

Cash Capsule

Your client is a pharmaceutical company in the USA. They have finished phase 3 trials of a pill. Its price is \$2, and it treats a neurological disorder. You are required to calculate the revenue for the first year.

CASE TYPE

Profitability

COMPANY NAME

McKinsey & Co.





Cash Capsule How much money can some pills make?



Problem Statement

Your client is a pharmaceutical company in the USA. They have finished phase 3 trials of a pill. Its price is \$2, and it treats a neurological disorder. You are required to calculate the revenue for the first year.

Case Overview

CASE TYPE

Revenue Case

COMPANY NAME

McKinsey

ROUND

Partner Round

DIFFICULTY



CLARIFYING QUESTIONS ASKED

Since when has the client been in business, and what are the other pills it manufactures? Additionally are they patented?

What is the required number of pills in a day? Also, does this pill need a prescription, or is it sold over the counter?

Case Approach



Segmented global population by age and analyzed disorder prevalence to determine market size.

STEP 2

Evaluated income levels, and assessed the affordability of the pill for middle and upperclass populations.

STEP 3

Factored in the percentage of people covered under US insurance schemes in calculations.



STEP 4

Adjusted market size based on accessibility, focusing on US and Europe markets determine regionspecific revenue.