

2024 State of Life Sciences C-Suite Report

Overcoming the
Revenue Reliability Crisis
and Redefining a Path
to Market Leadership



Grey Matter Marketing
Do what matters.

LETTER TO LIFE SCIENCES LEADERS

The challenge of unreliable revenue caused by missed sales quotas is a primary reason that life sciences companies continually reassess commercial strategies. Savvy leaders understand that the implications of missed quotas extend beyond financial performance, affecting market cap growth or valuation, innovation, and ultimately, patient outcomes.

Staying ahead and standing out in this dynamic economy requires deep insights that reveal more than just the number of companies impacted by missed quotas and unreliable revenue. Today's life sciences leaders need to understand the root cause of why revenue targets are increasingly missed, so they can mitigate the impact and overcome the burden of unreliable revenue through actionable strategies and measurable solutions.

Grey Matter Marketing understands the behaviors that motivate decisions in the healthcare industry and has leveraged its trusted relationships to delve into the underlying factors fueling the cycle of missed revenue targets, in order to reveal powerful insights about which companies are best positioned for sustainable growth and commercial success—and how your company can join them.

This report offers original data, critical context, and real-world perspectives from C-Suite executives across the life sciences industry and reveals a pivotal—if not precarious—conclusion: overcoming the revenue reliability crisis requires more than just adjusting financial incentives or enhancing sales infrastructure. Addressing these hardships demands a holistic reevaluation of how companies engage with their markets and innovate within their commercial models.

One of the founding principles of Grey Matter Marketing is to provide actionable intelligence that helps companies navigate the landscape, evolve their commercial strategy, and catalyze behavior change to meaningfully advance patient outcomes. I invite you to use the insights in this report to alleviate the uncertainties brought about by the rapidly changing market and gain unique perspective into the causes of unreliable revenue for your company, so that you can de-risk your strategy, drive meaningful change, and create tangible value for the healthcare community you're dedicated to serving.

Holley Miller

PRESIDENT & FOUNDER, GREY MATTER MARKETING

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1

Unreliable Revenue: The Challenges of a Legacy Sales-led Business Model

Life sciences companies struggle with an unreliable revenue problem

THE QUARTERLY BATTLE TO ACHIEVE RELIABLE REVENUE TARGETS

Nearly two-thirds of C-Suite executives reported **less than 60% of sales reps made their quota** for the past three consecutive quarters

Only **17%** of the C-Suite surveyed cited **70% or greater of sales reps hit quota** in the past three consecutive quarters

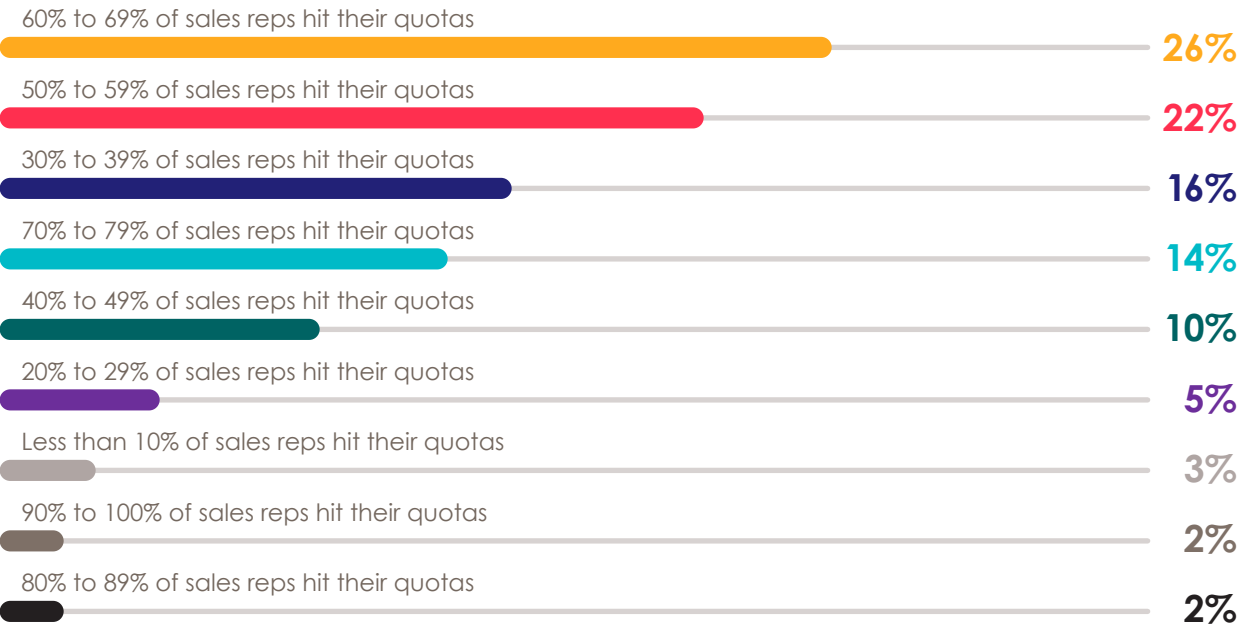
Just one C-Suite executive surveyed stated **90 - 100% of sales reps hit quota** for the past three consecutive quarters

Despite the enormity of the global life sciences market and an estimated CAGR of 11.75% between 2023 and 2028,¹ many life sciences companies struggle to consistently meet their revenue goals and earnings guidance.

The overreliance on the legacy sales-led approach to achieve revenue targets, despite many shifts in the industry, has eroded the effectiveness of the commercial

model upon which most companies rely. There are increased regulatory and value-based care requirements; sicker patients with more complex cases are being treated in hospitals, while their financial reimbursement from health insurance claims declines; physicians who once drove purchasing decisions are increasingly employed by institutions [hospitals/health systems] and are lacking the previous

FIGURE 1:
WHAT PERCENTAGE OF YOUR SALES REPRESENTATIVES HAVE HIT THEIR QUOTAS FOR THE PAST THREE CONSECUTIVE QUARTERS?



SOURCE: GREY MATTER MARKETING

¹ Global Life Sciences Industry Research Report 2023, Competitive Landscape, Market Size, Regional Status and Prospect. Industry Research. January 2023. Accessed February 28, 2024.

purchasing power; and access to physicians by sales reps is dwindling.

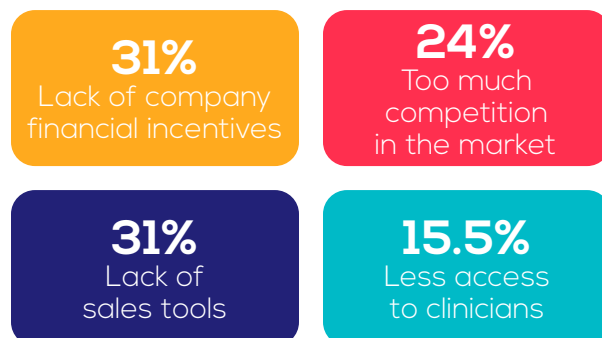
A survey of the C-Suite across the medical device, pharmaceutical, digital health, diagnostic, and biotechnology sectors revealed a significant percentage of their sales reps are falling short of their quotas, which translates to unreliable revenue for sequential quarters [Figure 1].

Note that these results imply that a significant amount of possible top-line revenue is being left on the table and management lacks the visibility into financial performance. This produces unreliable company revenue and hinders market cap growth or valuation, stifles research and innovation, and inhibits the timely delivery of important breakthroughs to healthcare professionals and the patients who need them.

These results raise a critical question for the C-Suite of life sciences companies who depend on the legacy sales-led approach to revenue generation: **How can you solve your unreliable revenue issue?**

This question has perhaps even greater implications for publicly traded life sciences companies when they fail to meet or beat earnings guidance.

There were four main factors identified from the survey that the C-Suite felt were preventing sales reps from achieving their quotas:



Across life sciences sectors, both the development of an **innovative product pipeline** and **reliable revenue** were identified as the top priorities for 2024.

These data suggest that unreliable revenue could improve by simply increasing financial incentives for sales reps or providing more sales tools. These steps, however, will at best provide only a short-term solution to a larger, persistent problem. The perception that sales reps could meet their sales quotas if provided with enough financial motivation and supporting tools may be too narrow a view of how to tackle a company-wide, and in truth an industry-wide, unreliable revenue problem.

This signifies a clarion call that the legacy sales-led model must shift to a more proven and proactive strategy for more predictable revenue and commercial growth.

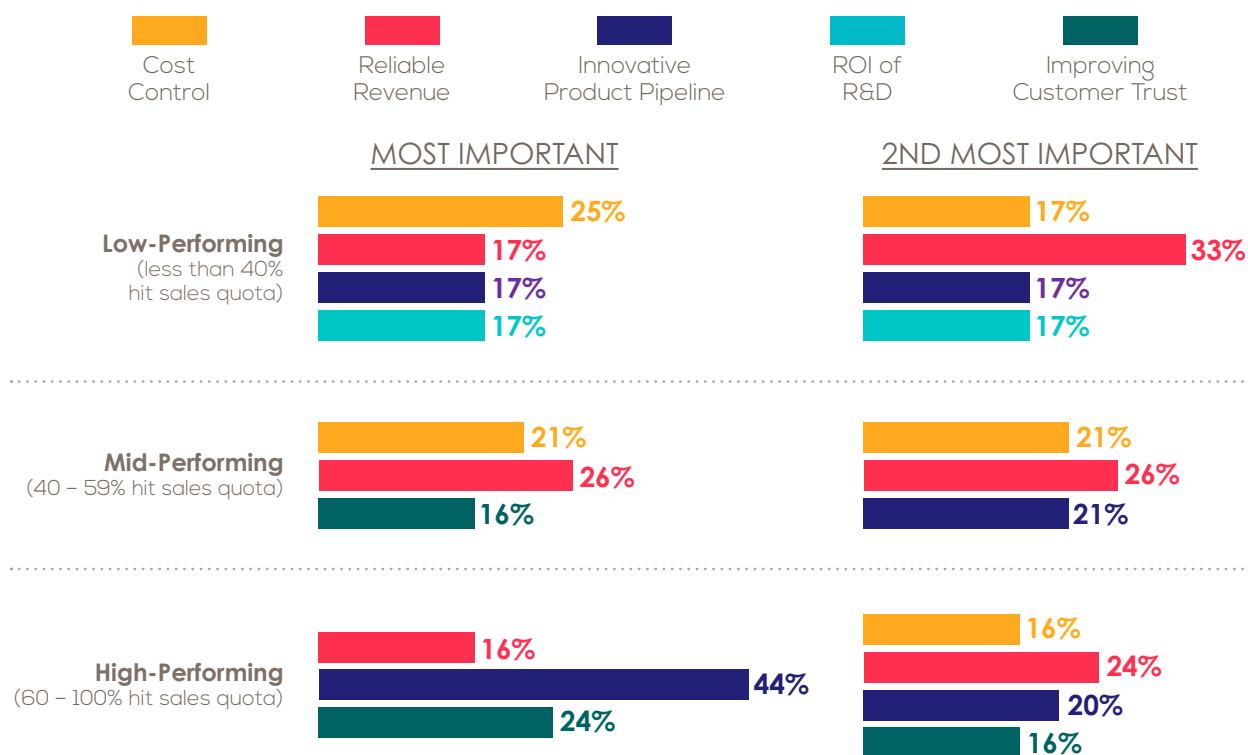
Across life sciences sectors, both the development of an innovative product pipeline and reliable revenue were identified as the top priorities for 2024.

This confirms the importance that the C-Suite believes innovative products are a key driver of reliable revenue, but unfortunately top-line revenue is often what funds R&D projects.

As such, in looking more closely at the medical device and pharmaceutical respondents, it is no surprise these companies identified reliable revenue as the most important priority for this year [Figure 2].

When analyzing the data closely, we found the most statistically interesting and relevant

FIGURE 2:
WHAT ARE YOUR COMPANY'S TOP PRIORITIES FOR 2024?



SOURCE: GREY MATTER MARKETING

insights were when we divided the C-Suite respondents into three groups or cohorts:

- A) Low-Performing Companies:** C-Suite executives of companies where less than 40% of sales reps hit quota for the past three consecutive quarters.
- B) Mid-Performing Companies:** C-Suite executives of companies where 41% – 59% of sales reps hit quota for the past three consecutive quarters.
- C) High-Performing Companies:** C-Suite executives of companies where at least 60% of sales reps hit quota for the past three consecutive quarters.

When grouping C-Suite respondents according to how successfully their sales reps met their quotas in the past year, there was a noticeable increase in cost

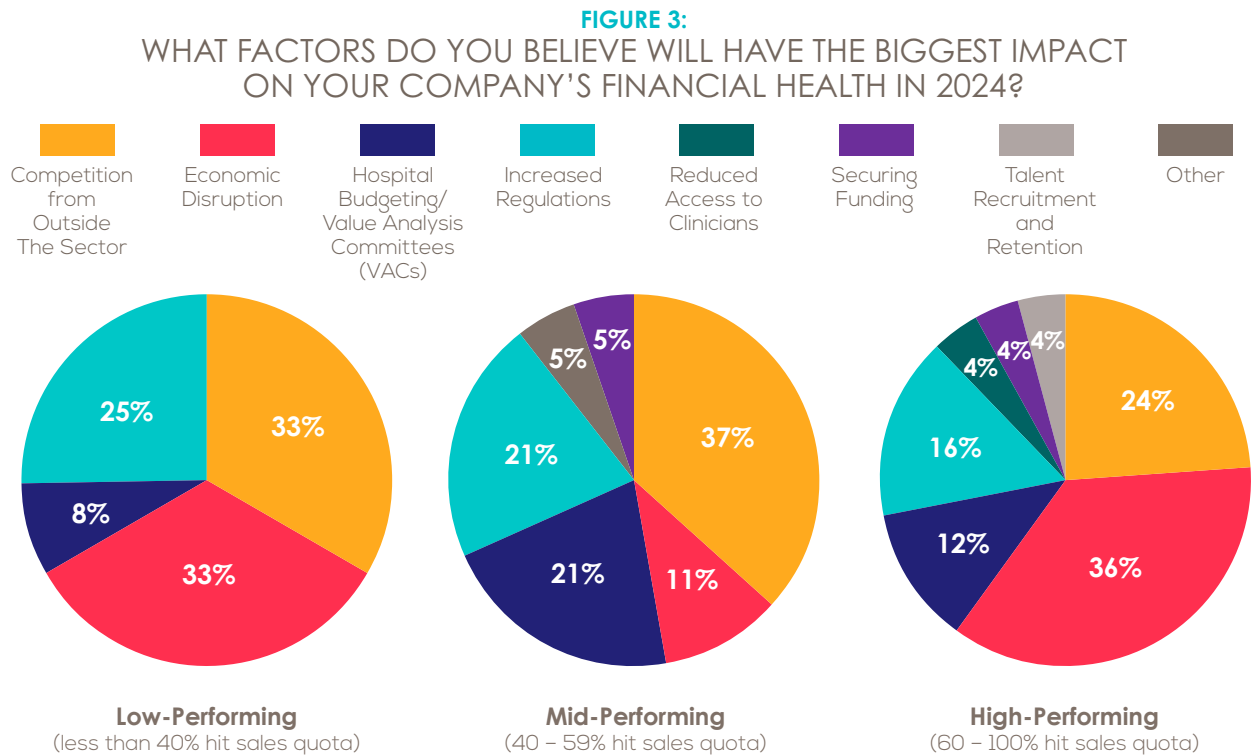
control being one of the top priorities for those who stated less than 60% of sales reps had met their quotas. This is suggestive of the effects of unreliable revenue, in that cutting expenses and controlling costs are predictable reactions to ineffective forecasting. **The more revenue reliability life sciences companies can build into their business model, the more they can invest in developing an innovative product pipeline.**

Which factors are believed to have the biggest impact on a company's financial health in 2024? According to the group of C-suite respondents who stated 60% of their sales reps met their quota for the past three consecutive quarters, economic disruption was identified as the leading factor that will have the most influence. And competition from outside the sector

was identified as the most impactful factor for companies where 40% to 59% of their sales reps hit their quota for the past three consecutive quarters [Figure 3].

This further illustrates that although some aspects are beyond the

company's control (e.g., more immense macroeconomic headwinds), **it is even more important that life sciences C-Suite executives focus on those aspects that are within their control (i.e., adjusting their commercial growth strategy).**



SOURCE: GREY MATTER MARKETING



INSIGHTS & OPPORTUNITIES

The vast majority of sales reps do not meet their quotas on a sustained basis, creating an unreliable revenue model for life sciences companies—regardless of sector, size of company, or annual revenue.

The C-Suite lacks an accurate understanding of the company's financial performance, which is crucial in order to make management and investment decisions, and key to market cap growth and increased valuation.

To achieve success moving forward, C-Suite leaders can gain a critical advantage by understanding what can drive reliable revenue and commercial excellence, despite economic disruption.



2

Compete or Create: The Need for Differentiation

Generally speaking, life sciences companies tend to pursue one of two business strategies:

- **Compete:** Companies compete in an existing category and sell primarily on features or price to drive market share by exploiting existing demand
- **Create:** Companies create a new, uncontested category and generate net new demand by making the competition irrelevant

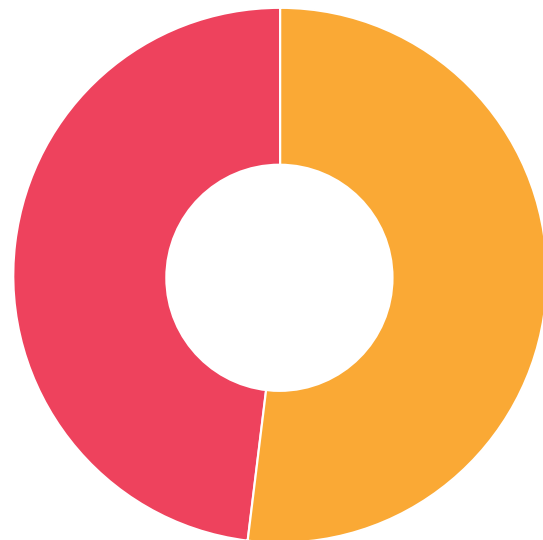
Commercial growth strategies in the life sciences industry are being driven by factors such as an aging population, increasing prevalence of chronic diseases, growing demand for personalized medicine, and intensifying pressure to curb healthcare spending. Additionally, advancements in technology and the emergence of new treatment modalities, including gene therapy, immunotherapy, and artificial intelligence (AI), have fueled innovation and promoted growth in the industry. Yet with an increasing number of companies entering the market worldwide, many life sciences companies are fighting over the same space and struggling to gain traction or find a competitive edge.

This often translates into unreliable revenue, and lower valuation and trust with stakeholders. It also means the pace of progress is incremental versus transformational.

Across the life sciences industry, 50% of C-Suite respondents characterized their current commercial strategy as creating demand for a new market or category, with the other 50% competing for market share in an existing market [Figure 4]. Broadly speaking, **these data indicate that approximately half of life sciences companies are attempting to outcompete rather than differentiate themselves in an increasingly crowded market.**

Companies that choose to vie for existing market share face an early, uphill battle trying to differentiate themselves from the competition. **Conversely, companies that choose to create new categories tend to**

FIGURE 4:
HOW DO YOU CHARACTERIZE YOUR CURRENT COMMERCIAL STRATEGY?



52% Company **competing** for market share in an existing market

48% Company **creating** demand for a new market or category

SOURCE: GREY MATTER MARKETING

grow revenue 4x faster and market cap 6x faster than other companies.²

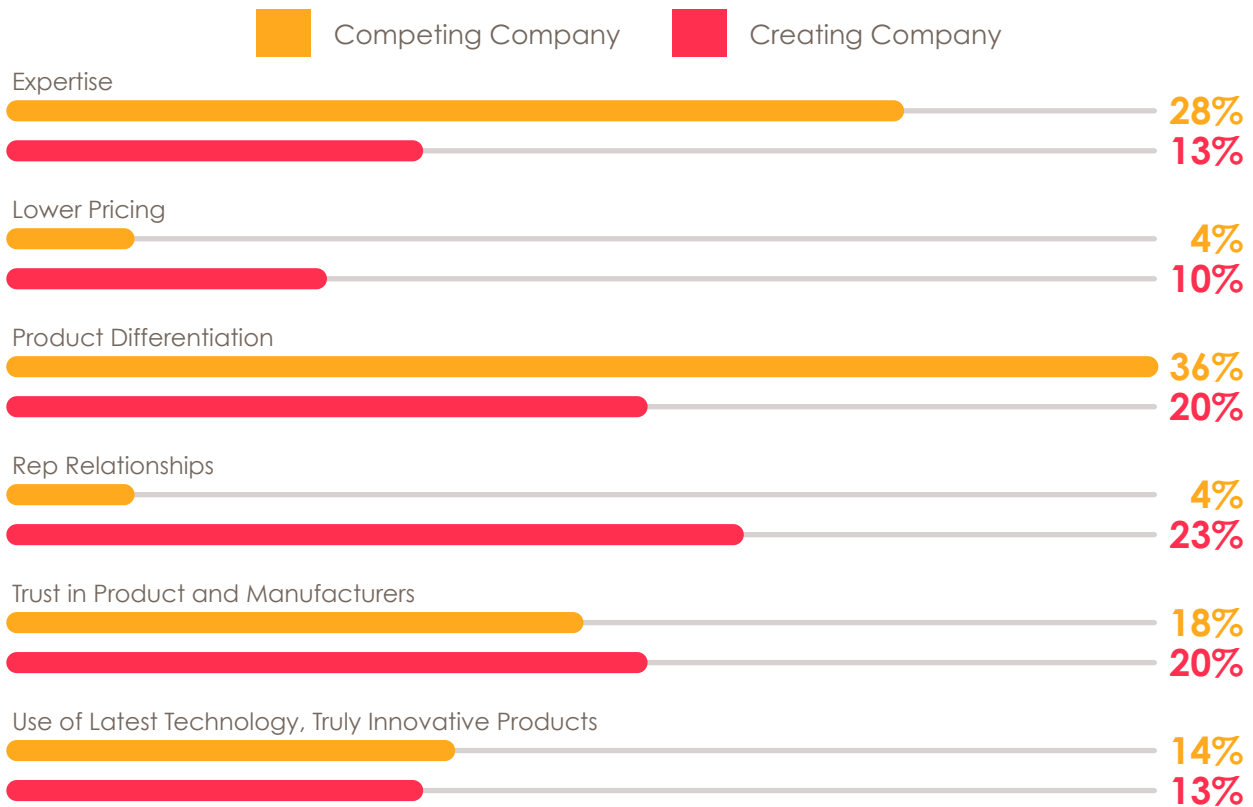
A closer look at specific cohorts from the survey, who were either “competing” or “creating,” revealed that pharmaceutical

Companies that choose to create new categories tend to grow revenue 4x faster and market cap 6x faster than other companies.²

² Yoon E, Deeken L. Why It Pays to Be a Category Creator. Harvard Business Review. March 2013.

³ The Looming Patent Cliff: Big pharma giants brace for fall. The Healthcare Technology Report. February 2024.

FIGURE 5:
WHAT FACTOR DO YOUR CUSTOMERS VALUE MOST?



SOURCE: GREY MATTER MARKETING

companies, in particular, were mostly competing for market share, whereas medical device companies were evenly split. This could be driven by the fact that some of the prices of the most widely used drugs will be lowered with implementing the Inflation Reduction Act of 2022. For the first time, this will allow Medicare to actually negotiate drug costs. Additionally, between 2024 and 2030, several blockbuster drugs are set to fall off patent, putting tens of billions of dollars in revenue at risk.³ This “patent cliff” is created when patents for leading branded products expire, and therefore opens the door for competitors to introduce generic versions at lower prices for patients.

When comparing those C-Suite respondents who stated their sales

reps were the most successful at hitting their quotas (where at least 60% of sales reps hit quota for the past three consecutive quarters) together with the kind of commercial strategy adopted, there was a significant increase in “creating” a commercial strategy rather than a “competing” one. **This suggests a correlation between the adoption of a commercial strategy focused on creating demand for a new market or category, with an increase in the success of the company’s sales reps meeting their quotas.**

C-Suite executives who indicated their companies are competing for market share in an existing market believed that their customers valued product differentiation and expertise the most [Figure 5]. Interestingly, the same group expressed

that they believed their customers valued lower pricing and rep relationships the least.

Company executives who are generating demand for a new market or category felt that their customers valued rep relationships, product differentiation, and trust in products and manufacturers the most, with lower pricing being valued the least.

Importantly, these data show that BOTH “creating” and “competing” groups believe their customers highly value product differentiation. As a rule, life sciences and other markets are resistant to new ideas and innovations.⁴ **Here, C-Suite executives have clearly identified product differentiation as a primary strategy to get customers to change their buying behavior and for companies to significantly increase revenue. Rather than gravitating toward products that are marginally better than a competitor, the life sciences C-Suite**

perceived their customers as truly valuing innovative solutions to address meaningful problems.

In contrast, “creating” and “competing” groups differed significantly in reporting how customers value rep relationships. “Competing” companies indicated their customers valued rep relationships the least, while “creating” companies thought their customers valued rep relationships the most. These results raise interesting questions:

- Do “creating” companies believe that they require both rep relationships AND product differentiation to introduce and educate their target audience about their product?
- Do “creating” companies depend on rep relationships more than “competing” companies that are selling comparable products with little differentiation?



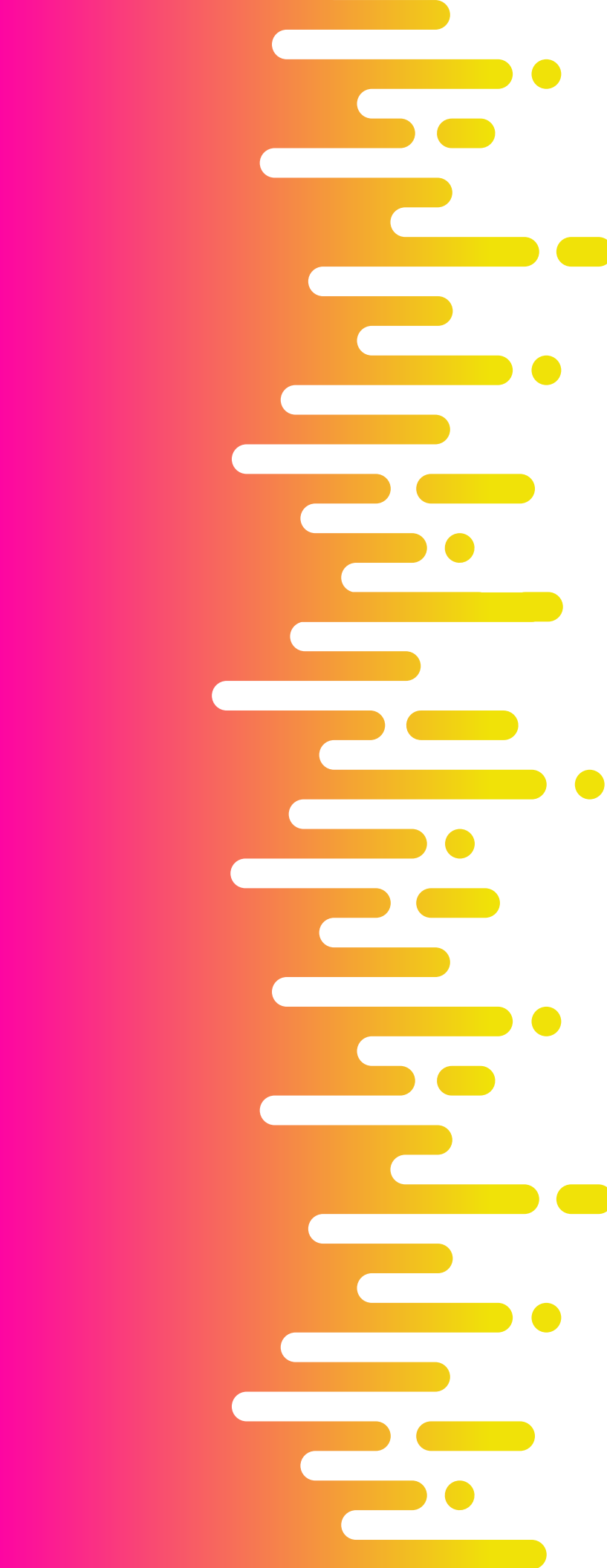
INSIGHTS & OPPORTUNITIES

The most successful companies pursue a “creating” commercial growth strategy. If customers value product differentiation, then pursuing a “competing” strategy in an increasingly crowded market will limit a company’s ability to scale adoption and solve the unreliable revenue issue.

Creating value for patients and providers (as well as shareholders) will require a bias toward creating new categories that unlock transformational outcomes, not incremental improvements in existing markets.

To truly unlock transformational outcomes and reliable commercial success, companies should focus on establishing their own niche and planting a flag in an ownable space that devalues the existing options.

⁴ Chakravorti, B. The New Rules for Bringing Innovations to Market. Harvard Business Review. March 2004.



3

Tasking Those in Charge of Commercial Growth Strategy

No single department is clearly in the driver's seat when it comes to leading the commercial growth of life sciences companies

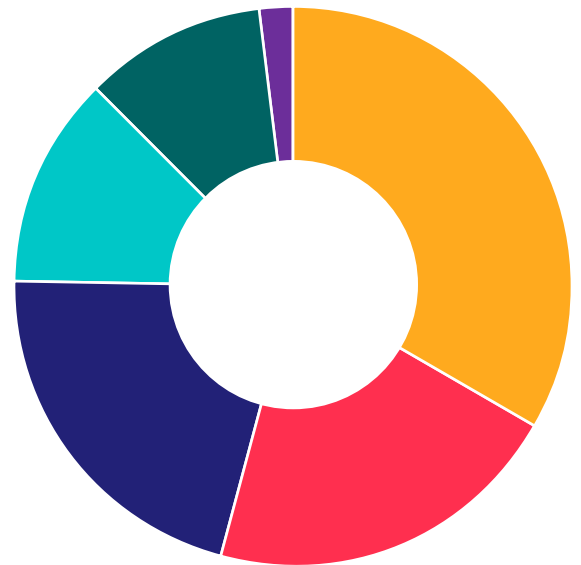
When a life sciences company develops a drug, device, test, or therapy, it generally has two main goals: Build an innovative, high-quality product and make money. They're both integral to long-term viability, but companies tend to prioritize one over the other. Product-led companies prioritize the excellence of the product, while revenue-driven companies are more focused on financial growth. Regardless of which way a company may lean, you still need a product team, operations team, and commercial team. Driving alignment among these departments is of paramount importance,⁵ but in today's dynamic and different business landscape, is one single department charged with leading commercial growth?

Surprisingly, life sciences companies differ in the department they tap to drive the commercial growth strategy regardless of sector, size, or revenue [Figure 6]. About 30% of C-Suite respondents indicated that the marketing department is responsible for their commercial growth strategy for 2024, followed by finance (> 20%), and then sales (> 20%). The remaining companies are led by operations or R&D.

This raises the questions: Can or should any one department be charged with a company's commercial growth strategy? Or does this signify that a different approach is warranted altogether?

Approximately 35% of respondents across the life sciences feel the greatest value that marketing provides to their company

FIGURE 6:
WHICH DEPARTMENT IS CHARGED WITH LEADING YOUR COMMERCIAL GROWTH STRATEGY?



SOURCE: GREY MATTER MARKETING

is as a key driver of the corporate engine [Figure 7]. Although this factor scored the highest among different values marketing can provide a company, this result also implies nearly two-thirds of C-Suite executives do not think corporate growth is the greatest value that marketing can provide. Rather, respondents indicate that they believe marketing brings a mix of value, including driving the corporate engine, corporate visibility, lead generation, and sales support.

⁵ Brodherson M, Ellinas J, See E, Tas R. The Power of Partnership: How the CEO-CMO relationship can drive outside growth. McKinsey & Company. October 2023.

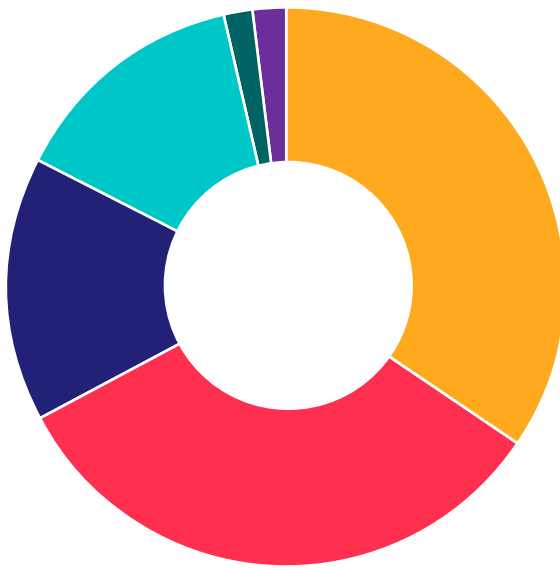


FIGURE 7:
WHAT IS THE GREATEST VALUE
MARKETING CAN PROVIDE FOR
YOUR COMPANY?

- 34%** Key Driver of the Corporate Engine
- 33%** Corporate Visibility
- 16%** Lead Generation
- 14%** Sales Support
- 2%** User Education
- 2%** Adding More Sales Channels

SOURCE: GREY MATTER MARKETING

Interestingly, other research reports show that CEOs who place marketing at the core of their growth strategy are twice as likely to have greater than 5% annual growth compared with their peers.⁶

CEOs who view marketing as one of their top two growth levers are much more likely to experience growth than those who do not⁶



INSIGHTS & OPPORTUNITIES

No clear department emerges as the commercial growth strategy leader across the life sciences industry.

Nearly two-thirds of C-Suite executives do not think corporate growth is the greatest value marketing can provide despite research signifying that companies that do are twice as likely to have greater annual growth compared to other companies.

Sales, marketing, and product alignment is potentially the largest opportunity for improving business performance today. When marketing and sales teams unite around a compelling and differentiated product, they dramatically improve marketing return on investment (ROI), sales productivity, and, most importantly, top-line growth.

⁶ <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-power-of-partnership-how-the-ceo-cmo-relationship-can-drive-outsize-growth>



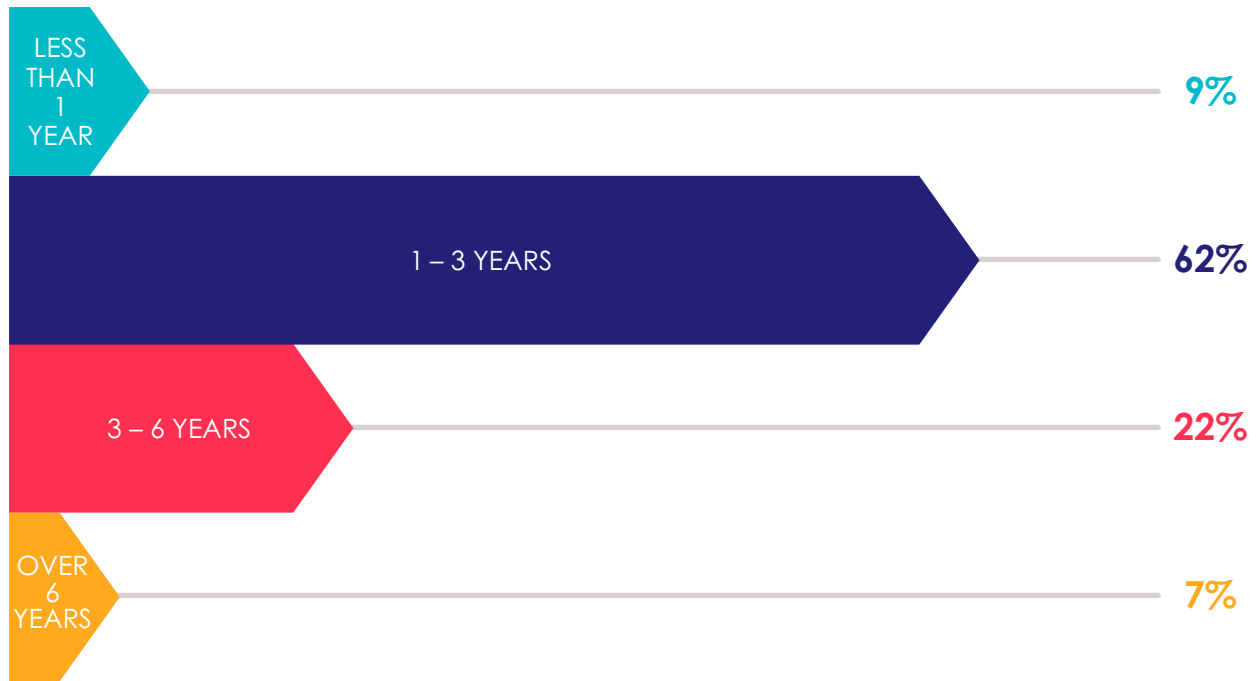
4

It Takes Time for Successful Market Adoption

Many C-Suite executives underestimate the time it takes to prepare the market for their product

FIGURE 8:

HOW LONG DO YOU BELIEVE IT TAKES FOR SUCCESSFUL MARKET ADOPTION OF A NEW, COMMERCIALY AVAILABLE LIFE SCIENCES PRODUCT OR SERVICE?



SOURCE: GREY MATTER MARKETING

With all the time it takes to develop a product—from ideation, R&D, regulatory approval, and manufacturing—many C-suite executives are so eager to get their product to market they miscalculate the amount of time required for customers to learn about their product, change behavior, and align with their new solution.

When asked how long it takes for the life sciences market to adopt a new product or service, just over 60% of C-Suite respondents believed it takes one to three years for the market to adapt to new, innovative products and services once they

become commercially available. Just over 20% thought it takes three to six years [Figure 8]. Only about 7% of respondents felt market adoption takes more than six years.

It is certainly a lengthy and expensive endeavor to achieve commercial approval by the FDA or other notifying bodies. And most life sciences companies expect a warm market reception for their technology that translates to revenue streams and market growth; however, it is frequently referenced that it takes an average of 17 years for research evidence to reach clinical practice,⁷ and even then, only 1 in 5

7 Morris ZS, Wooding S, Grant J. The Answer is 17 years. What is the Question: Understanding time lags in translational research. J Royal Society Med. December 2011.

8 Kilbourne AM, Glasgow RE, Chambers DA. What Can Implementation Science Do for You?: Key success stories from the field. J Gen Internal Med. October 2020.

evidence-based interventions make it to routine clinical practice.⁹

**This raises the question:
Why is there such a disconnect
in the amount of time C-suite
executives perceive is required
for successful market adoption?**

Markets, by their very nature, resist new ideas and products. Despite the risks involved with developing and launching new innovations, companies still fervently pursue them because, in theory, they drive profits, growth, and shareholder value. However, even when presented with definitive data and research, that is not enough to get clinicians, labs, and patients to change long-standing behaviors and create a new status quo.⁸

So, what's a life sciences company to do? There are two levers that can increase your odds of a successful product launch and accelerated adoption:

- **First, one of the largest barriers to successful market adoption can be the product itself.** Specifically, what is the product's perceived level of differentiation compared to other existing options? More than 53% of product launches lack significant clinical differentiation.⁹ This likely correlates to the fact that nearly half of all product launches fail to meet analyst expectations.¹⁰ To make matters worse,

a sluggish start often foreshadows continued underperformance: If forecasts lagged in Year 1, there's a 78% chance they'll continue to lag in Year 2 and a 70% chance in Year 3.¹¹ The notion of a "slow start" is a myth.

**Nearly half of all product
launches fail to meet analyst
expectations.**

- **Second, life sciences companies should focus on getting the market ready for their product at least 12 months prior to commercial launch—not just getting the product ready for the market.** Marketing a specific product before receiving FDA clearance or approval is not allowed. Despite this, there is significant opportunity around market development that companies should take advantage of in order to prime the market for their product, while still being compliant with FDA guidelines.

Too many companies believe customers will buy, prescribe, or use when they learn about the features of their new breakthrough technology upon FDA approval or clearance. They think a product's advantages and features speak for itself, leaving it up to the market to figure out why their product matters. But why take the chance? Why not condition the market to your advantage and make a case for why your new product or service is

⁹ https://www.mckinsey.com/~media/mckinsey/industries/healthcare%20systems%20and%20services/our%20insights/the%20secret%20of%20successful%20drug%20launches/beyond_the_storm_launch_excellence_in_the_new_normal.pdf

¹⁰ Natanek R, Schlegel C, Retterath M, Elades G. How to Make Your Drug Launch A Success. In Vivo. October 2017.

¹¹ Ahlawat H, Chierchia G, van Arkel P. The Secret of Successful Drug Launches. Kinsey & Company, March 2014.

different and more valuable than anything that has come before, and will successfully fulfill an important need? When market development is done well, it creates a market pull by training an audience to recognize something is missing and preparing them to change their behaviors when a new solution is available. This causes customers to stop using the existing paradigm, and embrace—and ultimately adopt—what you are offering.

To do this, companies need to invest in “problem marketing” first to educate prospective customers that there is an existing and urgent issue to address. This is not making any product claims or promises. It is igniting awareness about a problem that exists in the market and defining the solution criteria. When your product is commercially available, your audience will have already self-selected your innovation as the only possible solution.



INSIGHTS & OPPORTUNITIES

C-Suite executives understand that an innovative product requires years of developing and at a significant expense, but they grossly underestimate the amount of time needed for broad market adoption.



Life sciences companies would benefit from adding more time and increasing investment in their market adoption readiness planning and implementation. By incorporating problem-focused marketing strategies, companies can build awareness of their innovations and demonstrate how they solve critical stakeholder challenges, while simultaneously priming the market for a successful commercial launch.

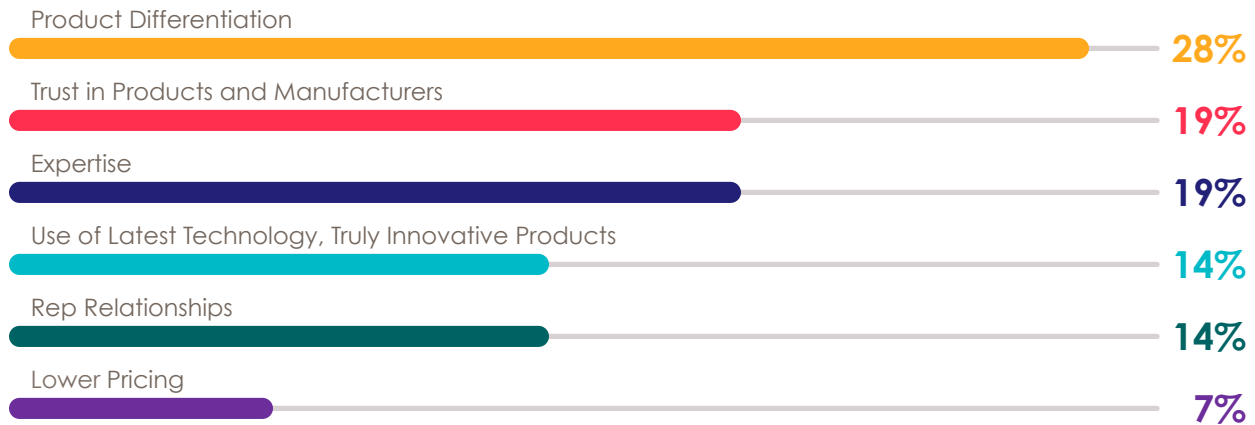


5

Understanding Customer Needs to Drive Trust and Reliable Revenue

Successful life sciences companies create products and services that solve an important and meaningful customer problem

FIGURE 9:
WHAT FACTOR DO YOU BELIEVE YOUR TARGET CUSTOMERS
VALUE MOST FROM LIFE SCIENCES COMPANIES?



SOURCE: GREY MATTER MARKETING

The majority of C-Suite respondents believe their customers value product differentiation the most from life sciences companies [Figure 9]. This is critically important because winning the product differentiation battle puts companies in a category of their own and places them in a better position to deliver on other factors that customers value.

C-Suite executives identified trust as the next factor customers value the most from life sciences companies after product differentiation, followed by expertise, use of the latest technology, relationship with reps, and lower pricing.

These data suggest that the perception of lower pricing being valued the least may be because if a product is truly differentiated and provides unique value as a driver to improve or advance healthcare outcomes, customers would be willing to pay a higher price.

Perceived value refers to the value a customer perceives that they are receiving from a product or service, relative to the cost. **Economic models and market**

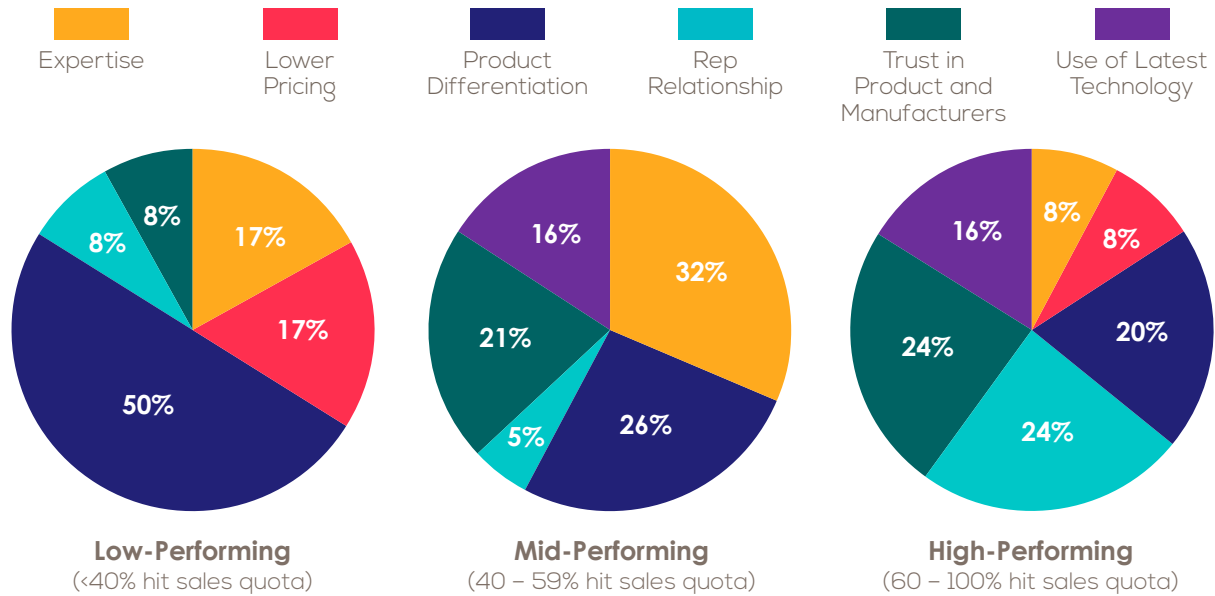
research have demonstrated time and time again that the greater value a company or product/service can deliver, the more premium pricing the market is willing to pay. Warren Buffett said it well: "Price is what you pay. Value is what you get."

The goods, services, and even experiences a company offers matter only in how they help customers achieve their desired outcomes. Each customer's definition of success must therefore be the North Star that guides what a company does if it wants to compete on transformational outcomes, instead of just product features or price.

Additionally, the group of C-suite respondents who stated 60% of their sales reps met their quota for the past three consecutive quarters, believe their customers value both "Trust in products and manufacturers" and "Rep relationships" significantly more than the lower tiers [Figure 10].

When your customers feel you understand their problem better than anyone else, you earn their trust—and their business.

FIGURE 10:
WHAT DOES YOUR TARGET CUSTOMER VALUE MOST FROM LIFE SCIENCES COMPANIES TODAY?



SOURCE: GREY MATTER MARKETING

Customers want sales reps who can deliver expertise that serves them (not the company’s top line) and who genuinely care about their success. But a relationship with the sales rep is not enough by itself to translate to loyalty, which means recurring revenue and high utilization, especially as the buying process has become more complex and the provider is also holding less purchasing power.

For companies with differentiated products and where 60% of sales reps are meeting quota for consecutive quarters, the sales

reps are more likely to be perceived as the conduit between the customer and the product. If sales reps can confidently articulate how the product or service solves customer pain points, addresses their needs, and offers them real value, then fostering trust between the sales rep and customer can be achieved.

Building long-term trust and credibility with customers will help improve their perception of the brand. This can lead to increased customer acquisition and loyalty, as well as boosting brand reputation.



INSIGHTS & OPPORTUNITIES

C-Suite executives believe that their customers value product differentiation, trust, and expertise the most from life sciences companies today.

When you market a product, your customers assume you want their money. But when you show your customer you can solve their urgent problem with a unique solution—they assume you want to help them—and will give you their business.



6

Future-casting for Success

Success requires understanding what drives commercial excellence while meaningfully advancing the delivery of healthcare

The dynamic life sciences industry, fundamental to the betterment of human health, is brimming with potential fueled by technological innovation and a deeper understanding of biological systems. On the other hand, patients, providers, and payers expect companies to innovate at a faster pace to meet growing clinical needs, be more transparent about data and pricing, and demonstrate a higher purpose than just pursuing profits.

Specifically, how do the C-Suite of life sciences companies feel about the potential of the industry and future drivers?

Our survey analyzed the perspectives of C-Suite executives as they look to the future, and several trends emerged from the data.

In terms of the biggest driver to advance healthcare in the next five years, the responses were varied [Figure 11]. However, when looking at the data by sector, medical device companies we split between affordability and access, and institutional trust, which are the top two drivers to advance healthcare in the next five years, while pharmaceutical companies believe that affordability and access will be twice as likely to be the leading driver to advance healthcare in the next five years compared to other factors.

There is no doubt that creating value for patients, providers, and shareholders over the next decade will require an

FIGURE 11:
WHAT DO YOU BELIEVE WILL BE THE BIGGEST DRIVER TO ADVANCE HEALTHCARE IN THE NEXT 5 YEARS?

Driver	%
Affordability & Access	24%
Institutional Trust	19%
Data Sharing & Interoperability	17%
Technology Innovation	14%
Networks & Ecosystems Resulting from Industry Convergence	14%
Consumerism	12%

SOURCE: GREY MATTER MARKETING

industry bias toward transformation, not incremental improvement.

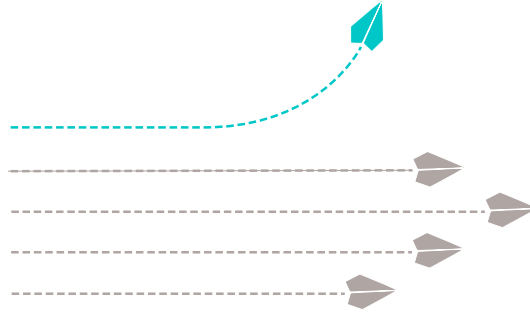
In terms of how C-Suite executives describe their vision of success, “advancing the standard of healthcare” and “accelerating commercial growth” returned a similar distribution from all respondents, regardless of sales rep quota performance or industry sector. Interestingly, the highest success tier companies, according to the percent of sales reps who consistently meet their quota, had stronger positive feelings towards “making the competition irrelevant” and “increasing valuation.”

These data reinforce the C-Suite’s priorities to include the need for achieving reliable revenue through product differentiation and an adapted commercial strategy to drive sustained growth and innovation.



INSIGHTS & OPPORTUNITIES

Companies that transform their innovation, commercial operations, and strategies will be well-positioned to successfully achieve reliable revenue, accelerate market cap growth, and meet the healthcare needs of the next generation.



Forging a New Path: Preparing Life Sciences Companies for Sustainable Revenue Growth and Innovation

Success moving forward requires two important factors:

- Understanding what drives commercial excellence
- Meaningfully advancing the delivery of healthcare

The life sciences landscape is undergoing a seismic shift. With traditional revenue models becoming increasingly unreliable and competitive pressures mounting, C-Suite executives must adapt swiftly to

meet emerging challenges. This report offers a unique window into their strategic priorities, and reveals critical insights for shaping the future of life sciences' innovation and commercial excellence.

Key Takeaways



Shifting the Value Creation Equation:

- The legacy sales-led model is leaving significant revenue untapped, demanding a strategic pivot toward value-based care, market differentiation, and proactive commercial strategies
- Regulatory changes, value-based reimbursement models, and shrinking physician access necessitate realignment of commercial growth models



Revenue Reliability Challenges:

- Two-thirds of C-Suite executives report that sales reps are consistently failing to meet quotas, leading to substantial revenue loss
- Marketing alignment with product and sales is paramount to ensuring opportunities, building customer trust, and unlocking predictable revenue improvement



Preparing for Market Adoption:

- Life sciences leaders who recognize the lengthy adoption timeline, even for innovative products, will be better positioned for more accurate forecasting and earnings guidance
- There is an undeniable opportunity to prime the target market through proactive problem-focused education in advance of commercial approval—in a compliant manner—to accelerate adoption uptake upon product launch



Competing vs Creating:

- Companies with a “creating” mindset that are developing new markets and innovative value propositions obtain faster revenue and market cap growth
- Product differentiation is key to customer value, and executives must align innovation with commercial strategies that speak to their target audience's specific and urgent needs



Final Thoughts

The data make clear that the legacy path to commercial success is never returning. Truly innovative life sciences companies must reorient themselves to acclimate to this new reality and adapt their commercial growth strategies to reliably achieve prosperity.

The savviest C-Suite executives are deviating from a purely sales-led mindset to an alternate kind of commercial growth strategy for their companies. To dominate, you must pursue a different path for your audience by solving a critical issue for them with a distinctive solution. This forces a

category choice, not a product comparison, and accelerates your commercial growth engine.

By creating and tailoring an entirely new market space for your device, drug, or therapy that delivers exponential value to your customers, you can make the competition irrelevant, experience reliable revenue, and shape the future of healthcare.

Because to win, you don't try to out-compete the competition. You make them irrelevant.



Grey Matter Marketing
Do what matters.

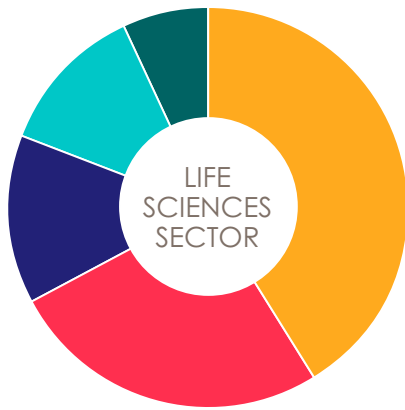
Grey Matter Marketing helps CEOs of life sciences companies achieve reliable revenue, drive market adoption, and accelerate their market cap or valuation.

For 15 years, we've partnered with hundreds of executive leaders to change their company's trajectory by standing out in a way that matters to your customer, makes the competition irrelevant, and unlocks reliable revenue.

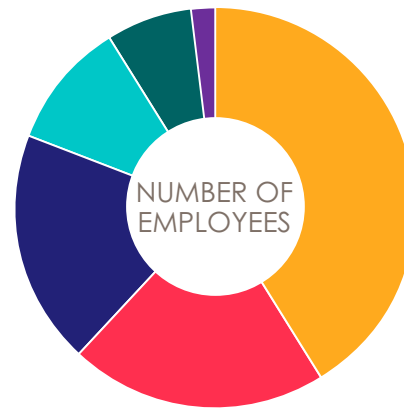
Research Methodology

Grey Matter Marketing, Inc. conducted an online survey with C-Suite and top executives across the life sciences industry, largely within the pharmaceuticals, medical devices, biotech, and digital health

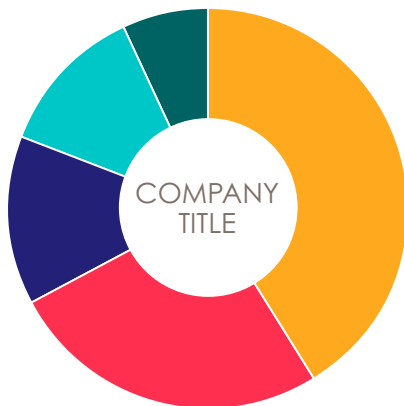
segments. This survey was open from December 2023 to the end of January 2024 with a total of 58 respondents who completed the survey.



- 41%** Medical Device
- 26%** Pharmaceuticals
- 14%** Digital Health
- 12%** Diagnostic
- 7%** Biotechnology



- 41%** 500 – 999
- 21%** 1000 – 4999
- 19%** 200 – 499
- 10%** 50 – 199
- 7%** 0 – 49
- 2%** 5000+



- 38%** Chief Executive Officer
- 22%** Chief Financial Officer
- 17%** Chief Commercial Officer
- 14%** Chief Marketing Officer
- 3%** Business Unit Head/President
- 3%** VP of Marketing/Market Development
- 2%** Chief Operations Officer

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