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# Essentials of Pharmaceutical Pricing

By:  
**Gary Johnson**



- The most down-to-earth pharma pricing expert with superb training talent.
- Founder & CEO of Inpharmation, a specialist consultancy.
- Renowned consultant for the world's top 10 pharma companies, and many more.
- Winner of a number of speaking and best paper awards.
- Author of *Principles of Pharmaceutical Pricing: An Evidence Based Approach*.

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## By attending this course, you will:

1. Understand the **language**, the **concepts** and **difficulties** of pricing pharmaceuticals.
2. Learn about the **pricing techniques that work best in pharma** (and know which ones donot work in pharma!). Concrete examples are used rather than vague concepts.
3. Understand the mechanics and dynamics of **international reference pricing and parallel trade**, and how they impact on decision making for national markets.
4. Know how **pricing systems work in key international markets**.
5. Leave with a **collection of techniques and principles** that you can implement easily and immediately.
6. Gain expert insight and advice from Gary Johnson, a former senior marketing executive in big pharma who built Europe's most respected pharma forecasting & pricing specialist consulting practice.
7. Receive Gary's book *Principles of Pharmaceutical Pricing: An Evidence Based Approach*, which will be a valuable reference to have with you.

## What sets this course apart?

Gary Johnson is an award-winning expert-trainer who:

- Has consulted for every top 10 pharma company.
- Has forecast for every leading country and major therapy area.
- Is a finalist for the MCA Business Book of the Year Award.

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- Is a semi-finalist for the Financial Times Global Business Book of the Year Award.
- Twice won the BHIA (British Healthcare Business Intelligence Association) best paper award.
- Trained over 700 executives around the world. His presentations are constantly tweaked according to delegate feedback. They have thus evolved over the years so they are easy to understand and consistently get very high customer feedback scores.

In this programme:

- The focus is on techniques and approaches that have been proven to work best.
- Concepts are explained in simple, non-mathematical terms.
- Concrete examples are used rather than vague concepts.
- Delegates leave with a collection of techniques and principles that they can implement easily and immediately.

### Who should attend?

Aside from the headquarter-based Pricing Managers, who should have this course on their curriculum, it will be of interest to other mid to senior level executives in both global and local organizations in functions such as health economics, marketing, finance, general / BU management and strategic planning.

Executives from professional services organizations should request approval from Gary Johnson prior to registering to this course. Please contact Tanya Petroffa, Office Assistant, [Tanya.petroffa@celforpharma.com](mailto:Tanya.petroffa@celforpharma.com) ; tel +32(0)27092107).

### Course agenda

The course starts on the first day at 09:30h with a welcome coffee and ends on the second day at 16:00h.

#### Day 1

- **Welcome & General Introduction**
- **The Proven Principles of Good Pricing**
  - Pricing as the “moment of truth” and why pricing decisions are fundamentally different to all other commercial decisions.
  - Why pricing experts repeatedly make poor predictions of pricing prospects for individual brands and for the industry as a whole.
  - The right approach and mindset to make better pricing decisions.
- **The Language of Pharma Pricing**
  - A simple introduction to all the key terms and concepts that you need to understand to function as an effective pricer.
  - For example: the difference between price elasticity and price sensitivity; the difference between parallel trade and re-importation; the difference between price sensitivity and price awareness, etc.

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- **Major National Pricing Systems**
  - Understand how the pricing systems in key international markets work.
  - In particular, understand the fundamental differences between the European country systems and the US pricing system.
  - Learn if and how this implies different futures for the two regions.
- **Health Economics and Pricing**
  - Why conventional health economics models (normative models that suggest how people should behave) are not applicable as price setting models (where you need descriptive models that predict how people actually do behave).
  - How conventional health economic models can be amended so that they are more useful in price setting.
- **Conjoint and Pricing**
  - Conjoint is perhaps the most popular survey based technique for price setting. Learn exactly what conjoint is and how it works.
  - Learn why conjoint can deliver biased price estimates and why it probably should not be used alone to set pharma prices.
  - Learn how a conjoint survey can not only predict the price sensitivity of doctors, but also the price sensitivity of payers.

## GROUP DINNER

### Day 2

- **Other Key Pricing Survey Techniques**
  - Learn exactly what the other pricing techniques are (for example: Gabor & Granger and Van Westendorp) and how they work.
  - Learn their biases and how to use them in a context that delivers more accurate price sensitivity estimates.
- **Econometric Approaches to Pricing**
  - Why pricing econometrics that is used in other industries (like fast moving consumer goods) tend not to be applicable to pharmaceuticals.
  - Econometric approaches that work well for pharmaceuticals such as the powerful Exclusion Charts technique.
- **The International Pricing System**
  - Understanding the complexity of the global pricing environment.
  - Why imposing simplicity onto it (such as imposing a 'pricing corridor') is not always appropriate – learn why and when to adopt this approach.
- **International Reference Pricing and Parallel Trade**
  - Understand the mechanics and dynamics of international price referencing: who tends to reference whom and using what rules?
  - Understand the mechanics and dynamics of parallel trade. What motivates the parallel traders and how does this allow us to predict the patterns of parallel trade.
  - Understand the differences between cross border trade (for example into the USA) and parallel trade within the European Union, and what this means for the future of cross border trade into the USA.

- **Implementing a Pricing Strategy**
  - What payers want.
  - The four “pricing sins” that repeatedly stop pharma companies delivering what payers want.
  - The essence of good negotiation.
  - How not starting pricing activities early enough can guarantee pricing failure.
  
- **Final Discussion and Wrap-Up**

### Learning methodology

This course optimally alternates interactive lectures with paper-based exercises in groups of 3-5 delegates.

### Meet the expert: Gary Johnson

As the Founder and Managing Director of Inpharmation, a consultancy specialising in pharma forecasting and pricing, Gary Johnson works with the world's top 10 pharma companies and many more. Gary is also the expert-trainer on our popular *The Pharma Forecasting Course*.

Prior to founding Inpharmation, Gary spent two decades in the pharma industry holding senior positions, such as General Manager and Head of Global Marketing with a number of major blue-chip pharma companies, including SmithKline Beecham, Fisons and Schwarz. Gary Johnson is a sought-after industry speaker and conference chairman.

Winner of a number of speaking and best paper awards with the EphMRA and the BHBA, he is the author of “*Principles of Pharmaceutical Pricing: An Evidence Based Approach*” and “*Evidence Based Forecasting for Pharmaceuticals*” - the definitive works on pricing and sales forecasting of pharmaceutical products. Other books include “*Monkey Business: Why the Way You Manage is a Million Years out of Date*” - finalist for the MCA Book Prize.

### Dates, Venue & Accommodation

Please have a look at [http://www.celforpharma.com/pharma-management/training/pharma-pricing-course.html?linkid=minimenu\\_dates#dates](http://www.celforpharma.com/pharma-management/training/pharma-pricing-course.html?linkid=minimenu_dates#dates)

### Registration fee

Please have a look at [http://www.celforpharma.com/pharma-management/training/pharma-pricing-course.html?linkid=minimenu\\_fee#fee](http://www.celforpharma.com/pharma-management/training/pharma-pricing-course.html?linkid=minimenu_fee#fee)

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