



ISSN (E): 2277- 7695
ISSN (P): 2349-8242
NAAS Rating 2017: 5.03
TPI 2017; 6(11): 112-114
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www.thepharmajournal.com
Received: 18-09-2017
Accepted: 19-10-2017

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Pharmaceutical product management

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Abstract

In pharmaceutical industry, a product should help in curing a disease or atleast in improving the condition of the patient. Selling is carried by the company's own sales team due to highly technical and specialized nature of job, whereas the distributor is responsible only for the logistics part. In the present competitive scenario, preparing the pharmaceutical industry in pharmaceutical sales, marketing and management is important. The paper deals about the aspects that pharmaceutical firms need to excel in order to be global leaders. It includes pharmaceutical industry overview and pharmaceutical product management. It is further concluded that once we have efficient management capabilities, we can clearly see a difference in satisfying need.

Keywords: product management, product manager, product life cycle management, core knowledge areas, support knowledge areas

Introduction

Pharmaceutical Industry is one of the organised sectors in India employing a large number of professionals in the various areas of operations. The industry currently manufactures bulk drugs and active pharmaceutical ingredients. The companies which manufacture API's are involved in management and marketing of the pharmaceutical products. The government of India is planning to strengthen the pharmaceutical infrastructure by creating venture capital fund to make India a major hub in drug discovery.

Factors influencing growth of the Indian pharmaceutical industry is regarding raising awareness among population on health and well-being, increased awareness towards healthcare products, growing demand for generic drugs, cost efficient research, increased skilled labour and growing IT industry in development and marketing of drugs.

In terms of value, the Indian Pharmaceutical sector accounts nearly 2.4 percent and in terms of volume, the sector contributes 10 percent. The exports in generics accounts to 20 percent of global exports which largely includes Active Pharmaceutical Ingredients (API's). The market has huge potential for growth and is attracting the FDI into India.

Pharmaceutical Management

Pharmaceutical Management integrates business strategy with science and technology and the unique perspective of the industry.

The Industry has the demand for drugs because of the increased growth of fatal diseases, growing stress related diseases, increasing penetration of health insurance and better diagnostic facilities. The supply side also has cost advantage, skilled labour in India.

Pharmaceutical product management

The pharmaceutical product management is a complex and demanding discipline that need to be mastered by the pharmaceutical firms. It includes key areas like product planning, product marketing, product strategy and creative insights. The pharmaceutical product manager role is crucial and he should possess the skill set that can identify the gap in the framework for better product management. The core knowledge areas and supporting knowledge areas a product manager has to concentrate are:

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Core Knowledge Areas	Supporting Knowledge Areas
<ul style="list-style-type: none"> • Vision and Leadership • Product lifecycle management • Product strategy and market research • Business model and Financials • Product road map • User experience and product backlog 	<ul style="list-style-type: none"> • General Market Knowledge • Development/Technologies • Marketing • Sales and support • Project/Release management • Process

Core knowledge areas

Vision and Leadership: Pharmaceutical product manager/owner requires to possess both vision and leadership skills. The vision set must be realistic and should contribute to the success of the stakeholders. The manager needs to collect the requirements of all the stakeholders and compile the list for development of pharmaceutical product.

Product life cycle management: To maximise the benefit the product manager has to have a clear understanding on the product life cycle and its stages. For the product manager it is important that the growth never stagnates. The introduction of a product innovation gives a leading edge to a drug but does not guarantee sustained competitive advantage. It is important for a product manager to maintain control over products and their domination of the market throughout the product life cycle.

Product strategy and Market research: The product manager must undergo market research and analyse the data

in effective manner to formulate product strategy that can set position to the pharmaceutical product in the market. The strategies that can be evolved are: 1 Radical Vs. Incremental strategies 2. In Source Vs. Open Source Strategies 3 External Vs Internal Strategies 4. Protection Vs. Diffusion Strategies among these a strategy can be implemented by a firm.

Business Model and Financials: For a pharmaceutical product, an appropriate business model creates value to the firm. Based on the value created the financial forecasting is performed by the product manager for this a business model canvas can help him in figuring out where the company and the product is in. Business Model Canvas is a strategic management template for developing new or existing pharmaceutical business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. It assists a product manager in aligning their activities.

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure			Revenue Streams	

Product Roadmap: For a manager the formulation of relationship between strategy and product roadmap is crucial which should be constantly reviewed and need to be changed. The roadmap has seven sections 1.Description of the business 2.Product forecast 3.Product road map matrix 4.Quality to be built in both products and processes 5.Allocation of resources 6.Patent portfolio 7.Product descriptions and status reports.

User experience and product backlog: The user experience is to be determined by the product manager through interaction, visual designs and by bringing the functional and non-functional aspects. It is very important for a manager to understand the various stages of buyer experience and the utility levers that are important to the buyers, taking these into consideration building up a buyer utility map is very much necessary for a pharmaceutical product manager.

The supporting knowledge areas to be covered are

General market knowledge: The Product manager needs to know the present market share and also needs to know their users to serve them well. At present the leading five categories of drugs that lead the pharmaceutical market in India with 57 percent consumption are the anti-infectives with 16 per cent, cardio-vascular drugs with 13 per cent, gastro-

intestinal with 11 per cent and the drugs related to vitamins and minerals and respiratory.

Development / Technologies: The collaboration with performance teams is important in order to be a part of development technologies. For a drug to be developed, technology transfer takes place either internally in the organisation or external the organisation or from both the means. The mode of transfer of technology takes place either in a passive mode, semi active mode or in an active mode through general channels or reverse engineering channels or planned channels. In pharmaceutical industry transfer may be at times of drug formulation, development, quality control, production and clinical trials.

Marketing: The choice of the appropriate marketing mix is necessary to set a right place for the product in the market. The following questions need to be answered and analysed by a product manager before a commercial launch of a product is done:

Product

- What are the kinds of health needs that a consumer have?
- Which form of dosage will meet the need?

- How, when and where will the product be used?
- Form of delivery?
- Name of the drug?
- Branding?
- Differentiation versus competitors?
- Unique Selling Propositions?

Price

- Value to the buyer?
- Is the consumer price sensitive?
- Possible to get a reimbursement?
- Price structure to distributors, wholesalers, end consumer?
- Price comparison to competitors?

Place

- Availability of the drug?
- Access to distribution channels?
- Need for a sales force?
- What do the competitors do, what can be learned from that in order to differentiate?

Promotion

- Where, when and how to get across the marketing messages to the target market?
- Which channels should be used to communicate the messages?
- What do the competitors do?

Sales and Support: The product manager has to be a respectful partner for sales and support and should be able to help in selecting the right sales channels and in creating the sales collateral and training. The sale has a road map that consists of lead discovery, scheduling a meeting, identifying needs, delivery of proposal and finally its price negotiation.

Project/Release management: The product manager has to design a drug portfolio. Like any other product the drug also passes through various stages in the life cycle. The effective way is to monitor and control the timeline. This helps to track and control the risks associated with various phases of project/ sub-project phase.

Process: The project manager need to have a good understanding of ideation and innovation processes to generate and select ideas and to bring new products and new features to life. These should include Customer Development/Lean Start up, Business Model Generation.

Conclusion

Pharmaceutical Industry can reap the benefits of product management not only in the areas of drug discovery but also in controlling and managing the drug processes. The typical functional areas which can benefit with product development and implementation are the core and supporting knowledge areas including

- Product vision and leadership.
- Product Strategy, Product road map
- Product marketing and sales
- Project management

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