

# Dynamic Market Simulation (DMS)

## Ipsos' Virtual Approach to War Gaming and Competitive Simulation

### 1. Anticipating the future

Any company playing in today's dynamic, rapidly changing environment needs to gain market foresight into how the landscape may evolve in the future and the consequences of this for their R&D and commercial decision making.

It is vital to understand the inter-play and dynamics between the various stakeholders:

- How physicians will make prescribing decisions
- How payers will assess products, approach pricing, and control access
- The outcome of the interaction of competing products, companies, and strategies
- The implications of alternative decisions for future commercial success
- How the competing companies will differentiate themselves and most effectively co-position their assets to maximise potential
- How patients of different cultural and social backgrounds interpret value in health and contribute to disease

### 2. Simulating experience

You cannot predict the unpredictable, but you can learn from it. Ipsos recommend using an experiential approach to market foresight, called Dynamic Market Simulation (DMS), sometimes called competitive simulation or war gaming. We have considerable experience in running such exercises, having developed and facilitated over 20 such exercises in various disease area in the past three years.

### 4. Playing the Game

#### Development a winning culture of capabilities:

- Through participation in competitive simulation workshops, based on a foundation of strong insight and incorporation of real-world variables.

#### Best-in-class methodology:

- The interaction of the strategies of competing players. The incorporation of payers and physicians into the simulation as both advisers and decision-makers.
- The linking of price, access, positioning and uptake with brand strategy (evidence development and commercial strategies).

#### Fully Virtual:

- Smart use of virtual on-line video technologies and corporate communities allows the Competitive Simulation/War Game to be played out over fully flexible time periods and geographies.

#### Modular to simulate the competitive battle over several years:

- Each module focuses on the development and commercial decisions in a specific year. Over a period of time, the workshop simulates a three- to five-year time period in the battle between the competing companies, their products and their dynamic interaction.

#### Simple and transparent market dynamics:

- Focusing on market dynamics, the uncertainty surrounding outcomes data and the drivers of internal and external decision-making processes allows different criteria to be explored and powerful lessons to be learned in advance.

#### Tracking Key Performance Indicators (KPIs):

- A simple and transparent semi-quantitative model is used in the background to track the relative performance of all the players, comparing this with company specific KPIs.

### 3. Building Blocks



#### Strategic Objectives

Understanding evolving market and competitive dynamics; Informing key strategic decisions (e.g. Commissioning a clinical study, Developing a device, Setting a price. Positioning a Brand in light of new innovative competition, loss of exclusivity, new clinical data).



#### Scenarios

- Starting period, duration, exogenous conditions
- Specific landscape and competitor assets
- Timings and position of sponsoring company's and competitors' current and future assets in the therapy areas



#### Roles

- Relevant key competitors, products, portfolios
- Relevant stakeholders: regulators, physicians, payers, patients, policy makers, etc.



#### Insights

- A strong foundation of key insights on all companies and products in the Simulation
- Access to all Ipsos data sources (Therapy Monitors, Trackers)
- Secondary Research-based Competitive Intelligence and Investment Analyst Report



#### Exogenous developments

- Plausible, disruptive events to shake up the game
- Any major events or "shocks" that may impact on future competitiveness



#### Scoring

- Scoring of strategies by a Team of Physicians and Payers
- Simple metrics to measure workshop strategy and decision outcomes



#### Modelling

- Simple model quantification of the outcomes of strategic decisions against pre-defined KPIs (metrics by which success and failure can be measured)
- Tracking throughout the simulation: revenues, volumes, prices, market shares



#### Strategic Outcomes

- Insight
- **Experience-based** understanding of:
  - Cost, Consequences, and Impact of decisions
  - Timing of effect
  - Risks & Opportunities

