



## **Case Study: Customer Segmentation for a Contract Drug Manufacturer**

### **Client**

The Client is a large pharmaceutical company with a European facility for manufacturing IV cytotoxic agents.

### **Objectives**

Our main objectives were to assess the market opportunity for outsourcing the facility's manufacturing capabilities to other drug companies and to expedite the conversion of an internal manufacturing plant to an outsourced facility. Our other objective was to segment the target customer base based upon their need for outsourced manufacturing capacity.

### **Methodology**

Over six weeks, we conducted 25 one-on-one telephone interviews with manufacturing, quality assurance and other executives at large and specialty pharmaceutical and biotechnology companies who are responsible for selecting providers of outsourced manufacturing services for IV cytotoxic agents.

### **Results**

- We determined that outsourcing manufacturing capacity for IV cytotoxic agents is a growing market.
- We identified competitive advantages that provide our client with leverage to grow this new business.
- We segmented the market base into four tiers based upon the type of drug, stage of development and size of the sponsoring drug company.
- We recommended strategies and tactics for developing each customer segment.