



From Development to Commercial: A Critical Inflection Point for Your Business

A biotechnology company's transition to a commercial organization is a pivotal moment in its corporate evolution and, most importantly, for the patients the company's products will serve.

However, the challenges to launching successfully and going to market are also significant. A transformation on this scale must be carefully planned, explained, monitored and managed with patients, employees, investors, healthcare providers, and other valued partners, in order to meet future demands and to avoid a paralyzing level of information overload and change fatigue for the stakeholders.

Communications, when done strategically and authentically – before both internal and external audiences – can be powerful and transformative. But to truly make a tangible impact, teams must take an integrated approach to all forms of internal and external communications to help manage change. This includes all aspects of corporate communications and investor relations to ensure every relevant stakeholder is brought along on the transformation journey.

Recommended Communications Strategies

Our Healthcare & Life Sciences team shares the following key considerations to help businesses move into a more strengthened position for sustained growth and commercial success.

1. **Develop a corporate narrative and messaging that resonate with all target stakeholders and support the broader business goals**

As companies undergo significant changes, it is essential for corporate messaging and positioning to evolve correspondingly to keep the business connected to the right people, at the right time. But a level of consistency must remain to ensure the key messages translate effectively across a variety of stakeholder-facing materials – externally and internally – and continue to reiterate higher-level objectives.

2. Refresh the Employee Value Proposition, while building your organization and recruit new talent for newly established roles

The Employee Value Proposition (“EVP”), or the unique set of benefits, opportunities and experiences that an employee receives, needs to be increasingly relevant and differentiated for current talent, as well as prospective talent. Just as your business is evolving, the employee expectations for in their employers and their considerations for making long-term career decisions have also evolved. The EVP is a helpful means of recruiting and retaining the right talent. As business strategies shift and cultural attitudes evolve, each aspect of your employee experience must also reflect these changes, from recruiting to onboarding to development, and engagement.

3. Ensure open communication by the executive leadership team

As your organization undergoes transition, the leadership team will likely also expand over time. Transparency and authenticity at the leadership level is essential. External and internal audiences alike will look to members of the C-suite for clear and consistent communications around all components of the commercial transition. As the transition progresses, new leaders will be added to the ranks and elevated to tell the corporate story. And as such, the leadership team should maintain open communications to ensure their executives are prepared to respond and adjust to any unforeseen circumstances that might arise.

4. Help investors visualize the next chapter of your growth story

As you evolve into a commercial organization, the value proposition for the company changes, resulting in a shift in your shareholder base. Proactively managing this evolution by identifying and engaging with the right funds well in advance of commercial milestones will help ensure support for the next stage of growth and value creation for the organization. A significant factor in the courtship of new investors entails instilling confidence in your organization’s ability to execute commercial priorities and disclose new metrics that will drive commercial value, including product price, net sales, prescriber uptake, and, sometimes, even forward-looking guidance that will be benchmarked to Street estimates. Hosting an event, or “Commercial Day,” for the investment community at the onset of this commercial transition will help set

expectations and a cadence for new disclosures that helps engage a broader range of investors.

5. Expand your stakeholder base

Identifying and reaching your target stakeholders is an essential step. You should know who you impact the most and who can help you grow and expand. Patients and their caregivers should be a central focus of a biotech organization’s stakeholder engagement strategy. Buy-in from external stakeholder groups, such as patient advocacy organizations, key opinion leaders, regulators, payors and others, will ensure the company’s commercial success, reputational health and long-term business growth. A multi-pronged targeting and engagement strategy will maximize the effectiveness of the communication efforts.

6. Foster a purpose-driven culture of compliance

Your organizational culture, ways of working and levers for performance enhancement will all need to be redefined from the clinical organization you once were. Evaluating your desired and necessary go-forward culture and defining the right mindsets, behaviors and actions you want leaders and employees to embody, while also fostering a culture of compliance to manage and mitigate new risks, is key. A compliant culture will inspire employees to perform and deliver as part of an integrated commercial organization.

7. Determine methodology to measure and report performance

Key Performance Indicators (“KPIs”) help tell the story of a successful commercial enterprise. External stakeholders will be eager to see any early indication that you, as a newly commercial organization, have credibility, while internal stakeholders will look for assurance that their hard work is translating into results. Determining the KPIs and how to measure and report them will help position you to tell a compelling growth story down the road.

8. Prepare for potential M&A activity

Having an approved, marketable product often increases the likelihood of external buyer interest. With large pharma flush with cash and motivated to acquire de-risked and potentially profitable assets, there will be no shortage of suitors looking to pursue companies with advanced pipelines and a commercial infrastructure in place. Whether friendly or unsolicited,

having an M&A playbook that considers and anticipates a variety of scenarios will help mitigate concerns and risks throughout the deal process.

How We Can Help

As one of the leading global healthcare consulting practices, FTI Consulting's Healthcare & Life Sciences team has helped dozens of biotech organizations navigate the transition from development to commercial and supported numerous first product launches. Please contact one of the authors with any questions about multi-stakeholder communication considerations and strategies during this important inflection point.

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