates by more than 20%.¹ When a drug misses its launch projections, there's a high likelihood that it will never recover that revenue. This risk, coupled with an ever-increasing average cost of bringing a drug to market, means it's become more important than ever to maximize revenue from the start.

Even once a product is in market, managing pricing on a global scale can be a logistical headache. With much of the world relying on IRP, where one country's prices are cross-referenced against other countries, having constant access to accurate pricing and reimbursement data is necessary for managing product launch and pricing strategies.

Model N Global Pricing Management is the enterprise-grade software solution that enables you to effectively execute your pricing strategies and optimize global revenue.

80%

Any single IRP change can potentially cause **up to an 80% price cut** in another country.

¹ L.E.K. Consulting. "Biopharma Launch Trends – Lessons Learned from L.E.K.'s Launch Monitor." December 18, 2020.

Global Launch Excellence

Simply identifying and prioritizing countries that pay the highest prices for drugs does not always translate to a winning strategy. Best practices state that you should consider available market and volume, country-specific regulations, competition, product value, supply chain capabilities, and the availability or entrance of generics.

Global Pricing Management enables unlimited scenario planning, so you can quickly adapt to market changes within the product's lifecycle. Create optimized launch sequences by endlessly adjusting necessary variables including pricing data, market access and IRP events, and volume forecasts, while reducing unnecessary vendor costs. Optimize revenue across 196 countries and never miss a key market execution.

IRP simulation

More than 44% of the world's 196 countries use IRP to drive down the cost of medicines. The challenge is that every country that uses IRP takes a different approach; some use an average of reference prices, some take a weighted average, and others rely on the lowest price within their respective country basket. And reference baskets can span anywhere from four to 24 countries with the countries included varying widely. Then there are other countries like the United Kingdom that don't use reference pricing but have their own set of rules for pricing.

This complex web of pricing schemes means that a pricing decision in one country will impact other countries. Without real-time visibility into the impact of your pricing decisions, you could end up making a move that has a sizable and direct impact on your global revenue.

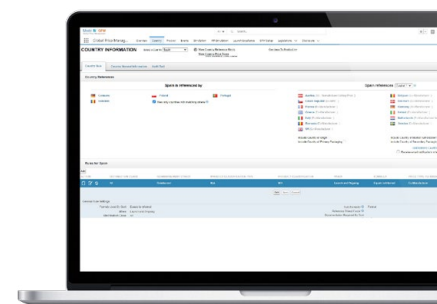
Global Pricing Management enables you to proactively drive pricing policies and reduce price erosion from IRP by:

- Monitoring pricing and reimbursement events
- Running simulations to identify what to do and what not to do
- Analyzing the impact on a country's price before you make a change
- Capturing formulas and applying them based on the drug type in the IRP calculation



A global product launch creates an unmanageable number of permutations.

Launching in just 10 countries creates more than 3.6 million permutations; a 20-country launch has 2.4×10^{18} permutations.



Country setup

The country basket explained

Composition of country baskets are highly variable. Some countries have a high number of reference countries – anywhere from 20 to 40 – whereas other have a smaller basket. For example, Luxemburg has only one, and Poland has 30.

Reference countries are typically chosen based on their geographic proximity, economic similarity, and healthcare environment.

Along with the variability in makeup, calculations among country baskets also differ. Some countries calculate an average price from their country baskets; others use the lowest price or the average of three to four of the lowest prices. Some others may use more complicated formulas, applying limitation rules or extra margin for research and development.



Price and sales forecasting

By capturing and analyzing competitive information, including price points, reimbursement information, and value delivered, you can refine and strengthen your market access strategy. Global Pricing Management helps you not only understand the competitive landscape but also provides a single, global repository that fosters collaboration and alignment among your teams in different countries, regions, and functions.



Simulation of regional trends

Price controls

Global Pricing Management provides a global pricing repository for prices, discounts, and reimbursements. You can view data via channel, product group, and hierarchy.

- Request approval for regional and global price changes.
- Manage price lists – published and nonpublished – by product, region, and use.
- Create pricing guidance, price floors, discount ceilings, and benchmark analytics to determine what's working.
- Establish workflow and approval routing processes, including conditional routing based on attributes.
- Optimize the contracting process by working off a unified set of pricing globally.



Cross-country price comparison

Improve the efficiency and effectiveness of your pricing processes

- ✓ Realize better prices throughout a drug's lifecycle.
- ✓ Effectively execute pricing strategies.
- ✓ Drive better business governance with unified pricing and data processes.
- ✓ Reduce risk of rogue pricing by implementing dynamic approvals and alerts.
- ✓ Gain real-time visibility into the impact of your pricing decisions.
- ✓ Improve margins to maximize revenue around the globe.

Realize better prices across your product's lifecycle.

Schedule a demonstration to learn how Model N Global Pricing Management can help you decrease price erosion, adhere to complex pricing regulations, and optimize revenue.