

# MEMO

*Keep separate  
for  
Speywood  
meeting.*

From  Peter McCulloch		To  Walter Lewis Denis Wain c.c. <u>Derek Layton</u> Anne Walton
Our Reference	Your Reference	.....15th November.....1985.....

## 1986 MARKETING PLAN OF HYATE:C

### 1. INTRODUCTION.

Several factors come together at this time to make it timely that I commit my thoughts and proposed plans to paper with regard to the marketing of Hyate:C. These factors include:-

- 1986 is nearly with us and we need to embark on detailed sales and expense budgets for the following period.
- I have been actively involved in Hyate:C sales and marketing for about six months now and believe that I have learnt significant facts and features relating to this market that it is my responsibility to share.
- your memo of November 1 requesting answers to specific questions needs replying to and indeed expanding upon.

I am aware that I am preparing these thoughts prior to your meeting with D.G.L. on November 15th but that you will not receive this memo until after that meeting. Consequently, I will be very interested to learn how my thoughts, as laid out here, fit in with the outcome of your meeting. As I was able to give Denis a verbal "skeleton" of my thoughts on November 14th I hope that these accord well with the outcome.

### 2. ANSWERS TO SPECIFIC QUESTIONS OF NOVEMBER 1 MEMO

1. QUESTION: "What on-going market research do we propose ?"

ANSWER: We need to thoroughly investigate, for each market in which we are either active, or intend to become active: the existing prescribing habits in Haemophilia care: registration requirements (if any): Factor VIII sourcing: commercial product pricing: and key Haemophilia centre names, addresses and internal politics. I believe that we can answer all of these points for the U.K. and possibly Sweden and only some of these points for all other markets.

2. QUESTION: "What do we propose is our market position/image?"

ANSWER: There are two parts to this answer, Firstly, that Speywood Laboratories is a specialised pharmaceutical company (being a member of the large Porton International Group of Biotechnology Companies) which has developed unique technology and has state-of-the-art facilities and people to produce high quality specialised pharmaceuticals.

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Secondly, Hyate:C is a much improved product that has developed with the development of Speywood to become the high quality, high purity and highly effective product it has become today.

3. QUESTION: "With what selling points do we intend to support this ?"

ANSWER: I refer you to the 5 key points chosen to be emphasised in our new brochure, namely that Hyate:C

- is of proven clinical efficacy
- is a cost effective therapy
- exhibits a low incidence of adverse reactions
- produces a monitorable dose response
- offers reduced risk of human viral contamination

The focus of emphasis on any particular selling point will obviously vary with the individual sales situation.

4. QUESTION: "With what rationale do we choose the above ?"

ANSWER: With the exception of the "cost effective therapy" point above, the other four can be substantiated by published evidence and I hope that Peter Kernoff's recent work will produce evidence for this point as well. The five points have been chosen from discussions between Anne and myself as the key points that clinicians look for when choosing a therapy.

5. QUESTION: "With what actions do we propose to promote the message ?"

ANSWER: I expand on this point below but want to emphasise here the crucial importance of the well informed personal exchange of information between Speywood representative and clinician. The specialised nature of the world's haemophilia business means that long-term relationships can be set up and will provide results if new information is presented frequently and convincingly. The other routes for promoting the Hyate:C message, which are significantly less effective, but nevertheless important to ensure additional exposure to the message, include mailings, attendance at symposia and exhibitions, publications etc.

6. QUESTION: "What reservations do we expect to meet ?"

ANSWER: As we know, medical practitioners are conservative by nature and follow a "better the devil you know than the devil you don't" approach. This means that they will not readily change prescribing habits but will prefer to stay with existing satisfactory regimens. Other Hyate:C reservations that prevail, to a greater or lesser extent, depending on the individual, include:-

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- a) perception of high risk of adverse reaction - sometimes from a bitter personal experience of the earlier product or recounted experience from a respected colleague.
- b) requirement for storage at -15°C compared to human factor VIII products which are stable for up to two years at 4°C.
- c) cost of treating low inhibitor patients is much higher with Hyate:C compared with factor VIII, especially when from a nationalised source.
- d) The need for Hyate:C has been obviated by immune tolerising.

7. QUESTION: "What is our stance to these reservations?"

ANSWER: Medical conservatism is broken down at varying rates, depending on the personality and attitude of the physician: the depth of relationship with Speywood, frequency of contact: relevance of information to individual clinician's circumstances.  
The other points are answered as follows:-

- a) Product now of much superior purity and documented evidence of low incidence of side effects.
- b) Speywood's continual development of the product and one of the points enjoying R & D effort at the moment is storage and stability.
- c) Give cost of relative cross reactivities story.
- d) Not all patients will be successfully immune tolerised and therefore there will always be a place for Hyate:C, especially as high titre patients fall in titre to come into the sphere of Hyate:C effectiveness where no other therapy will work (this assumes low cross reactivity of antibody to porcine material).

8. QUESTION: "What results do we expect in terms of usage and income?"

ANSWER: - I have no reason to doubt that the U.K. will continue in 1986 to grow at around 25% per annum (i.e.) 1986 sales = £600K  
- France and Italy can get back to previous levels of sales by the end of 1986 if we allocate Speywood human resources to these countries. (i.e.) 1986 sales = £500K.  
- U.S.A. sales are obviously dependent on the timing of the product licence. (i.e.) 1986 sales = £?  
- I believe we will see sales in each of the following countries in 1986  
- CANADA/SWEDEN/HOLLAND/SPAIN/ISRAEL/AUSTRALIA. (i.e. 1986 sales = £200K ?

### 3. SPEYWOOD CORPORATE STRATEGIC ISSUES

I strongly believe that the future success of Hyate:C is dependent on internal corporate strategic issues as well as external market forces and the three items that I would comment on here are:-

Markets to be served by Speywood - We have still to state whether Speywood is a company specialising only in pharmaceuticals or is to become active in other health care specialities, e.g. diagnostics.



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Also, within the pharmaceutical segment we need to clearly state the sub-segment/segments in which we should be active e.g. Haemophilia only or blood dyscrasias etc.

Speywood product portfolio within a market segment - Once we have made decisions on market segments we need to have a clear plan for product portfolios within the segments and these plans should include the expected source e.g. in-house R & D licencing etc.

Organisational structure - Once the above points are resolved we need to clearly delineate areas of, and lines of responsibilities which in turn will effect the principles and practices of management within Speywood.

#### 4. HYATE:C 1986 MARKETING PLAN SUMMARY

4:1 Situation analysis - Please refer to attached 3 graphs regarding £ moving annual total sales in U.K., France and Italy. From these it is obvious to see that sales in the U.K. are progressing satisfactorily but that sales in both France and Italy are disastrous. However, if we now look at the fourth graph which plots the units shipped moving annual total to our two main U.K. accounts, we can see significant decrease in usage at both centres. I do not believe that the decreased usage is due to a reduction in clinical preference and patient selection, but is rather due to reduced patient incidents and reduced antibody titre which thus requires less Hyate:C per treatment. The increasing sales of Hyate:C in the U.K. are partly due to the stocking offer earlier in 1985 (maximum effect £45K) and principally due to increased usage in other centres (e.g. Oxford, Basingstoke and Glasgow).

4:2 Hyate:C SWOT analysis - Time does not allow here for a detailed analysis of Hyate:C strengths, weaknesses, opportunities and threats, but I feel it is important to state that both the company and the product have significant strengths and opportunities that outweigh the weakness and threats and thus warrant an active promotional programme which will result in increased sales of Hyate:C.

4:3 Hyate:C Promotional strategy - The overall strategy proposed is that we present a common message to that section of the world's Haemophilia specialists who treat inhibitor patients and whose national health-care system allows for Hyate:C prescribing. This message needs to be presented both forcibly and frequently to achieve early penetration of the naturally conservative medical practitioner. The common message is that Hyate:C is a product of proven clinical and cost effectiveness for patients with low to medium inhibitor titres and is a product of high quality and purity which is free of human-borne viruses and shows a low incidence of adverse reactions.

4:4 Promotional methods and tools required for 1986 are to include: quarterly case study reports, circulated both by personal contact and mail: frequent sales calls by existing and possibly additional Speywood employees, plus employee of distributors/representatives: attendance at various symposia, both as delegates and exhibitors: and a programme of Wrexham based seminars/round-table discussions for selected U.K. and European key physicians.

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The countries that should be the focus of our sales activities in 1986 are:-

- U.K. - by 65 - 75 man days of PFM/EAW
- France - by French or Belgian representative plus 15-20 man days PFM/EAW
- Italy - by Sclavo personnel plus 15-20 man days of PFM/EAW
- U.S.A - by MF plus support as needed.
- Canada - by ?
- Scandinavia - by Kabi personnel plus 10-15 man days of PFM/EAW
- Holland - by Tramedico personnel plus 5-10 man days of PFM/EAW
- Israel - by Amit personnel plus 1-2 man days of PFM/EAW

The countries or areas that should be the focus of our representative/distributor searches include:

Germany  
Switzerland  
Spain/Portugal  
Middle East  
South Africa  
Japan/Far East  
Australia/New Zealand.

The symposia and exhibitions in which we should participate in 1986 include:

- Feb. - Newcastle Aids Conference.
- April - Cambridge British Society for Haematology Conference.
- June - Milan World Haemophilia Federation Conference.

4:5 Detailed sales and expense budgets - proposals and decisions for these can be prepared following discussions on points raised above.

Regards,

Peter McCulloch