

**CASE REPORT & DISSCUSION – Preparation Worksheet**

***SHORT CYCLE PREPARATION PROCESS***

**Who**: Roger Sampson – Senior Vice President of sales and marketing.

David Mott – CEO.

**What**: Develop a positioning for FluMist in the market to set the price accordingly, then determine the optimal advertising strategy and finalize the plans for launch.

To receive approval from FDA before mid 2003 to provide the maximum number of vaccines possible in the 2003-2004 flu season.

**Where**: United States of America.

**Why**: FluMist was used for Influenza, also known as the flu. The traditional vaccines were cheaper than the FluMist but the primary advantage FluMist had was that it could be administered using nasal spray. But it was important to set the price of FluMist so that it would be affordable for everyone. In addition to this, if the FDA approval didn’t come in time then it would be harmful for the company since they began production in 2002 for 2003-2004 flu season and their stock price had doubled driven primarily by expectations.

**When**: Roger Sampson had around a month since the day was May 15,2003 to set the price as well as finalize the launch plans including positioning and marketing strategies. Also, the approval from FDA was expected by mid 2003, so the matter was time sensitive.

**How**: Although, it is going to be difficult for Roger Sampson to focus on positioning and marketing strategies as well as setting the price and finalizing the launch plans in the given time frame, it is not impossible. The price should be set comparing it with the traditional vaccines, so that its convenient for the people and innovative marketing strategies should be adopted mentioning the benefits of FluMist over traditional vaccines. In addition to this, FluMist should be positioned initially from the most affected state or city and move to least affected for better penetration in the market. The final launch plans should include the distribution of FluMist in the coming season as well as the revenue that will be generated from its sales.

***LONG CYCLE PREPARATION PROCESS***

**Relevant Course Framework(s) and Analytical Tool(s)**:

5C’s are used i.e. analyzing the context, such as age groups, competitive advantage analysis since no such vaccine has been available for more than 50 years. Advertising through collaborators like doctors, pharmacists etc. Use of Complementers i.e. Wyeth Pharmaceuticals.

From Porter’s Five Gorces model availability of substitute – traditional vaccines and supplier power since the supply is low. Other three components of porter’s five forces can be included but are not necessary.

From SWOT, the strength is in producing a unique product. Weakness is if there is a delay in FDA’s approval. Opportunities are in abundance since it’s a new product in the market. Threats are from traditional vaccines as well as possibility of new entrants after 2018(patent).

**Alternatives/Options**:

**1.** Advertisement can be done by focusing on the uniqueness of the vaccine, since it was the first innovation in flu vaccine in more than 50 years.

**Pros:** There are no competitors in the market since the vaccine is patented until 2018.

**Cons:** People may stick to traditional vaccines since they are cheaper than FluMist and new medicines take time to establish trust among people.

**2**. The vaccine is given as nasal spray which makes it better as compared to injections.

**Pros:** It would be convenient for people specially for children under 5 to take the vaccine.

**Cons:** Its complete applications are still not known and nasal spray may not be convenient for people over 65 and people suffering from asthma.

**3**. FluMist can be advertised by mentioning about live viruses and what happens with them.

**Pros:** This make attract more collaborators since the chances of side effects are less as compared to traditional vaccines.

**Cons:** It may be difficult for general people to understand about the live viruses and there is a possibility of people getting scared about the part where FluMist is more effective than traditional vaccine is yet to be proven.

**4.** Tie up with insurance companies for benefits from selling drugs since there is shortage of drugs and they must usually sell for higher prices. (This idea will be implemented keeping in mind the vaccine sells for $20 including the companies, complementers and collaborators profits.)

**Pros:** By keeping the price at $25 for consumers and $20 for insurance companies, the $5 difference could be paid to insurance companies which will benefit the insurance companies and the consumer since they are only paying for $20.

**Cons:** Initially this may be a complicated approach.

**5.** After FDA’s approval comes through, MedImmune could tie up with other companies for a short period to produce more FluMist.

**Pros:** This could lead to the increase in the number of units and Medimmune could supply more.

**Cons:** This may be harmful for MedImmune in the long run since the company with which they tie up may figure out the formula for FluMist and a way to sell a similar product.

**Decision Criteria**: To produce and sell as many units as possible in the 2003-2004 season and plan for future seasons simultaneously.

**Decision**: As of now the demand is 47,020,000 but the supply is 4 to 6 million units. Therefore, in future MedImmune would be able to meet the demand since they will be producing 40 to 50 million units. In addition to this, it would be easier for children under 5 and people who are afraid of injections to take the nasal spray.

**Missing Information**: Details about the other drugs could be given who are in Research and Development phase and how long those drugs will take until completion. The exact price of the vaccine could be given for 2003-2004 season instead of it being given as $20-$25 for getting exact Doctor’s contribution margin. Also, since they are partnering with Wyeth Pharmaceuticals, how Wyeth is contributing towards the sales of FluMist is to be mentioned, in other words, is it just investment or there is some advertising or something similar done by Wyeth Pharmaceuticals as well.

**Assumptions**: FluMist won’t be able to meet the demand since they are only able to produce a maximum of 6 million units while the requirement is of approximately 47 million. This also means that FluMist will generate revenue by selling all the 6 million doses. We can also assume that FDA will approve FluMist because the company already started producing the vaccine and even the stock price has doubled. In addition to this, Industry analysts are also confident about the product. Also, the sales would go up since the use of live viruses would come out to be positive in clinical trails.