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Introduce new therapeutic area strategies to ensure first place on the winners' podium

Many large pharmaceutical companies have started to move away from their long-established R&D areas, leaving behind the experience and knowledge they had built over decades to enter new therapeutic fields. They have made this choice with good reason.

Despite ever-increasing expenses in global R&D over the last decade, output in terms of new medical entities (NME) has been stagnating and even decreasing. In addition to the challenges faced in the quest for real innovation, R&D costs have kept rising due to the growing number of regulatory requirements. Taking all terminated projects into account (both successes and failures), the overall cost for taking just one NME to market stands at over \$1bn today.

“Defining therapeutic area strategies today has little to do with ‘company heritage’ ... firms increasingly need to take into account future commercialisation potential, market access and pricing hurdles, as well as the competitive situation”

As a consequence, companies have been forced to shift their therapeutic area focus, building new strategies that are not solely based on existing areas of expertise and assets. Defining therapeutic area strategies today has little to do with ‘company heritage’. Instead, firms increasingly need to take into account future commercialisation potential, market access and pricing hurdles as well as the competitive situation.

For an innovative pharmaceutical company, the therapeutic area (TA) strategy represents the core of its corporate strategy, defining which indications it will focus on and outlining how these will be addressed along the value chain. It is a strategy chosen from a number of different possibilities, laying out a plan of action for all functions across the organisation on how to achieve defined long-term goals in a consistent and aligned way.

Therefore, on the one hand, TA strategies must comprise long-term projections for corporate functions like R&D, with time horizons of 15-20 years owing to the time needed

