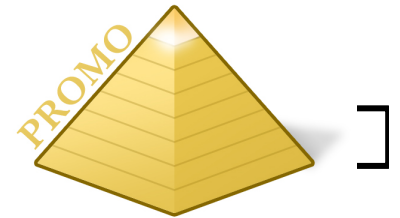




Promotion Hierarchy OptimizerTM

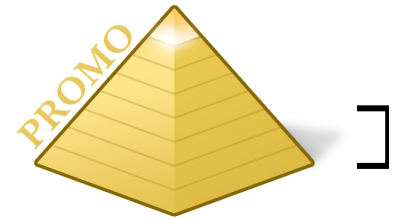
Team Approach for Marketing Program Allocation

Outline



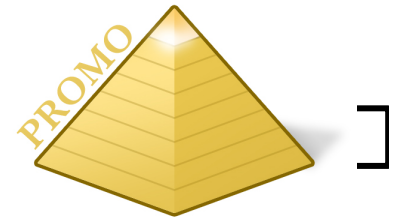
- Background
- Benefits
- Process
 - Components
 - Assessments
 - Software

Background



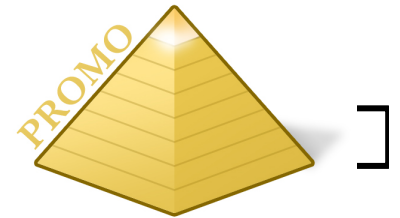
- The Analytic Hierarchy Process (AHP) is a team approach to addressing complex problems
 - Developed in the 1970's by Wharton professor Thomas Saaty
 - Has been refined and applied to many decisions in business and government

AHP Benefits



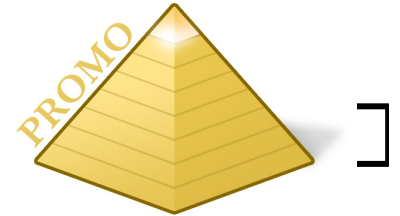
- Takes advantage of the perspective and knowledge of every team member
 - Allows a cross-functional team to gain insight from each other
 - Process builds consensus
- AHP process and results can be used to explain and defend how the marketing budget allocation was made

AHP Process



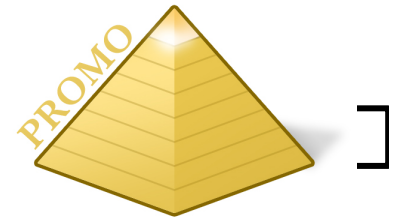
- Structure the marketing program allocation problem in a hierarchy
 - The team identifies the criteria to address and the marketing programs to address them
- Participate in meetings with the marketing team to capture their expertise
 - Use pairwise comparisons to compare the importance or preference for two elements
- The results identify the allocation of marketing programs that best meet the specified criteria within the context of the anticipated marketing environment

AHP Components



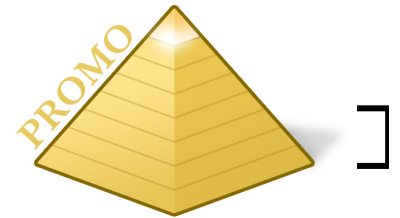
- Criteria
 - What issues are important to brand success?
 - What issues should the different marketing programs address?
 - Financial versus non-financial
 - » Revenues/profits vs. brand perception/payer acceptance
- Marketing programs to consider
- Scenarios (material background assumptions)
- Highlight uncertainties

AHP Assessments



- Assessments are the heart of the AHP
 - Typically done as pairwise comparisons to make the process as simple as possible
 - » “X is strongly more important than Y”
 - Can also enter judgments as relative values for an entire level (node) to speed up process
 - Need to balance completeness in establishing the structure vs. resulting complexity in making the judgments
- Software identifies inconsistencies in judgments

Promotion Hierarchy Optimizer™



- Microsoft Excel model
 - Handles entry of assessments
 - Calculates criteria importance
 - Ranks marketing programs as to how well they address the criteria

Entering Objectives



- Marketing programs laid out in similar fashion

Define Objectives & Programs

Goal:

Budget to Allocate:

Step 1: Define the overall marketing objectives

Objectives: *List top-level objectives below:*

Awareness	*
Trial	*
Usage	*
Treatment Barriers	
Perception	

* Trial & Usage do not have sub-objectives

Step 2: Define the marketing sub-objectives

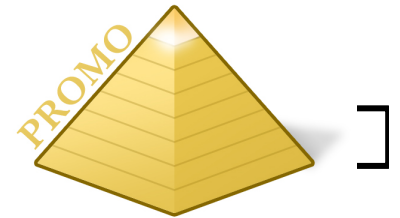
Awareness *List sub-objectives below:*

Sub-Objectives	Physician awareness
	Patient awareness
	MD-initiated conversations with pts
	Pt-initiated conversations with MD

Treatment Barriers *List sub-objectives below:*

Sub-Objectives	Patient compliance
	Patient persistence
	Patient initial prescription fill
	Payer reimbursement

Entering Comparisons



- Dialog-based approach leads team participants through exercise

Choice Comparisons

Which is more important?

Awareness

Usage

How much more important is it?

Equal

2 3 4 5 6 7 8 9

Moderately Strongly Very Strongly Extremely

Software Layout

Once all comparisons are made, this section shows what is most important and the ranking

Blue-bordered cells show pairwise comparisons needed

Comparisons Matrix

	Awareness	Trial	Usage	Treatment Barriers	Perception
Awareness	1	1	7	7	7
Trial	1/7	1	8	8	8
Usage	1/7	1/8	1	1	1
Treatment Barriers	1/7	1/8	1	1	1
Perception	1/7	1/8	1	1	1

	Importance	Rank
Awareness	0.3999	2
Trial	0.4333	1
Usage	0.0556	3
Treatment Barriers	0.0556	3
Perception	0.0556	3

Red indicates most inconsistent judgment

	Trial	Usage	Treatment Barriers	Perception
Awareness	1.083	1.028	1.028	1.028
Trial		1.026	1.026	1.026
Usage			1.000	1.000
Treatment Barriers				1.000

Consistency Ratio **0.0005** (lower is better)
(should not exceed 0.1)

Table shows which assessments may need more consideration

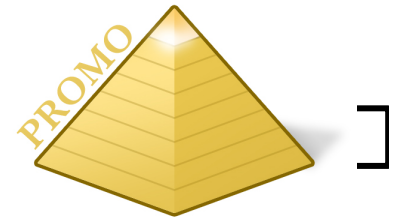
Suggested entries to improve consistency

Awareness	Trial - 1	Awareness - 7	Awareness - 7	Awareness - 7
Trial		Trial - 8	Trial - 8	Trial - 8
Usage			Usage - 1	Usage - 1
Treatment Barriers				Treatment Barriers - 1

Table shows suggestions to improve assessments

All figures for illustrative purposes only

Criteria Weighted & Ranked



- After all assessments have been entered, the model calculates the importance of all the criteria

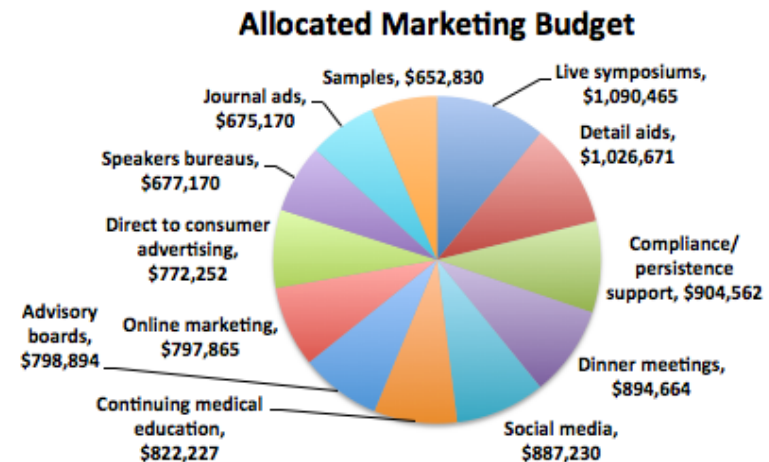
Rank	Sub-Objective	Importance
1	Trial	0.4333
2	Patient awareness	0.1881
3	Physician awareness	0.1645
4	Usage	0.0556
5	Develop positive brand perception	0.0486
6	Patient persistence	0.0261
7	MD-initiated conversations with pts	0.0245
8	Pt-initiated conversations with MD	0.0229
9	Patient compliance	0.0229
10	Develop positive company perception	0.0069
11	Patient initial prescription fill	0.0034
12	Payer reimbursement	0.0032

All figures for illustrative purposes only

Marketing Program Allocation

- Marketing program weighting based on how well each program addresses the different criteria

Rank	Marketing Program	Importance	Allocated Budget
1	Live symposiums	0.1090	\$1,090,465
2	Detail aids	0.1027	\$1,026,671
3	Compliance/persistence support	0.0905	\$904,562
4	Dinner meetings	0.0895	\$894,664
5	Social media	0.0887	\$887,230
6	Continuing medical education	0.0822	\$822,227
7	Advisory boards	0.0799	\$798,894
8	Online marketing	0.0798	\$797,865
9	Direct to consumer advertising	0.0772	\$772,252
10	Speakers bureaus	0.0677	\$677,170
11	Journal ads	0.0675	\$675,170
12	Samples	0.0653	\$652,830



All figures for illustrative purposes only