7 Rules for the NEW WAR GAMES

Since war games in the current pharmaceutical environment need to address many more challenges than in the past, PRACTICING COMPETITIVE SIMULATIONS IS A BETTER APPROACH.

Traditionally, businesses have engaged in war games, in which marketing groups or brand teams compete by dividing into groups representing themselves and their competitors to test marketing elements and assumptions. These old model war games were designed for the old model pharmaceutical world. They usually featured two head-to-head competitors; a "battle" of marketing messages and salesforces; and a vendor's standardized, proprietary templates. This model is as outdated as the original board game Battleship.

"It's time for war games to undergo an extreme makeover, starting with their name," says Stan Bernard, M.D., MBA, president of Bernard Associates.

Marketers are currently confronted with multiple types and numbers of competitors, from new therapeutic class agents to generics to me-too products; more influential and diverse stakeholders; and complicated pricing, reimbursements, laws, and regulations. Concurrently, they also have a variety of new opportunities, including new products, customers, markets, channels, and technologies. Since war games in the current environment are much more complex and need to address many more challenges than in the past, practicing competitive simulations is a better approach.

"Pharmaceutical professionals need to know about and leverage competitive simulations to optimize the commercial success of their products and gain the competitive edge they seek," he says.

SEVEN RULES FOR COMPETITIVE SIMULATION

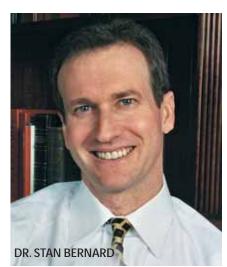**RULE #1** **Competitive simulation is not just another name for war games.**

STAN BERNARD, M.D., MBA, IS PRESIDENT OF BERNARD ASSOCIATES LLC, FAR HILLS, N.J., A PHARMACEUTICAL INDUSTRY MANAGEMENT CONSULTING COMPANY THAT OFFERS COMPETITIVE SIMULATION SERVICES AS WELL AS STRATEGIC, MARKETING, AND COMPETITIVE PLANNING SERVICES. FOR MORE INFORMATION, VISIT BERNARDASSOCIATESLLC.COM.

Competitive simulations differ from war games in their design, realism, objectives, flexibility, productivity, approaches, creativity, enjoyment, players, partners, and most importantly, their results.

By design, competitive simulations seek to replicate the realities that brand marketing groups face.

Competitive simulations address two new realities not addressed in traditional war games: the influence of multiple stakeholders on product adoption and the need to test an integrated marketing plan.

"Both war games and competitive simulations feature traditional pharmaceutical customers: physicians, consumers, and payers," Dr. Bernard says. "But unlike war games, competitive simulations incorporate other relevant stakeholders, such as key opinion leaders, professional societies, guideline developers, regulators, government agencies, the media, patient advocacy groups, politicians, lawyers, industry critics, payers, and others. Today, it is not enough to know how the competition will respond; marketers need to also know how their key stakeholders will respond, since stakeholders yield increasing influence

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Competitive simulations encompass stakeholders and their perspectives in a number of ways, including stakeholder-focused exercises, stakeholder-specific questions, and participants playing stakeholder roles. For each competitive simulation, the type, number, and rel-

ative importance of stakeholders varies depending on the product, market, and other factors.

According to Dr. Bernard, the second reality that competitive simulations address is that product marketing plans are not distinct pieces or activities that can be tested in a vacuum.

"War games usually focus on a single, functional issue, such as product positioning or physician messaging," he says. "In contrast, competitive simulations test the brand team's overall, integrated marketing plan in a virtual environment of competitors, stakeholders, and other market factors."

In a series of exercises over a one- to two-day period, unlike the traditional war game model, a typical competitive simulation will help identify, assess, and pressure test the key elements of a team's marketing plan, including the brand strategy — positioning, messaging, branding, target audiences — and key tactics for customers and prioritized stakeholders.

COMPETITIVE SIMULATIONS HELP TO DELIVER FOUR TYPES OF OUTPUT

1. Understanding market forces and stakeholder influences
2. Developing insights into competitors' plans, approaches, and rationale
3. Testing, validating, and/or refining a company's own strategies and tactics
4. Formulating key insights and follow-up action steps

The key insights and action steps are the most critical of the outputs. These are captured in several ways: immediately following exercises with facilitated discussions and/or written participant feedback; at the end of each day in facilitated discussion; and following the simulation in a brand team debriefing session.

In addition to these four deliverables, competitive simulations usually offer one additional bonus: the wow factor, a surprising and important revelation for the overall brand team. Sometime during the simulation, a participant or a team identifies a dramatic insight that redefines how the brand team can think, act, or go to market differently following the simulation.

COMPARISON OF WAR GAMES AND COMPETITIVE SIMULATIONS

ATTRIBUTES	WAR GAMES	COMPETITIVE SIMULATIONS
Primary Objectives	Testing of individual marketing element (e.g., physician messages)	Testing of integrated marketing plans and key elements
Format	Standardized, turn-key games	Customized, objective-driven solutions
Primary Players/Roles	2-3 competitive teams, one customer role (e.g., physician)	2-4 competitive teams, multiple customer and stakeholder roles
Themes	War/battle, various games	Creative, real-world activities
Roles in Marketing Planning	Limited: usually an independent event	Integrated: kickoff, input, or validation of planning
Advantages	Straightforward approach, standardized templates/tools, simple set-up, numerous vendors	Customized approach, simulation of pharma realities, captivating, engaging exercise, action steps for market planning
Providers	War games vendors and market research firms	Consulting firms, independent consultants

Source: Bernard Associates LLC, Far Hills, N.J. For more information, visit bernardassociatesllc.com.

RULE #2 Break all the rules: Competitive simulations are customized to fit the specific objectives and needs of the brand team, the product, and the market.
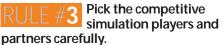
Most war game vendors typically offer a standardized set of two or three war games with preset templates based on their proprietary systems or methodologies.

"In contrast, competitive simulation consultants recognize that each product, market, and team is unique and therefore create a much more customized solution," Dr. Bernard says. "The development of the competitive simulation development process literally should start with a blank sheet of paper, which then is filled in by the pharmaceutical team's stated objectives."

Simulation objectives may include testing or validating current or future market plans or approaches; understanding specific competitors or market factors; assessing the reactions and influences of key stakeholders; generating new marketing ideas; helping to make key strategic or marketing decisions; building enthusiasm for a product launch; team building; and others.

"The next step is to facilitate a discussion with the pharmaceutical team to identify, categorize, and prioritize their key issues, challenges, and opportunities," Dr. Bernard says. "By working with the team, program exercises, templates, and an overall theme can be created that best fits the team's objectives and key issues."

Numerous customization options must be considered, including the number and identification of competitors; the number and roles of participants; the simulation scope, such as geographic markets, time horizon; duration; location; budget; rules; metrics, such as team performance measures, feedback, and so on; and follow up.

RULE #3 Pick the competitive simulation players and partners carefully.

According to Dr. Bernard, two important elements to customize competitive simulations are composing the teams and defining the participants' roles.

"Competitive product teams should represent an extended, crossfunctional, multidisciplinary pharmaceutical brand team," he says.

"It helps for each team to have unconventional thinkers; those with experience with or competing against a competitor; global professionals; and company professionals not currently part of the brand team."

Team leaders should have strong facilitation and organizational skills. Depending on the particular competitive simulation, there may be a variety of other participant roles, such as judges, panelists, constituents, stakeholders, and so on. Participation of senior management in appropriate roles is a critical success factor.

Competitive simulations are typically conducted by consulting firms, independent consultants, and agencies.

"Working with the extended brand team to design, develop, execute, and debrief the simulation, the firm's facilitator plays the most important roles before, during, and after the simulation," Dr. Bernard says. "The facilitator's product category and industry knowledge are critical success factors as are: his or her ability to direct the participants and activities; to ask tough questions and challenge conventional wisdom; to moderate various participant discussions; and to help the participants identify key insights, learnings, and action steps."

RULE #4 Competitive simulations are most productive when all participants are fully engaged and having fun.

Like war games, competitive simulations tap into the competitive spirit by having participants assigned to different product teams. An appropriate level of competition helps to engage and elicit the best from the company's participants.

"But unlike war games, competitive simulations do not use basic war themes, such as battles or other simple themes as the background for the competition; instead planners identify and leverage captivating, creative themes customized for each particular simulation," Dr. Bernard says. "When competitors have fun, they are more creative and productive."

RULE #5 Competitive simulations deliver game-changing results.

According to Dr. Bernard, competitive simulations produce dramatic results because they offer participants two licenses: a "hunting license" and a "creative license." The hunting license enables participants to role-play a competitive brand team and ask: "How would we attack our strategy and tactics if we were a competitor?"

"By encouraging team members to role play the competition, teams have the opportunity and responsibility to find weaknesses in their own company's strategy and tactics in a safe environment," he says. "It provides the same opportunity for the company's own brand team to try novel ways to attack the competition."

Creative license encourages teams to find innovative approaches, novel tactics, and new approaches to beat the competition.

"Competitive simulations use innovative exercises and unconventional templates, which teams can modify as needed, to help the participants think differently and provocatively," he says. "To enhance creative thinking, competitive simulations leverage unique techniques, such as wildcards, unplanned market events or circumstances; blind spots, incorrect market assumptions; and game-changing, innovative, out-of-the-box approaches for winning."

RULE #6 Competitive simulations should be integrated into overall market/competitive planning.

War games are often conducted as one-off exercises with little or no relationship to overall marketing or competitive planning. In contrast, competitive simulations are designed to be an essential component of the planning process.

"Competitive simulations have at least three potential roles in planning," Dr. Bernard says. "They can be used to initiate or kick off a marketing or competitive planning process. In this way, the simulation helps identify key competitive challenges and opportunities to be addressed in the planning process.

Competitive simulations also can be used during a company's competitive planning process as one of several other planning inputs, for example competitive intelligence, competitor analyses, market research, and analyses, etc.

Lastly, competitive simulations can be used at the end of the competitive planning process to pressure-test and/or validate a brand team's competitive plan."

RULE #7 Get in the game and gain a competitive advantage.

According to Dr. Bernard, every brand team should conduct competitive simulations for two primary reasons.

"First, it is essential to optimize the commercialization of the product," he says. "Pharmaceutical companies regularly spend more than $800 million to conduct clinical testing of products; it only makes sense to spend about a hundredth of a percent of that to do commercial testing in the form of a competitive simulation."

Unlike any other form of market research, competitive simulations enable brand teams to test the entire, integrated marketing plan and tactics, much like the testing of the chemical compound in Phase III studies — not just the various ingredients.

"Competitive simulations help managers anticipate, respond to, and produce change in the management of their products and teams," he says.

Second, the competition is likely conducting competitive simulations and gaining competitive advantage if your company is not.

"Most companies do some form of competitive simulations to understand product strategies and tactics to find approaches to win against your company's product and team," Dr. Bernard says. "It is critically important not only to conduct competitive simulations but also to perform them with the newest approaches, cutting-edge techniques, and best partners." ✦

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