



EBOOK

Fundamentals to Building a Biopharma Budget

Building a commercialization budget is a critical step for any biopharma company looking to bring a new asset from the clinic to the market.

The budget is more than just numbers on a spreadsheet—it's a roadmap that aligns your organization, guides investment decisions, and sets realistic expectations for stakeholders. The act of building this budgetary roadmap will also lead to the question, how much do we need to spend where—and when?

Let's explore the key principles for developing a budget you can confidently defend, ensuring it meets both the strategic needs of your asset and the financial realities of your organization.



Why a Well-built Commercialization Budget Matters

The stakes are high. Early strategic planning is critical to fulfilling the vision of helping patients. Identifying what needs to be done when and with what resources informs critical company objectives such as clinical trial development, market access strategy, or health economics and outcomes research.

A thorough and effective biopharma budget does more than allocate resources—it lays the foundation for successful commercialization. And when change inevitably happens, the ability to make dynamic adjustments will have a lasting impact on long-term product success.

To get started:

- **Set Clear Priorities:** What are the must-haves for your company and asset to deliver a successful patient innovation? These key activities, objectives, investments, and timelines will determine and define your budget.
- **Align Stakeholders:** A detailed budget communicates the commercialization plan to internal teams and external partners, fostering alignment and collaboration.
- **Guide Resource Allocation:** It ensures that money is spent strategically and that every dollar is aligned with key objectives.
- **Enable Course Corrections:** A robust, stage-gated budget with appropriate checkpoints provides benchmarks against which progress can be measured, enabling timely adjustments to strategy or spend as new information emerges.

BIOPHARMA BUDGET FUNDAMENTALS

1

Start with the End in Mind

Understanding the endpoint is critical. Ask yourself: What does success look like for your asset? Is it market leadership, a niche presence, or a successful partnership or acquisition? Define your goals upfront. Knowing your desired endpoint will inform all budgeting decisions, from the scope of your marketing campaigns to the size of your sales force.

For example, a product targeting a large, competitive market may require a substantial investment in sales infrastructure, whereas a niche, high-value asset might prioritize specialized marketing efforts and targeted sales teams.

2

Take a Phased Approach to Budgeting

Breaking down the commercialization process into distinct phases—such as clinical development, regulatory submission, pre-launch, launch, and post-launch—can make budgeting more manageable. Each phase will have specific objectives and resource requirements.

- **Clinical Development and Regulatory Submission:** Focus here will primarily be on clinical trial costs, regulatory submission fees, and the beginning of market access and reimbursement planning. Understanding these early costs sets the stage for building a credible overall budget.
- **Pre-launch Preparation:** As you near regulatory approval, begin allocating budget for hiring key personnel (like sales and medical affairs teams),

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