Creating a healthy vaccines market

NVAC MEETING

Discussion document
9 September 2015
Objectives of this discussion

- Introduce McKinsey’s current **vaccine research effort**
- Share **in-going content topics for the report** for high-level comments and reactions
- Discuss **specific asks** of NVAC members
McKinsey is beginning an effort to develop a rigorous and objective perspective on the challenges and opportunities in the vaccines market.

**Problem statement:**
What should leading players across the vaccine ecosystem (manufacturers, biotechs, governments, non-profits) do individually and collectively to balance business and public health imperatives over the next 10-20 years?

**Initial questions to answer**

- What are the **unmet needs** in infectious diseases?
- How has the **pipeline for vaccines progressed** over the last few years (pace, success rate)?
- How **robust is the current pipeline** against unmet needs?
- How well is the pipeline **directly addressing unmet needs** progressing compared to rest of the pipeline?
- Where and **why has innovation failed** over the last 10 years? What were the key drivers to success?
- To what extent are vaccines’ **business economics impeding innovation**? What are the key differences with the pharma industry (e.g., pricing pressure, cost structure) that make those economics challenging?
- What are the **potential solutions** to address unmet needs while also creating sustainable business economics?
The fact base and insights will be published as an independent McKinsey report.

Several inputs will inform the insights:

- **Desk analysis**
  - Analysis of available evidence e.g. on unmet needs, pipelines
  - Analysis and blinded synthesis of confidential information e.g. pricing, ROI (to be performed by McK clean team)

- **Interviews**
  - NVAC members
  - Industry members via BIO
  - Other vaccines experts

- **Workshops, consults, syndication**
  - NVAC members
  - Industry members via BIO

The report will emphasize the facts, anchor on the U.S. market, and offer diagnostic and initial solutions.
The intent is to develop the report in Q4, and publish in early 2016

<table>
<thead>
<tr>
<th>Activity</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td>Initial desk research</td>
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<td></td>
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<td>Interviews</td>
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SOURCE: McKinsey
We have two practical asks of NVAC members

**Interviews**

- 60-min **structured discussions** with you
- Sample questions:
  - What do you perceive as the most promising and feasible **breakthrough technology(ies)** for vaccine innovation?
  - What are the reasons for terminating vaccine programs after Ph1/Ph 2?
  - How is consolidation in the industry impacting innovation and economics? What are the risks and opportunities associated with consolidation?
  - What are feasible solutions to create **sustainable business economics for industry**?

**1-2 workshops**

- **Review findings** and **refine perspectives**, identify additional hypotheses and analyses; refine and shape **solutions**
- First workshop in Q4 (November), second likely in December

**SOURCE:** McKinsey