



Marketing Strategy for Life Science Start-Ups

A practical guide to the most important and least understood things that founders and CEOs need to know to effectively generate demand.

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Abstract

In this paper, we discuss many elements of marketing strategy for life science start-ups or for existing companies developing new product lines or services. Rather than being comprehensive we focus on areas that are most commonly problematic for small companies. We provide practical, do-it-yourself guidance that will help small life science tools and services companies better develop and implement marketing strategies.

Introduction

Marketing is an essential function for any life science company. Of all the essential functions, however, marketing is the one that companies most frequently develop proficiency for late in their development. To an extent this is understandable; R&D, manufacturing and sales are absolute requirements to generate revenue. Poor marketing, however, can sink a start-up. If a company cannot effectively generate demand for its products and services, it is ultimately doomed to failure. In order to ensure the company can be successful prior to expert marketing capabilities being internalized, it is essential that executives in start-up life science companies have a solid understanding of life science marketing.

In our work at BioBM, we have found that most small companies which fail to effectively generate demand do not fail due to poor execution of a solid strategy, but rather due to execution of a poor strategy or simply not having a coherent strategy at all. Execution of marketing plans is relatively simple given a good strategy; however excellent execution is extremely difficult without a good strategic foundation to support it. In this paper, we aim to provide an overview of what all life science start-ups should do leading up to commercialization in order to lay the groundwork for product adoption and to more efficiently grow revenues. Companies launching new product lines or simply looking to improve the marketing strategy for existing product lines or service categories can follow much of the same advice.

We understand that with a few high-profile exceptions, life science tools and services companies generally are not started with millions of dollars in venture capital, nor do product / service launches receive such funding. We therefore review ways of developing a strong strategy efficiently, including many practical or do-it-yourself shortcuts for the busy founder or CEO.

Know Your Market, Do Your Research

If you have already formed a company around your product or service we hope that you have already done your homework and you know your market and prospective customers extremely well. A lot of companies make decisions based more on intuition or prior experience than on data, however. Even when data is used, there are important questions that are often left unanswered. Regardless, there are a number of things that any new company should know well before market entry. Using the techniques described below, you can get that information quickly and inexpensively while only sacrificing a little bit of accuracy compared to expensive outsourced studies.

Market Size & Market Share

Market size is often determined from a mix of primary and secondary quantitative data. Getting a highly accurate estimation often involves quantitative market research studies, primary competitive intelligence or other types of market research that are difficult to do on your own and extremely expensive to outsource. In all likelihood, being off by a factor of two won't affect your business decisions but being off by an order of magnitude will. Luckily, there is a wealth of data out there to help you get a reasonable estimate of market size quickly and easily, and without spending a ton of money.

First off, don't try to reinvent the wheel. There are tons of market research studies out there on various life science markets and they can normally be purchased for around \$4000; roughly an order of magnitude less than the cost of commissioning a study. Just don't buy the first "XYZ market study" you come across as many market studies are mass-produced garbage consisting mostly of a compilation of rewritten industry news. Read the table of contents and be sure the study contains the data that you need before purchasing. If you're unsure if a particular report contains the necessary information, ask the authoring company or the reseller.

Even if you can't find a report on the exact market that you're looking for, which is almost always the case for niche products or services, find some reports that are in related markets and see what data they offer publicly. (For example, perhaps you would not be able to find publicly available data on the size of the antibody array market but you would be able to find data on the microarray market more broadly.) Key figures can often be found in report summaries, in press releases announcing the publishing of the report, or in journalistic articles discussing the market. After a bit of creative Googling you will have the information you need from the study and you saved a few thousand dollars. You can then supplement that information with secondary qualitative information (from grants, publications, other reports, etc.) to get a rough estimate of the market size. Keep in mind that the more calculations you need to do to reach your target figure, the more likely you are to introduce error. We recommend mitigating this by using multiple, disparate sources of data and performing multiple calculations then reconciling them at the end.

The full paper can be requested free of charge at:

<http://biobm.com/idea-farm/reports-papers/>



About the Author

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About BioBM Consulting™

BioBM Consulting is a boutique consultancy providing wide-ranging life science marketing, business, and operations services to life science tools and services companies. BioBM specializes in providing affordable, effective, high-ROI solutions to small and start-up companies in these sectors. For more information on BioBM and the services it provides, please go to www.biobm.com, e-mail info@biobm.com, or call +1 313-312-4626 (+1 313-31-BIOBM).

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