



You Want Real Answers To Your Questions, Ask The Right People

Many companies come to Kineticos Life Sciences when they are looking to build a more comprehensive and impactful corporate strategy. Developing a comprehensive corporate strategy entails considering and addressing multiple areas of research:

1. Conducting a rigorous internal review of the client organization.
2. Understanding the size of the applicable market, how fast it is growing, and which segments (geographic, technology, etc.) are growing the fastest.
3. Identifying key competitors and understanding how they compare to the client – strengths, weaknesses, differentiators, market share, customer perception.
4. Leveraging proprietary databases to understand the clinical development landscape – identifying active trials by therapeutic area, phase, innovator, and geography.
5. Most important, conducting first-hand research to get a specific and customized perspective on pricing, customer buying preferences, a “View of the Future” within the market, and validation of the competitive, customer, and market research conducted.

When consulting firms execute corporate strategy projects, they typically employ secondary research solely, which is information that is publicly available. Secondary research is a static view – a historical view of what has happened in the past. That view is limited because the information is presented based on the perspective of the author or source. This is the first of many reasons why Primary Research is imperative. When conducting primary research, you can validate the secondary research, understand why it happened, or why it’s happening, and what will happen in the future (what we call the “View of the Future”).

Understanding and giving relevance to the why of the past, or current state, and providing insights and understanding regarding what will happen in the future is critical when preparing a strategy for now and, more important for our clients, 5 years from now; this is also more important to their investors.

While secondary research is important (we conduct it in the first two steps above), at Kineticos, we believe the most critical component of corporate strategy is primary research as it provides the ability to generate insights across multiple key areas (another reason why Primary Research is imperative):

1. Willingness to pay – for a firm looking to strategically grow their business, understanding customers’ willingness to pay across their service areas, and new areas that they are considering is critical.
2. Customers buying preferences – developing insight into what drives customer choice is crucial when developing a corporate strategy. Turn-around time, regulatory expertise, flexibility, cost – these are all key industry attributes that impact the purchasing decision. Gaining a quantitative understanding from our SMEs on what their potential clients value the most is key.
3. Competitive intelligence – understanding how a client is positioned and viewed compared to their competitors is essential to building a corporate strategy. Building a competitive intelligence section into a primary research study helps the client understand customer awareness of each competitor, and how they rank in each of the key attributes based on customer buying preferences.
4. View of the Future – This is most critical for Kineticos, and a third reason presented here among many more why Primary Research is imperative. Understanding the trends in the current market is valuable and understanding how the market is shifting in the next 5 years is crucial when our clients are considering whether to enter into a new market; and seeking out potential investors to fund their business.

When building a primary research study that encapsulates the above elements, it’s important to remember the two key components of a comprehensive primary research study – first is an online quantitative survey and second is telephone or face to face interviews with Subject Matter Experts (SMEs) for that particular market segment of interest.

When developing the online survey (a process I will go into much more detail in a later post!), it's important to leverage 3-5 interviews with SMEs to aid in the development of the survey. These interviews are typically 30 minutes with SMEs who know the market inside and out and can provide keen insight into how to craft questions to the survey audience. Kineticos and the SMEs spend the 30 minutes brainstorming and iterating on the survey, in order to maximize the effectiveness of the outputs after the launch. Our goal is to generate between 150-250 complete responses in order to have a sufficient N value that supports our confidence in the resulting data. With a N value of 150-250 complete responses, you can then look at the data in a semi-quantitative way. An N value of 150-250 also provides enough complete responses for considering different demographic segments where we can compare responses across segments

After the online survey has achieved its target N value, it's time to conduct the SME interviews. For the face-to-face SME interviews, best practice is ten, 60-minute interviews following the primary research survey to allow for a review of the survey data and provide opportunities for the SME to deliver additional feedback and insights based on survey generated results. Critical to the process, and two key facets of any Kineticos Primary Research using SME interviews, is identifying the right experts who will add the most value during the conversation and developing a robust discussion guide in conjunction with the client.

After a dozen years of conducting primary research studies across a full spectrum of life sciences companies, we have developed a robust network of SMEs for many types of primary research. One of our approaches to validating that we have the right SME for a primary research study is to engage someone, an SME, that the client recognizes as their potential customer. For example, during a recent primary research study for a CDMO, each of our SMEs (executives at a variety of biotechs) had used the CDMO in the recent past, as well as many of their competitors. When we conducted the interviews, they were able to provide incisive answers about pricing across competitors, how the client measured against its competitors in a variety of key attributes, and which CDMO the SMEs preferred to use.

In parallel to identifying the perfect SMEs and reaching out to them, it's critical to develop a strong discussion guide in conjunction with the client. After seeing the outputs of the online survey, naturally there are follow-up questions that the client will want to investigate further. It's crucial to add those questions and make them a priority in the interview. But more importantly, we leverage our many years of



primary research studies by understanding how to follow-up and ask these questions to gain deeper insights. Those deeper insights we call ‘A-ha’ moments typically come from answers to these critical follow-up questions, not from the original question on the discussion guide.

After analyzing the online survey data, and conducting SME interviews, Kineticos then applies our decades of staff experience and deep industry expertise to translate the data and findings into insights and recommendations that are critical to developing our client’s comprehensive and actionable corporate strategy.

In following posts, I will talk about the development of a primary research study – specifically, how to craft the perfect questions for each of the above sections.

Kineticos is a strategy consulting firm serving the life sciences industry focused on helping our clients improve patient outcomes. The firm is focused on identifying opportunities to drive strategic growth for our clients. Through its practice areas – Biopharmaceutical and Precision Medicine – Kineticos has experience working with companies across the life science ecosystem.

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