



Grey Matter Marketing
Do what matters.

2025 State of Life Sciences C-Suite Report

The Reality Check:
Why the New Healthcare
Economy Demands a
Different Playbook

Letter to Life Sciences Leaders

This is the second year Grey Matter Marketing has produced the State of Life Sciences C-Suite Report, and in that time, one word keeps repeatedly surfacing in our conversations with executive leaders: pressure. Pressure to deliver revenue. Pressure to reduce spending. Pressure to justify value to increasingly sophisticated buyers. And perhaps most discreetly but acutely felt—pressure to look like things are working smoothly, even when that might not be the case.

This year's C-Suite survey reveals that many companies successfully "hit their numbers" in 2024. That's certainly worth acknowledging. In the wake of a difficult 2023, recalibrating expectations, launching new products, and boosting sales performance offered much-needed momentum. But the data also tell another story: Beneath those improved metrics, the underlying market dynamics haven't changed. If anything, they've intensified.

Despite better quota attainment, consolidation among payers and providers continues to tighten access. Competition remains fierce. Differentiation is elusive. Revenue is still unreliable. And most notably, many of the same tactics used to engineer 2024's performance are already baked into 2025's playbook. That should give us pause to reflect on why that is and what needs to change.

What we see is not failure, but a critical inflection point. Leaders now face a choice: continue pulling traditional commercial levers or commit to something far more enduring. The companies that will define the next era of life sciences growth won't just launch more products or spend more on digital marketing. They will redefine the problems they solve, reshape how the market thinks, and build new categories that make the old way obsolete.

That approach has a name: healthcare category design. You won't see it listed in most 2025 strategic plans. But it's the missing link between short-term wins and long-term value. This report offers not just a look back at this past year's performance, but a forward-looking framework for how the most ambitious companies can earn the right to lead—not by being incrementally better, but by being fundamentally different.

We hope this report helps you pressure-test your strategy, reframe how your organization defines success, and ultimately, inspire a shift from just competing to creating.

We're proud to continue this important conversation with you and are committed to being a strategic partner in what comes next.

Here's to leading the future,

Holley Miller

PRESIDENT & FOUNDER, GREY MATTER MARKETING

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Executive Summary

Companies appear to be “winning” on paper, but are they creating durable, market-leading positions or just chasing quick fixes?

The life sciences industry is at a pivotal moment. Successful company leadership in the face of a **new healthcare economy**, and ongoing economic and regulatory uncertainty, requires strategic changes to achieve reliable revenue and growth.

Grey Matter Marketing’s 2025 State of Life Sciences C-Suite Report reveals a stark contradiction in the industry: Sales teams are hitting quotas at dramatically higher rates than last year, yet market conditions have not materially improved. Our survey of life sciences C-Suite executives across the medical device, pharmaceutical, and biotechnology sectors, along with other industry reports, shows that much of 2024’s sales improvement can be attributed to internal recalibrations—lowered targets, new product launches, and aggressive incentives—rather than fundamental market growth.

Companies appear to be “winning” on paper, but are they creating durable, market-leading positions or just chasing quick fixes?

Long-term, sustainable success requires a different playbook. **The most promising companies are proactively shaping their markets and establishing leadership by practicing the business discipline of category design**—the strategy of creating and leading new market categories—rather than relying on the legacy sales-led commercial model. Meanwhile, organizations clinging to incremental product tweaks and traditional sales tactics may soon hit a breaking point despite meeting 2024 revenue goals. Investor expectations are also rising: Boards and shareholders are looking for reliable revenue growth, as well as predictable market dominance.

The big question is: **Are life sciences companies truly reshaping their markets to achieve enduring market leadership, or are they simply relying on superficial tactics that could undermine long-term success?** The answer to this question will determine who shapes the future standard of care and who risks being left behind.



Key Report Highlights



Companies Can't Win in the New Healthcare Economy with the Legacy Playbook: Our research shows companies are struggling to adapt to an evolving market. An overwhelming majority of C-Suite executives agree the legacy sales model has been rendered ineffective in today's healthcare landscape.



Successful Companies Must Shift Their Strategy: Leaders must decide whether to continue competing in increasingly crowded categories or, instead, create a new standard of care by defining new markets.



Investor Pressure Is Mounting: Investors seek long-term strategies that foster sustainable growth, not short-term fixes that mask deeper revenue problems.

1

The Revenue Mirage:

Can Life Sciences Companies
Sustain Their Recent Sales
Performance?

At first glance, 2024 looked like a banner year for sales performance in life sciences. In our research, sales results surged. Far more reps made their quotas in 2024 than the prior year. But beneath the headline numbers lies a more nuanced story.

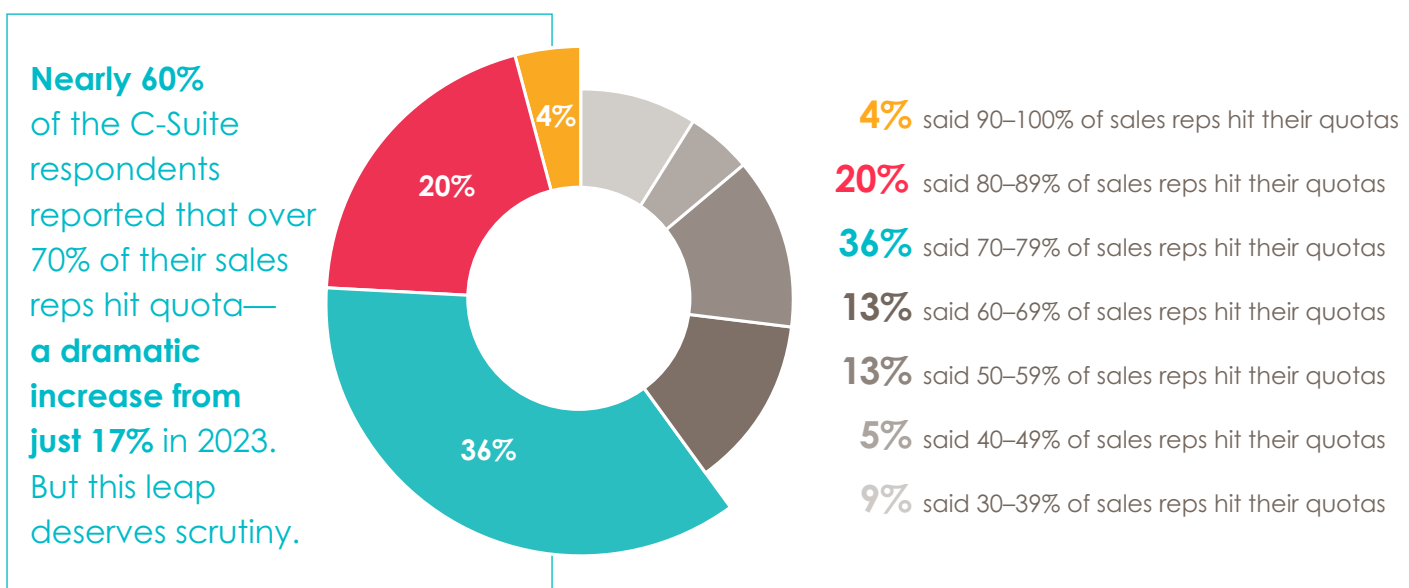
In 2023, nearly two-thirds of C-Suite executives reported that less than 60% of their sales reps hit quota in the prior three quarters. Only 17% said that over 70% of reps achieved quota, and virtually none reported near-total attainment. In other words, 2023 was a year when most reps struggled to meet aggressive targets, which clearly signals unreliable revenue.

In 2024, the data suggested major gains in sales performance: Nearly 60% of the C-Suite respondents reported that over 70% of their sales reps hit quota—a dramatic increase from just 17% in 2023 [Figure 1]. But this leap deserves scrutiny.

Despite the improvement, many companies appeared to have lowered the bar. In fact, 64% of C-Suite executives said they only needed 60–79% of reps to make quota to meet their 2024 revenue goals—implying that expectations were deliberately tempered after 2023’s struggles. Meanwhile, 40% of companies still had fewer than 70% of reps hitting target, and a majority admitted that a disproportionate share of sales occurred in the final two weeks of each quarter—a hallmark of back-loaded, unpredictable revenue [Figure 2].

The upshot is a mirage: Despite teams hitting their 2024 sales targets, market conditions did not dramatically improve. Healthcare buyers didn’t suddenly start spending more freely. Instead, it appears many companies recalibrated how they set goals and measured success, creating an illusion of improvement. In fact, one

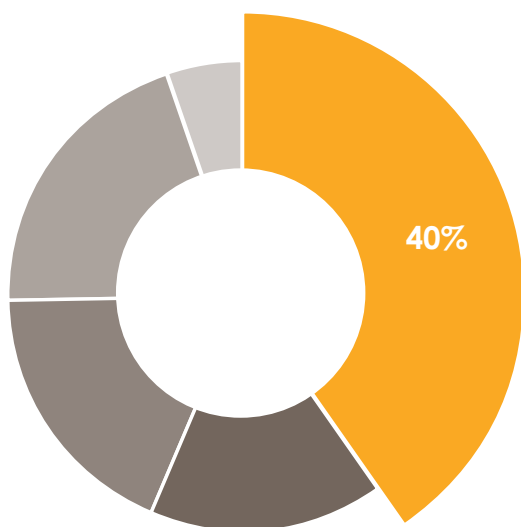
FIGURE 1:
WHAT PERCENTAGE OF YOUR SALES REPRESENTATIVES MADE THEIR QUOTAS FOR THE PAST FOUR CONSECUTIVE QUARTERS?



SOURCE: GREY MATTER MARKETING

industry study found 44% of organizations were budgeting for under 70% of reps to hit quota in 2024 (building in a buffer after 2023's miss), which aligns with our survey findings.¹ This raises the question: **How much of the 2024 “win” reflects real market growth versus simply a recalibration of target goals?**

FIGURE 2:
WHAT PERCENTAGE OF 2024 COMPANY SALES WERE MADE IN THE LAST TWO WEEKS OF A QUARTER?



- 40%** said 50% or more of sales were made in the last two weeks of a quarter
- 16%** said 40–49% of sales were made in the last two weeks of a quarter
- 18%** said 30–39% of sales were made in the last two weeks of a quarter
- 20%** said 20–29% of sales were made in the last two weeks of a quarter
- 5%** said 10–19% of sales were made in the last two weeks of a quarter

Note: Due to rounding, percentages may not total 100%.

SOURCE: GREY MATTER MARKETING

THE NEW HEALTHCARE ECONOMY: CONSOLIDATION & BUYER POWER

In the new healthcare economy, power has shifted decisively toward payers, large provider systems, and value-based care imperatives. Nearly all the executives we surveyed acknowledge that the traditional sales model has become ineffective in this environment. Healthcare providers, payers, and procurement groups have been consolidating. For example, independent hospitals have merged into systems, and clinics have been acquired by larger networks, thus concentrating buying power at the top. The result is that life sciences sales are increasingly won or lost at the enterprise level, not one doctor at a time.

93% of C-Suite respondents agreed that the healthcare economy has changed drastically over the past few years, eroding the effectiveness of the legacy sales-led commercial model upon which most companies rely.

For life sciences companies, getting a product into a major hospital system's approved vendor catalog or an insurer's formulary can unlock huge sales, whereas being excluded can shut a vendor out of an entire region. "Too much competition" was among the top reasons that reps had struggled with sales in both our 2023

93% of C-Suite leaders agree: The healthcare economy has changed—making the legacy sales model increasingly ineffective.

¹ 2024 Sales Compensation Report (Xactly & Benchmarkit), <https://www.xactlycorp.com/resources/guides/2024-sales-compensation-report>.

and 2024 surveys. **When customers have many comparable choices, a sales rep's charm alone cannot reliably win the deal. The product itself has to stand out or fit into a broader value narrative to earn approval and adoption.**

In addition to these shifting buyer dynamics, life sciences leaders are bracing for other external headwinds. When asked about the biggest external factors negatively impacting their business, C-Suite respondents most frequently cited talent recruitment and retention, increased regulatory hurdles, and competition from outside the sector as their leading concerns [Figure 3]. Talent shortages threaten the ability to innovate and execute; regulatory changes create uncertainty around approvals, reimbursement, and compliance; and macroeconomic pressures (from inflation to constrained hospital budgets) continue to shape customer spending. This challenging backdrop adds even more pressure for companies to adapt and innovate their commercial approach.

ADJUSTING QUOTAS AND INCENTIVES TO BOOST SHORT-TERM RESULTS

Facing widespread underperformance in 2023, many companies pulled immediate levers to improve outcomes in 2024—chiefly by making sales targets easier to reach. Several changes in quota design and compensation emerged as significant factors behind the jump in quota attainment, including:

- **Mid-Year Quota Resets:** Roughly 21% of life sciences companies adjusted (or considered adjusting) sales quotas mid-2023, giving struggling reps a smaller hill to climb. This mid-course correction acknowledged that the original goals were unattainable²
- **Under-Assigning Quotas:** Heading into 2024, many companies intentionally set aggregate sales quotas below their top-down revenue targets. Historically only approximately 5% of companies used this tactic, but in 2023 that jumped to 15%²

FIGURE 3:

WHAT ARE THE FOUR MOST INFLUENTIAL EXTERNAL FACTORS YOU BELIEVE WILL HAVE THE BIGGEST IMPACT ON YOUR COMPANY'S FINANCIAL HEALTH IN 2025?



SOURCE: GREY MATTER MARKETING

² Sean Higgins, "Top Sales Compensation Trends for 2024," *Life Sciences & Analytical Instruments*, <https://www.alexandergroup.com/insights/life-sciences-top-sales-compensation-trends-for-2024>.

- **“Protected” Pay for Morale:** To stave off a talent exodus and keep reps engaged, some companies tweaked incentive plans to be more forgiving. A few went so far as to guarantee 100% of target bonus pay for the first half of 2023, regardless of actual results. Others lowered the threshold of performance required to earn any commission²

Notably, even after these adjustments, C-Suite respondents indicated that reps continued to have a difficult time due to structural issues: fierce competition, lack of perceived product differentiation, consolidation among healthcare buyers, limited access to physicians, and a more complex sales process. These challenges are systemic and cannot be fixed with quota tweaks alone.

Collectively, the quota and incentive changes created the appearance of improvement. The immediate impact was positive with far more reps hitting their numbers in 2024, but it raises a red flag. **These measures may inflate internal metrics without addressing the root causes of weak commercial performance.** The real test is whether the business can grow beyond the gains engineered by these tactics.

OMNICHANNEL AND AI-POWERED SELLING ELEVATE PRODUCTIVITY

In addition to adjusting targets, life sciences companies in 2024 also embraced new selling approaches that could offer more

lasting benefits. Two shifts in particular helped drive better sales productivity:

- **Buyer Engagement Goes Omnichannel:** Healthcare customers now expect a mix of in-person, remote, and digital self-service interactions. Companies that equipped their sales teams to meet buyers across multiple channels—through video calls, text messaging, webinars, and on-demand digital content—saw improved engagement and conversion rates. Reps who can seamlessly blend in-person visits with rich digital follow-ups are better aligned to how modern healthcare professionals prefer to interact.
- **Marketing-Led, AI-Empowered Selling:** With in-person access to clinicians limited, marketing teams intensified digital lead generation (webinars, LinkedIn outreach, email nurturing) to warm up prospects before a sales rep ever engages with them. This marketing-sales alignment helped shorten sales cycles and improve win rates. Meanwhile, advanced CRM analytics and AI tools are helping reps prioritize outreach and personalize their message.³ Nearly 20% of B2B sales teams across industries already use generative AI to support sales, and another 23% are testing it.⁴ These technologies let reps cover more ground with greater precision; for example, flagging a once-active prescriber who has gone quiet to suggest a tailored re-engagement plan.

³ Aktana, “Aktana Named a Leader and Star Performer in 2024 Life Sciences Next-Generation CEPs PEAK Matrix(R) by Everest Group.” *Redefining Customer Engagement in Life Sciences: A Blueprint for Continuous Improvement*, December 17, 2024, <https://www.aktana.com/blog/redefining-customer-engagement-in-life-sciences-a-blueprint-for-continuous-improvement/>.

⁴ Candace Lun Plotkin, Jennifer Stanley, Liz Harrison, Víctor García de la Torre, “Five fundamental truths: How B2B winners keep growing,” *McKinsey & Company*, September 12, 2024, <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/five-fundamental-truths-how-b2b-winners-keep-growing#/>.

As a result of these digital and data-driven efforts, many life sciences firms significantly improved sales efficiency in 2024. **Crucially, unlike quota adjustments, these enhancements have the potential to sustain performance beyond a one-time boost.** Integrating omnichannel engagement and AI-driven tools are investments in capabilities that can continue paying dividends in the form of higher productivity and better customer reach.

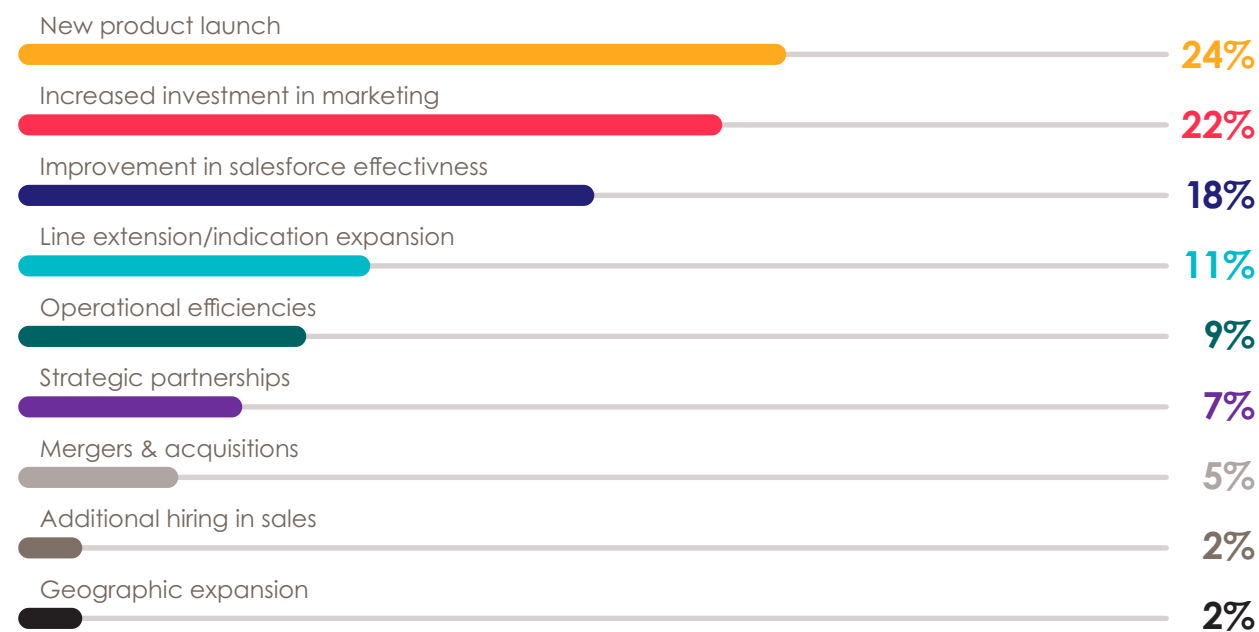
PRODUCT LAUNCHES AND PROMOTIONS: A TEMPORARY REVENUE JOLT

Another contributor to the surge in quota attainment was a flurry of short-term revenue boosters. In 2024, many companies enjoyed tailwinds **from line extensions or expansion indications, new product launches, and aggressive promotions, which gave sales a jolt** [Figure 4].

In our survey, 11% of C-Suite respondents claimed a line extension or indication expansion had accounted for most of their company's financial growth in 2024. Another 24% credited a new product launch as the primary driver of 2024 sales performance. Other common quick boosts included heavy promotions, such as limited-time discounts. It is undeniably easier for sales reps to hit quota when a big deal is clinched by a special pricing offer or when a new product release opens those floodgates from pent-up demand.

The question, of course, is whether these boosts are repeatable. History shows that a new product alone doesn't guarantee sustained success. Indeed, most product launches miss their revenue forecasts. EY analysis found that between 56% and 67% of new launches in major therapeutic areas fall short of sales expectations.⁵

FIGURE 4:
WHICH FACTOR CONTRIBUTED THE MOST TO YOUR COMPANY'S FINANCIAL PERFORMANCE IN 2024?



SOURCE: GREY MATTER MARKETING

In a nutshell, simply launching something new (or offering a temporary deal) is no guarantee of maintaining momentum. Furthermore, more than 53% of upcoming product launches lack any significant clinical differentiation versus existing alternatives.⁵ A launch might grab initial market attention, but it will struggle to sustain momentum if it doesn't clearly outperform the competition or meaningfully advance the standard of care.

If core issues like a weak sales process, lack of true differentiation, or poor customer engagement aren't addressed,

those problems will resurface once the short-term lift fades. New launches and promotions should be part of a balanced growth strategy, not a crutch. **Short-term boosts evidently helped many teams attain their 2024 numbers; however, the onus is now on companies to convert that momentum into sustainable growth.**

The remainder of this report explores exactly that challenge: how life sciences companies can address differentiation, commercial strategy, and the changes required to attain reliable revenue.

INSIGHTS & OPPORTUNITIES

2024's sales rebound was largely a mirage—an illusion created by easier targets rather than true market growth.

- **The Dynamics of Healthcare Purchasing Have Shifted:** Individual clinicians now make fewer purchasing decisions than they once did. C-Suite executives who prepare their teams to navigate a consolidated, system-level buying environment will have a distinct market advantage
- **More Reps Are Hitting Quotas—But the Bar Was Lower:** After declining revenue in 2023, many companies lowered their 2024 sales targets to reset expectations, protect morale, and reduce turnover. This augmented quota attainment on paper, but in actuality, it masks the real reasons that reps struggled, including intense competition, lack of product differentiation, health system consolidation limiting access to buyers, and a more complex sales process
- **Short-Term Jolts Can Hide Long-Term Issues:** Temporary revenue bumps from new product launches, expanded indications, or promotions do not equal a sustainable growth strategy. These tactics helped 2024 results, but companies must convert short-term wins into reliable, long-term growth. Without addressing the underlying weaknesses, they risk a return to unreliable revenue once these quick fixes fade

5 Daniel Mathews, Mark Chalmers, Eduardo Schur, "How biopharma can get the right mix of people and tech for launch success," *Ernst & Young*, March 4, 2025, https://www.ey.com/en_us/insights/life-sciences/how-biopharma-can-get-the-right-mix-of-people-and-tech-for-launch-success.

6 *Beyond the storm: Launch excellence in the new normal* (McKinsey & Company)

2

Category Leaders vs Competitors:

Who Will Own the Future?

In an industry driven by scientific breakthroughs and technological advancements, why do so many life sciences companies still struggle to stand out?

Our 2024 C-Suite survey reveals that “trust in products and manufacturers” is now viewed as the No. 1 factor influencing target customers’ decisions, even ahead of “product differentiation” [Figure 5]. While trust in a company’s reliability and quality is crucial, it has essentially become a baseline expectation in this industry rather than a true differentiator.

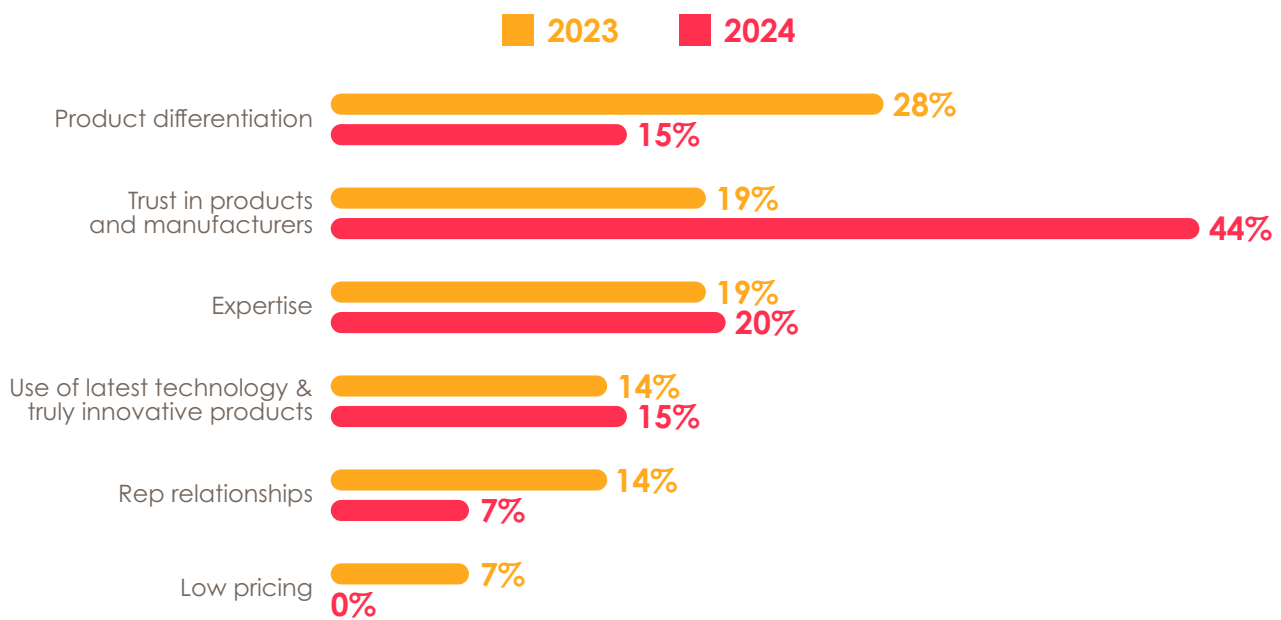
However, many life sciences CEOs have now begun to downplay the importance of product differentiation itself—pointing to price pressures, salesforce challenges, and crowded markets as their primary growth hurdles. **This is a potentially dangerous**

shift that hints at a misunderstanding of what true differentiation means.

Real differentiation is not about adding one more feature or making a minor clinical improvement. It means offering something genuinely unique that reframes customers’ perspectives on their problem, effectively making the current status quo obsolete. Companies that achieve this kind of breakthrough differentiation cause customers to reconsider all existing options. These are the companies that earn the right to command higher prices, build faster market momentum, and create exponential value for both investors and patients.

Many companies seem to be losing sight of this. When asked to characterize their commercial strategy, over 87% of C-Suite

FIGURE 5:
WHAT DO YOU BELIEVE CUSTOMERS VALUE THE MOST FROM LIFE SCIENCES COMPANIES?

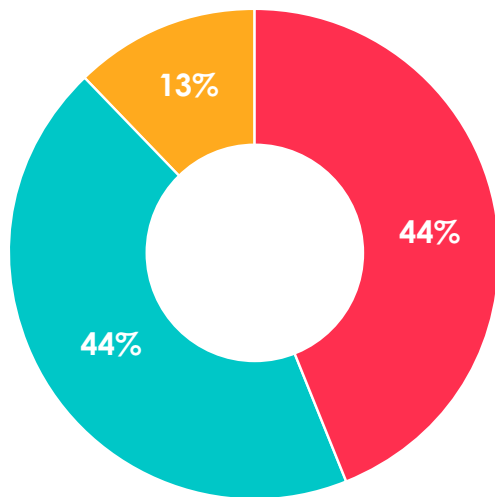


Note: Due to rounding, percentages may not total 100%.

SOURCE: GREY MATTER MARKETING

respondents described their approach as either “competing” in existing markets or incrementally “improving” within them [Figure 6]. Only 13% said their company is truly “creating” something new—defining a new market category of their own. That small minority is essentially practicing the business discipline of category design by carving out and claiming an entirely new space. And, on the flip side, we are seeing that widespread de-prioritization of bold differentiation does have negative consequences.

FIGURE 6:
HOW WOULD YOU CLASSIFY YOUR COMMERCIAL STRATEGY TO MARKET YOUR PRODUCT?



- 44%** Company **competing** for market share in an existing market
- 44%** Company **improving** value in an existing market to command a premium
- 13%** Company **creating** demand for a new market or category

Note: Due to rounding, percentages may not total 100%.

SOURCE: GREY MATTER MARKETING

Perhaps the most obvious symptom of this problem: 20% of C-Suite respondents bluntly admitted, “We struggle to get our audience to understand our product’s true value.” **This striking confession highlights how many companies fail to articulate the broader impact of their innovations beyond a list of features and benefits.** If you can’t clearly reframe the problem and communicate why your solution truly matters, even a groundbreaking product can be overlooked in a crowded marketplace.

When no company in a space manages to shape the narrative, buyers default to price. Procurement teams gain power, squeezing margins and eroding profitability. Sales teams are left with an almost impossible task: trying to justify why their product is better in an environment where every option seems interchangeable.

Category creators grow revenue 4x faster and expand market cap 6x faster than peers.

THE HIGH-VALUE COMPANIES ARE CREATING, NOT JUST COMPETING

For those companies that do break out of the pack, the rewards are enormous. Research in *Harvard Business Review* and elsewhere shows that **category creators grow revenue four times faster and expand market cap six times faster than peers.**⁷ More importantly, they tend to **dominate** their markets. By defining and owning a new category, a company can

7 Eddie Yoon, Linda Deeken, “Why It Pays to Be a Category Creator,” *Harvard Business Review*, March 2013.

capture as much as 76% of the category's economics, leaving the remaining competitors to fight over what's left. These businesses aren't dominating because they're slightly better. They win because they've made themselves the only viable solution to a reframed problem that matters to a specific audience segment.

This stands in stark contrast to the mindset prevalent among many life sciences companies today. Too often, companies settle for being just slightly better than the competition, rather than redefining the game to their advantage. The data and examples are logical: Creating a new category delivers a far greater payoff than simply competing in existing ones.

Companies that embrace this category-creation approach position themselves to achieve reliable revenue growth and disproportionate market share, while those that don't risk remain one of many options in a price-driven market.

For CEOs wondering if differentiation still matters, the actual issue isn't *whether* to differentiate, but *how*. Are you defining your offering in a way that will solve an urgent problem your customers care about—such that your solution becomes indispensable? Leaders who fail to make this shift will likely continue to see sluggish adoption and unreliable revenue. Those who embrace genuine category leadership, on the other hand, will set the agenda for the future of the industry.



INSIGHTS & OPPORTUNITIES

Investors ultimately expect market dominance, not just incremental growth.

- **Many CEOs Are Deprioritizing Differentiation:** A concerning number of life sciences leaders have shifted away from emphasizing product differentiation. This may stem from misinterpreting market signals (for example, when an innovative product underperforms, some conclude differentiation “doesn’t work”) or from internal pressures that favor short-term tactics over long-term category creation.
- **Communicating Value Is a Major Pain Point:** Without a clearly differentiated story and a reframed problem, even promising products risk being lost in the shuffle. When multiple competitors offer look-alike solutions and no one establishes definitive category leadership, customers default to price-based decisions, shrinking margins for everyone.
- **Reliable Revenue Requires a “Creating” Mindset:** Solving the unreliable revenue problem requires a strategic mindset shift toward category leadership. Executives must align product strategy, commercial tactics, and market messaging to redefine the problem, set a new standard of care, and build the trust needed to own that new category.

3

The Investor Lens:

What It Means for CEOs
and Boards

From the perspective of investors and board members, the developments of 2023–2024 prompt a mix of optimism and caution. On one hand, seeing more sales reps hit their numbers in 2024 is a relief. It suggests companies found ways to navigate very tough market headwinds. On the other hand, seasoned investors are asking: How much of this improvement is real, and how much is just an artifact of the low benchmarks set by 2023's poor performance, lower quotas, or short-term boosts that won't be repeated?

SHORT-TERM FIXES AND THE RISK OF COMPLACENCY

Given 2023's revenue volatility, it's no surprise that many companies made cost control a top priority in 2024 to protect margins. In our survey, C-Suite executives pointed to new product launches, increased marketing spend, and improvements in salesforce effectiveness as key drivers of better financial performance in 2024. But in many cases, companies also made the numbers work by aggressively cutting costs—freezing hiring, slashing budgets, and postponing projects to shore up EBITDA—all while setting more conservative sales targets.^{8,9,10}

These tactics did help stabilize short-term profitability. However, investors will scrutinize whether 2024's results laid the

groundwork for true growth or merely lowered the bar to make targets easier to attain. If revenue goals were met primarily through cost-cutting and quota adjustments rather than genuine market expansion, savvy investors will discount those achievements.

A company that met its targets by essentially playing it safe—relying on existing customers, running lean, and setting modest forecasts—might be dangerously unprepared for external shocks. Running very lean with only conservative goals leaves little margin for error. Investors do appreciate prudent planning, but they will worry if a business looks like it's one disruption away from a miss. The ideal scenario, from an investor's standpoint, is a company that can beat even conservative targets (showing realism) while still investing in future growth (showing confidence).

WHAT INVESTORS WANT TO SEE

Ultimately, investors are seeking evidence of reliable revenue and sustainable growth; not just a one-time boost from cost-cutting or lowered expectations.

The ideal scenario, from an investor's standpoint, is a company that can beat even conservative targets (showing realism) while still investing in future growth (showing confidence).

8 Manas Mishra, Sriparna Roy, "Biogen cost cuts drive profit beat, as Alzheimer's drug off to slow start," *Reuters*, April 24, 2024, <https://www.reuters.com/business/healthcare-pharmaceuticals/biogen-beats-quarterly-profit-estimates-alzheimers-drug-sales-jump-2024-04-24/>.

9 Reuters, "Revvity cuts 2024 revenue forecast amid biotech spending slowdown," *Reuters*, November 4, 2024, <https://www.reuters.com/business/healthcare-pharmaceuticals/revvity-cuts-2024-revenue-forecast-amid-biotech-spending-slowdown-2024-11-04/>.

10 Mariam E Sunny, "Biogen lifts annual profit forecast as new treatments boost earnings," *Reuters*, October 30, 2024, <https://www.reuters.com/business/healthcare-pharmaceuticals/biogen-lifts-annual-profit-forecast-cost-cuts-help-2024-10-30/>.

Potential stakeholders will look for concrete signs that a company is building momentum, such as:

- **Expanding the customer base and market position:** Is the company consistently acquiring new customers or entering new markets?
- **Increasing product utilization and customer value:** Are existing customers using the product more and deriving greater value (reflected in growing average revenue or lifetime value)?
- **Strengthening competitive position:** Is market share rising in target segments, and is the company differentiating itself such that it can win deals at healthy margins?
- **Advancing a robust product pipeline:** Does the company have a pipeline of innovative, differentiated offerings to fuel future growth (beyond the current products driving revenue)?

These kinds of metrics help reveal whether 2024's gains were temporary fixes or the foundation for sustained expansion. Investors can tell the difference between an earnings "beat" achieved by belt-tightening and one driven by genuine demand. CEOs must demonstrate that

Investors are watching for signals that companies are transitioning from defense to offense—from short-term patchwork to long-term value creation.

recent growth is coming from real market traction, not just lowered expectations—and outline how current strategies will build a durable, competitive advantage over time.

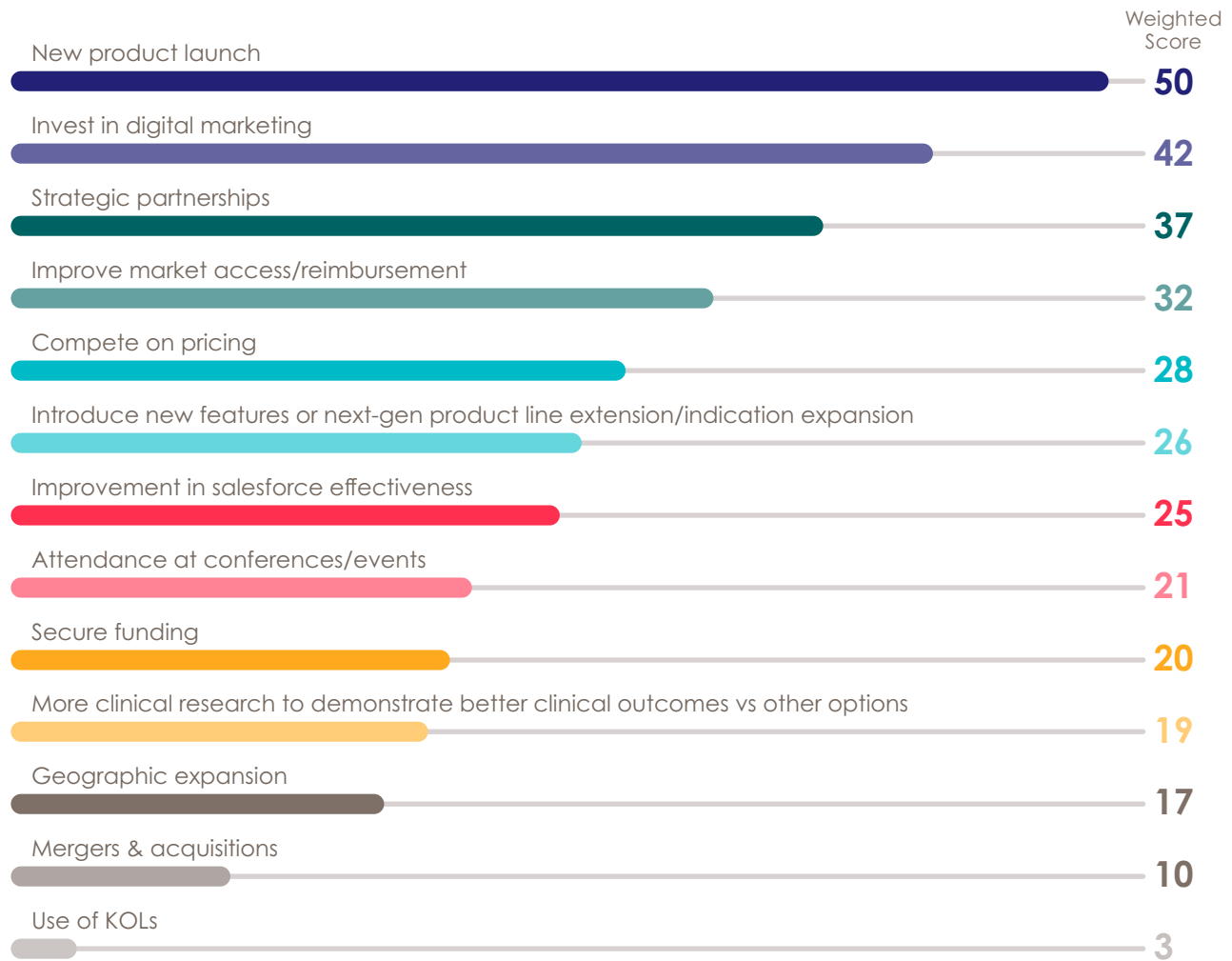
It's worth noting that CEOs can credibly argue 2024's cautious approach was prudent. Many companies wisely managed expectations and protected their talent during a challenging period, and investors generally appreciate that kind of realism. The key now is pivoting from short-term fixes to long-term strengths. Leaders should communicate how they will translate the lessons and momentum of 2024 into a strategy for sustainable growth and category dominance in the years ahead.

However, our data suggest that most life sciences companies are still betting on familiar tactics rather than bold new strategies. In rank order, the top initiatives that C-Suite executives believe will drive reliable revenue and market adoption in 2025 are largely traditional levers: Launching new products (by far the front-runner), investing in digital marketing, and forging strategic partnerships lead the pack [Figure 7]. Close behind are plans to improve market access and reimbursement, compete more on pricing, introduce next-generation product line extensions or indication expansions, and improve salesforce effectiveness.

Rounding out the 2025 priority list are familiar moves like increasing presence at industry conferences, securing additional funding, conducting more clinical research to demonstrate better

FIGURE 7:

WHAT PLANNED STRATEGIC INITIATIVES FOR 2025 DO YOU BELIEVE WILL HAVE THE GREATEST IMPACT ON ACHIEVING RELIABLE REVENUE AND INCREASING MARKET ADOPTION FOR YOUR COMPANY?



SOURCE: GREY MATTER MARKETING

outcomes, and geographical expansion. Notably, a transformative play such as category creation did not even register in these responses. **In short, even as investors call for more forward-looking vision, most companies remain focused on incremental steps.** Few appear ready to place bets on the kind of long-term strategic leaps required to attain category leadership and truly reliable revenue.

Investors are particularly interested in how companies plan to capitalize on differentiation and category leadership. They are looking for a credible path to market dominance—something more substantive than just next quarter’s pipeline or a one-time boost from a cost cut. Simply put, financial stakeholders want to see a strategy for *owning* a market, not just participating in it.

The takeaway for CEOs and boards is clear: Use the relative stability of 2024 to double down on the future. It's time to invest in defining the category you want to lead, strengthening your unique category narrative, and ensuring that

your 2025–2026 plans are built on more than hope and extrapolation. Investors are watching for signals that companies are transitioning from defense to offense—from short-term patchwork to long-term category creation.



INSIGHTS & OPPORTUNITIES

Leadership must shift from short-term metrics to a credible, long-term growth strategy that reassures investors.

- **Cost Control Was King in 2024:** With margins under pressure, many companies focused on cutting or controlling costs to stabilize earnings. New product launches, more marketing, and better salesforce effectiveness all helped performance in 2024, but some of the improvement came simply from aggressive expense reduction and lowering targets rather than true growth
- **Playing It Too Safe Brings Risk:** Companies that met goals by running ultra-lean and setting modest targets may be left vulnerable to shocks. The best leaders balance realism and ambition—setting achievable targets to maintain credibility while still investing in growth to build resilience (and confidence) for the future
- **Real Growth or Illusion?** Our research suggests 2024's performance was part genuine, part engineered. Investors ultimately expect market dominance, not just a slight uptick. They will scrutinize whether leadership has actually laid the groundwork for reliable, long-term growth versus superficially papering over cracks with short-term measures

4

The Strategic Shift:

Leading in the New
Healthcare Economy

Life sciences companies lifted their sales quota attainment in 2024 through a confluence of internal adjustments and fortunate timing—all set against the backdrop of an evolving healthcare economy. After facing a revenue reliability crisis in 2023 (when most reps fell short of aggressive targets), companies responded with tactical fixes and recalibrated expectations to steady the ship in 2024. Lower quotas, revamped incentives, and well-timed product launches proved to be effective short-term remedies for unreliable revenue.

However, as we've explored, short-term success does not equal long-term victory. **Much of 2024's improvement was achieved by managing symptoms, such as lowering the bar and propping up results, rather than curing the underlying ailments.**

The fundamental challenges of standing out in a competitive market and driving sustainable adoption remain.

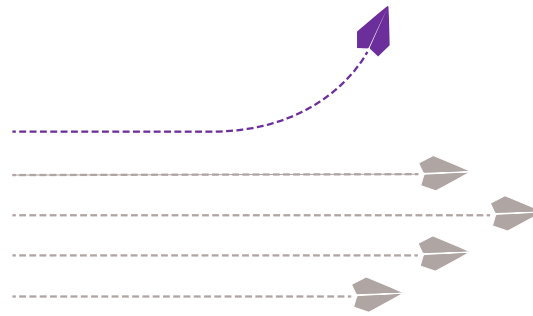
Ultimately, every life sciences leadership team should ask itself: Do we need a new playbook to win in the new healthcare economy? All signs point to yes. The companies that will dominate going forward won't just launch more products or squeeze out a bit more sales efficiency. They will redefine the problem in their space and reshape the market to make their solution the only obvious answer. In conclusion, healthcare category design is emerging as the most proven path to sustainable success.

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Category leaders don't just grow faster; they set the industry standard. As mentioned earlier, companies that create and lead a new category often capture the majority of its total value, often around 76%. Investors recognize this advantage and tend to assign higher valuations to businesses seen as future category leaders, anticipating pricing power and sustainable dominance. Instead of fighting for share in crowded segments, these companies unlock far greater growth by shaping new spaces where they can lead by design, not by comparison.

For companies currently stuck in "competing" mode, the strategic imperative is to pivot toward this category design thinking. This may involve re-segmenting the market, refocusing R&D on an urgent unmet need (rather than incremental features), or even making a bold acquisition—doing whatever it takes to solve a critical problem in a fundamentally new way. The legendary companies don't chase the market's attention. They make the market come to them.

The message to life sciences leaders is clear: Strive to be the category leader, not just another competitor. Reaching this goal will require changes both in the short term and long term, whether it's a daring investment, a leap in innovation, or repositioning your solution around a pressing problem. Category "kings" don't just win more business; they dominate, while the rest are left fighting for scraps. **As the industry continues to evolve, creating (and then commanding) new market categories that solve urgent customer problems—rather than competing on features—is fast becoming the surest path to durable growth and resilience.**



The Path Forward: What CEOs Must Do Next

Is Your Growth Strategy Built for the Future...or About to Be Left Behind?

Benchmark where your company stands—and uncover strategic risks even top-performing peers are addressing to thrive in the new healthcare economy.

In just 5 minutes, you'll uncover hidden risks and future-proof strengths across:

- **Commercial Strategy:** Are you driving sustainable growth—or competing on outdated terms?
- **Market Positioning:** Are you shaping buying decisions—or blending into the noise?
- **Organizational Readiness:** Are you structured to lead the market—or to chase it?

We've developed this diagnostic for CEOs and commercial leaders navigating today's shifting healthcare landscape.

Most companies think they're ready.
Most aren't.
Find out before your competitors do.

**Only available for a limited time to 2025
State of Life Sciences C-Suite Report readers.**

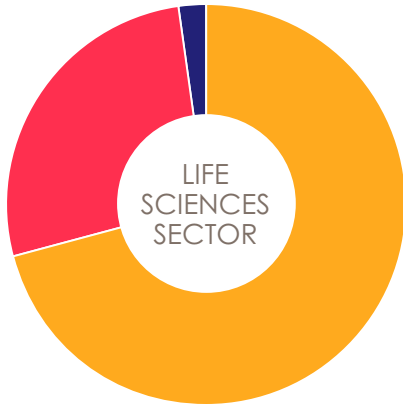
Scan the QR Code to See Where You Really Stand.



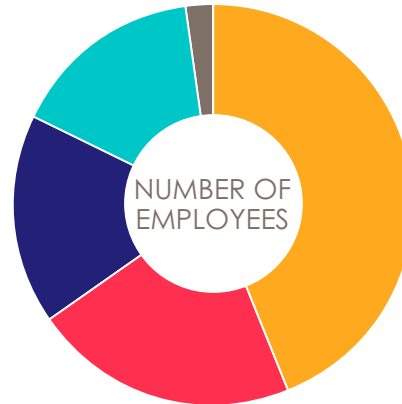
Or visit: <https://bit.ly/3GLVTWx>

Research Methodology

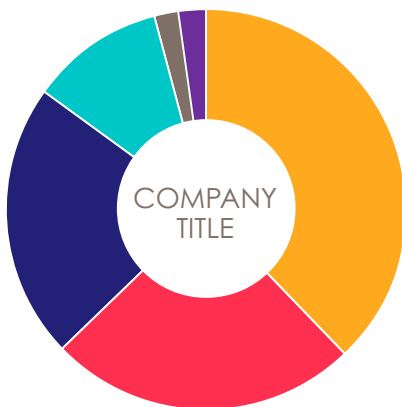
Grey Matter Marketing, Inc. conducted an online survey with C-Suite and top executives across the life sciences industry, largely within the pharmaceuticals, medical devices, and biotech segments. This survey was open from December 2024 to the end of January 2025, with 55 respondents in total completing the survey.



- 71%** Medical Device
- 27%** Pharmaceuticals
- 2%** Biotechnology



- 42%** 500-999
- 25%** 200-499
- 16%** 1,000-4,999
- 15%** 50-199
- 2%** 5,000 +



- 38%** Chief Marketing Officer
- 25%** Chief Financial Officer
- 22%** Chief Executive Officer
- 11%** Business Unit Head/President
- 2%** Chief Commercial Officer
- 2%** Chief Operations Officer

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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.

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