

Pricing Optimizer™

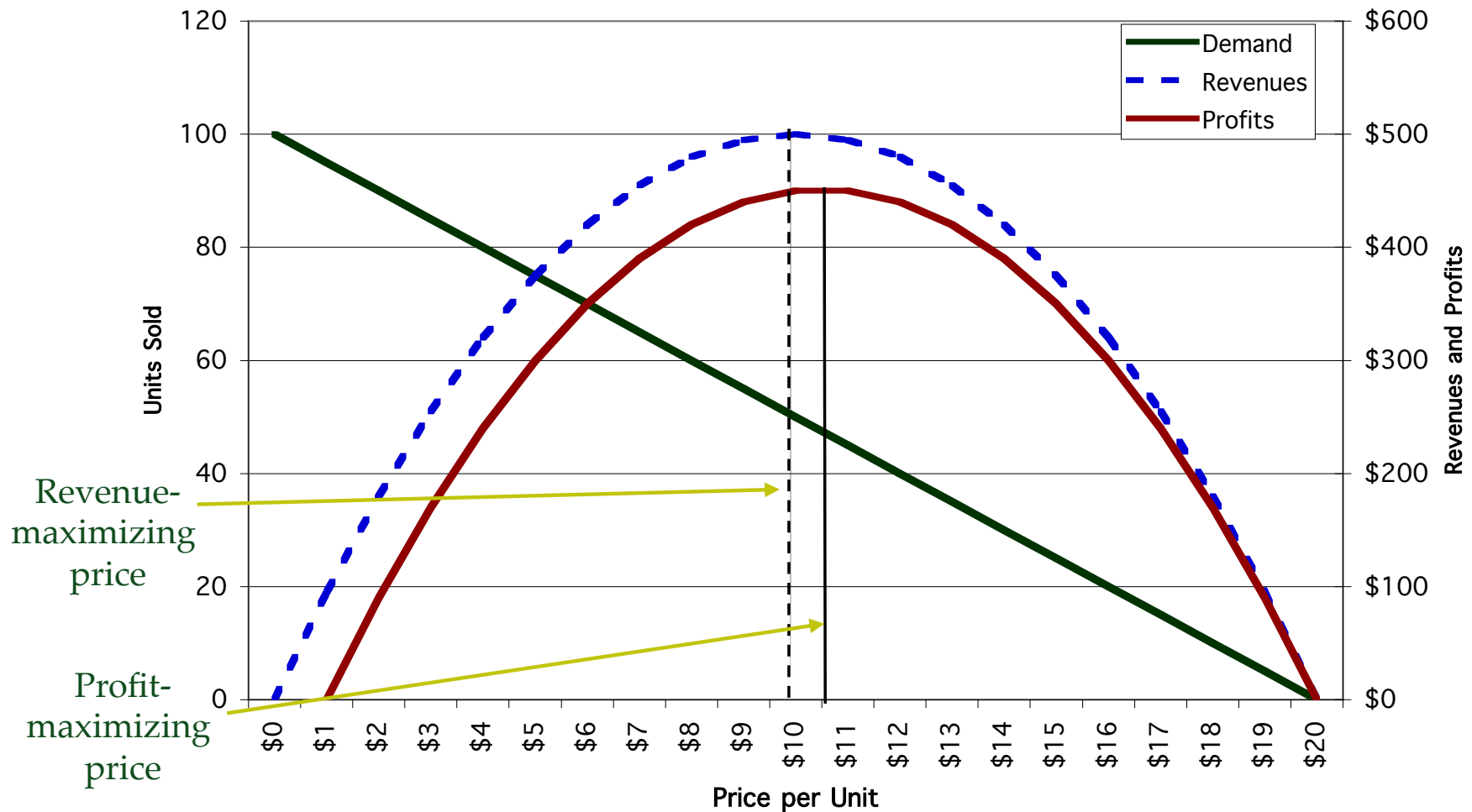


- Pricing Optimizer™ is a modeling framework that combines the results of primary and secondary pricing research among the different actors in the product purchase decision to determine an overall optimal price
 - ▶ Simultaneously models the demand curves for physicians, pharmacists, managed care/other payers, and patients
 - ▶ Capture tradeoffs and influences among these different groups
 - ▶ Builds an overall demand function (price sensitivity curve)
 - ▶ Determines the gross profit-maximizing catalog price (wholesaler acquisition cost) and optimal rebates by customer segment for a product
- Used for pricing some major products

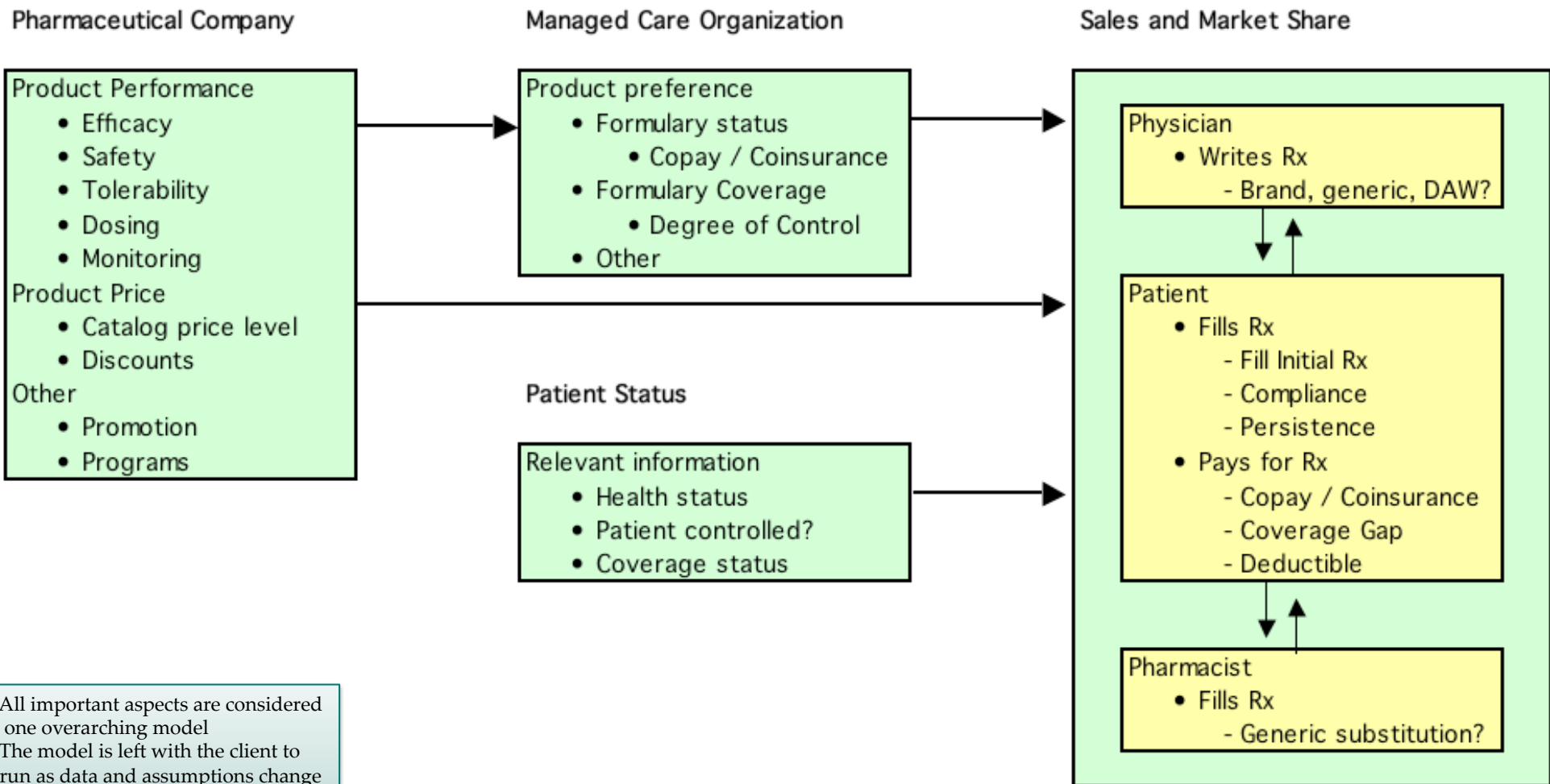
Profit/Revenue Maximizing



Demand, Revenues, and Profits



Pricing Optimizer™ Model Scope

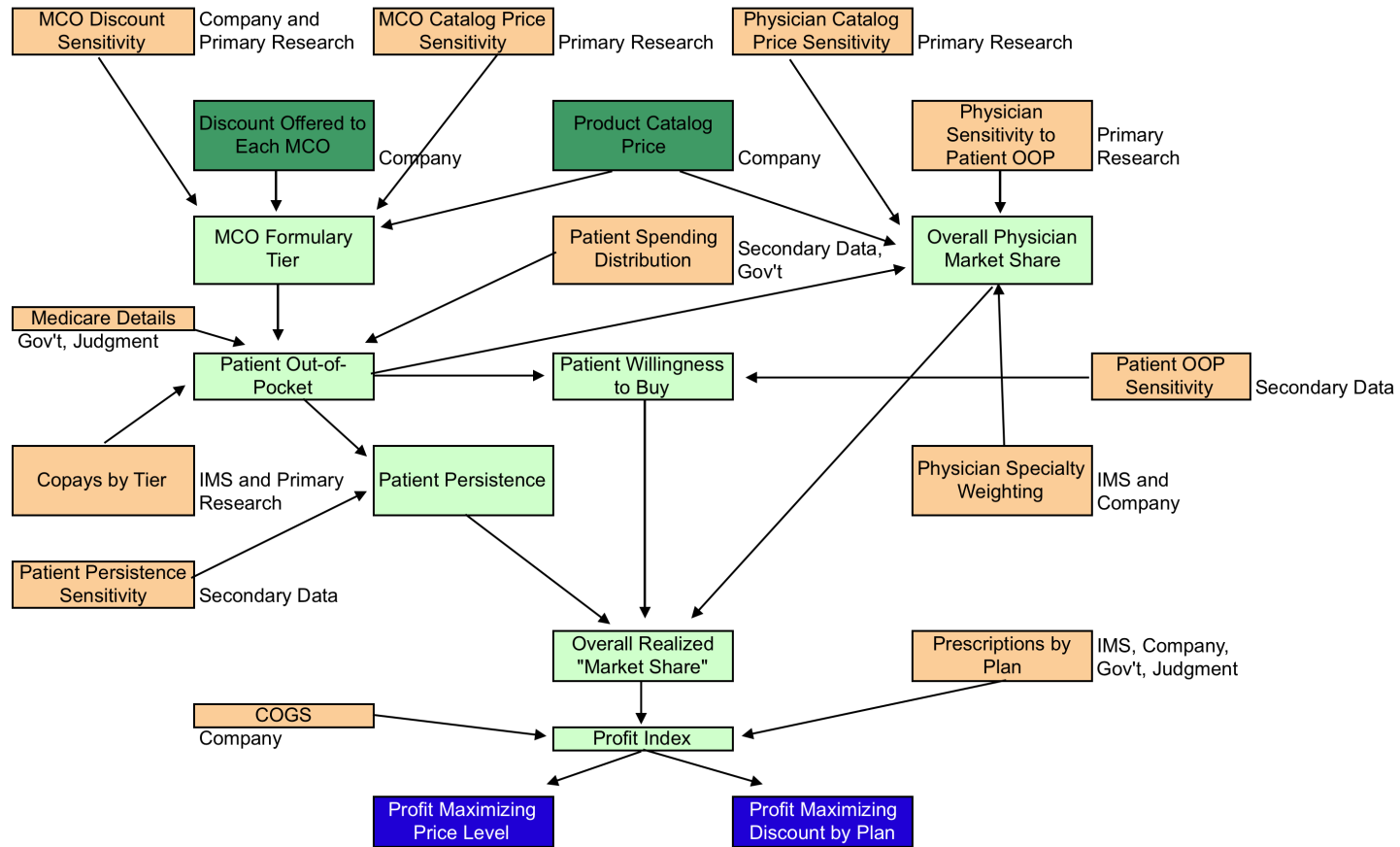


- All important aspects are considered in one overarching model
- The model is left with the client to rerun as data and assumptions change



Influence Diagram

Pricing Model Influence Diagram



KEY

- Company to Set
- Model Input
- Model Calculation
- Model Output