



*For immediate release:*

## **Drug Development Cost Benchmarks New Study Assesses the Cost Side of Drug Development Productivity**

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The pressure for the biopharmaceutical industry to deliver innovative new medicines, coupled with patent expiries as well as increased reimbursement stress from payors has made the escalating cost of drug development a key target for evaluation. A new study takes an industry perspective on the current costs of drug development at the project level, offering a critical element for the examination of productivity as well as portfolio rationalization and decision making processes. The study, run by KMR Group for the Pharmaceutical Benchmarking Forum (PBF), will begin this spring with results to be delivered this October.

The PBF -- which consists of the leading global pharmaceutical companies -- works with KMR Group to conduct quality blinded industry analysis.

More accurate, comparable cost information by therapy area provides valuable information to senior management and portfolio managers regarding crucial investment decisions. Companies use information obtained from the study to help with internal project evaluations, financial projections, licensing and asset acquisition decisions.

Analysis at the project level is important in that companies often test more than one therapy for a given drug at the same time, making it more complicated to conduct reliable comparisons if costs are aggregated to the NME or molecule level.

KMR and the PBF have ample experience collecting and analyzing this type of data. This year the analysis will be expanded, using trend information and providing companies with a thorough look at the most recent cost figures and performance data.

The main deliverables of the study are project cost benchmarks which companies can use to evaluate how expensive their own drug projects are relative to their peers. The study also provides linkages of actionable cost drivers to the costs themselves which have been used to inform development approaches and processes as well as offering a path to connect the cost profile across phases. In addition, there will be a series of forecasting algorithms into which companies can plug key cost drivers to estimate costs for a new project.

Participants will be encouraged to help shape the scope of the study. Consistency across all companies in the way cost is captured is of utmost importance and will be standardized.

“This initiative gives leading biopharmaceutical companies a transparent methodology which produces results in a reliable and comparable assessment of project cost tested



with real data. With results from this analysis companies can better understand how their organization is faring from a cost perspective and employ this data to answer key business questions or modify their approach to cost,” commented Linda Martin, Principal of KMR GROUP.

### **About PBF**

Founded in 1997, the PBF is the Industry’s premier source for R&D analytics. In addition to project cost, the PBF examines performance for other specific areas within R&D with potential detailed studies of Pharmaceutical Development and Biomarkers this year, for example. As a hallmark, each year the PBF runs the R&D General Metrics Study. Current members of the PBF include: Abbott, AstraZeneca, Bayer, Boehringer Ingelheim, Bristol-Myers Squibb, Eli Lilly, Johnson & Johnson, Merck Research Labs, Novartis, Novo Nordisk, Pfizer, Roche, and Sanofi.

**KMR is now recruiting participants for the study.**

### **For further information contact:**

Linda Martin, Principal      Tel: +1 (312) 795-0400      Email: [lmartin@kmsgroup.com](mailto:lmartin@kmsgroup.com)

### **About KMR**

KMR has been working exclusively in the biopharmaceutical R&D industry since the early 1990s. KMR is a leader in benchmarking, analytics and performance management. With an exclusive focus on biopharmaceutical R&D and unrivaled commitment to data quality, KMR provides industry with the experience and knowledge to produce clear and uncompromising results in the form of reports, tools and presentations. We use our extensive, unparalleled datasets and experience within the industry to add value to the most pressing business questions. Please visit our website at <https://kmsgroup.com>

### **KMR Group**

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