

Innovation in Highly Regulated Environments - Global Bio-Pharmaceutical Case Study

Pharmaceuticals is an industry that impacts each one of us. Due to the highly regulated environment, it is difficult to easily drive product innovations.

Four Focus Areas for Industry Innovation

Therefore, Pharma must focus on 1) business model innovations, 2) process innovations, 3) delivery innovations, and 4) customer experience innovations.

Let's take a look at how a \$26 Billion company with 30,000 employees, in 24 countries based in U.S.

Client Situation:

The client, a leading pharmaceutical company with international operations, was faced with a growth gap, having experienced several years of flat sales and heavy competition in U.S. and generics.

The company had recently initiated a global expansion program. However, they quickly realized that this endeavor would be limited and insufficient in meeting its future growth goals. The company's track record in organic growth and innovation was limited.

The challenge was to improve the company's innovation capacity, identify new growth opportunities, and have a showcase success within two years.



Six Stage Approach:

1. **Diagnosis:** The DeSai Group diagnosed the client's current situation, past innovation successes and failures.
2. **Recommendation:** Based upon these findings, recommendations for enhancing the company's innovation capacity were made.
3. **Ideation:** Through a highly structured ideation process, DeSai and the client identified and clustered ideas into Value-Platforms.
4. **Evaluation:** The various Value-Platforms were created, evaluated, and prioritized.
5. **Refinement:** The high priority platforms were further expanded with detailed product and service value propositions.
6. **Final Refinement:** Six teams were formed for each platform to further build out business briefs to lead to specific business plans within six months.

Results Are The Measure of Innovation Success

How did applying the DeSai Body of Knowledge impact the company?

- A Venture Board was established.
- Proposals were evaluated by the Venture Board composed of both internal and external members.
- Five candidate business ventures were selected having revenue potential of \$350Million.
- The existing portfolio was evaluated and 25% of the ongoing projects were halted.
- The evaluation process yielded 20% of the client's R&D resources for re-allocation.
- An Innovation Board and Innovation Process Owner were established to lead the innovation projects.

The Takeaway

Through a climate and culture of innovation companies can continue to generate value for everyone within their stakeholder system.

Your Turn. Please comment below.

1. How does your organization ideate future concepts?
2. What has your experience been with Venture Boards and similar concepts?
3. In what types of Innovation does your company focus?