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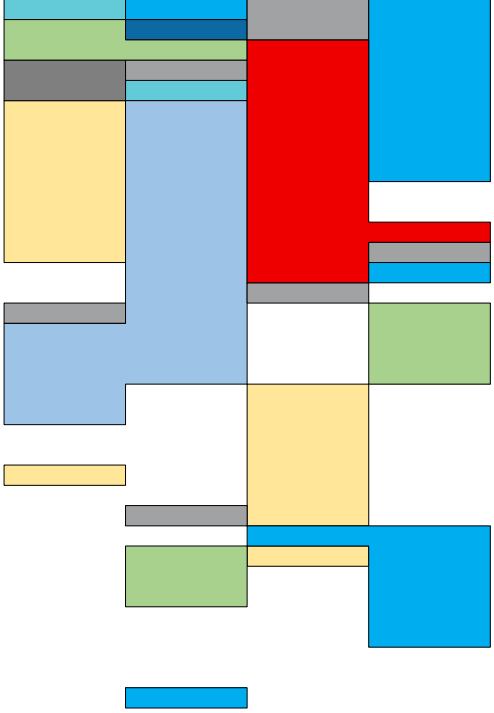

FORECASTING IS DEAD.
OR IS IT?
LONG LIVE THE FORECASTER.

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Why Pharmaceutical Companies need More Forecasting - Not Less

1. INTRODUCTION

For years, pharmaceutical forecasting has operated within a familiar paradigm: build a launch forecast, update quarterly, align with finance, and support Commercial planning. The discipline has been defined largely by **accuracy metrics, spreadsheet models, and periodic updates.**

But the pharmaceutical industry is changing rapidly.

- Launch environments are more uncertain than ever
- Access to massive amounts of granular data
- Market access dynamics are increasingly complex
- Real-world evidence is reshaping value narratives
- AI-driven analytics promise new decision capabilities

As these forces converge, many organizations are beginning to ask a provocative question:

Is traditional forecasting becoming obsolete?

At first glance, it might appear so. Predictive analytics, machine learning, and automated demand models seem poised to replace manual forecasting processes. Some organizations are even experimenting with removing centralized forecasting teams entirely.

Yet this conclusion misunderstands the problem. The real issue is not that forecasting is unnecessary. **The issue is that most companies are still using forecasting in a way that was designed for a very different industry environment.**

Why this change now? Because forecasting is no longer just a quarterly planning artifact — it is increasingly the operating language for how brands sense demand, interpret market signals, and make complex decisions at the lightning-fast speed that the markets now move.

Modernization is therefore less about replacing existing forecast outputs and more about elevating forecasting into a connected, continuously refreshed decision system that reflects real-world drivers (e.g., access, field execution, patient journey friction, and competitive events).

The future of forecasting is not about eliminating the forecaster.

It is about **transforming the role into one of the most strategic decision-support functions in the pharmaceutical enterprise.**

2. THE STRATEGIC EVOLUTION OF FORECASTING

Forecasting has historically been treated as a **planning output**—a number used to support budgeting, supply planning, and revenue expectations.

But in a world defined by uncertainty, the real value of forecasting lies elsewhere. Forecasting should no longer be seen primarily as **a prediction exercise**. It should be viewed as **a strategic decision engine.** This requires a fundamental shift in how organizations think about the role of the forecaster.

THE TRADITIONAL MODEL

Historically, forecasting teams have focused on:

- Launch forecasts
- Revenue projections
- Quarterly updates
- Accuracy tracking
- Alignment with finance and supply chain

These activities remain important. But they largely position forecasting as a **reactive planning function** rather than a **strategic capability.**

THE EMERGING MODEL

In leading organizations, forecasting has evolved into something much more powerful.

The next generation of forecasters will help organizations answer questions such as:

- What strategic decisions matter most for a brand's long-term trajectory?
- Which uncertainties will have the greatest impact on revenue?
- Where should leadership focus scenario planning and risk mitigation?
- How will competitive launches reshape the market landscape?
- What is the expected value of alternative commercial strategies?

These are not forecasting questions in the traditional sense.

They are **strategic questions that require forecasting thinking.**

In this new model, forecasters do not simply produce projections.

They **shape strategic conversations.**

3. WHY FORECASTING MATTERS MORE THAN EVER

Ironically, the need for forecasting is increasing precisely because the environment has become more uncertain.

Several structural changes are driving this shift.

LAUNCH COMPLEXITY IS INCREASING

Modern launches face unprecedented variability:

- Accelerated approvals
- Narrow patient populations
- Complex treatment pathways
- Dynamic payer environments

Small changes in assumptions can produce **massive swings in revenue outcomes.**

Organizations need sophisticated forecasting capabilities to navigate these uncertainties.

MARKET ACCESS IS NOW A CORE DRIVER OF REVENUE

Access dynamics — pricing negotiations, reimbursement restrictions, step edits, and value-based agreements — are now among the most important determinants of product success.

Traditional forecasting models often struggle to represent these dynamics.

Future forecasting capabilities must incorporate **access scenarios, payer behaviors, and contracting structures**

COMPETITIVE LANDSCAPES ARE INCREASINGLY DYNAMIC

The rise of **biologics, gene therapies, and targeted treatments** means that competitive markets are evolving faster than ever.

Forecasting must increasingly focus on **market evolution modeling**, not simply product demand estimation**.**

4. THE REAL PROBLEM: FORECASTING HAS BEEN UNDER-UTILIZED

Despite its importance, forecasting remains **one of the most under-utilized capabilities within pharmaceutical organizations.**

In many companies:

- Forecasts are built but rarely interrogated
- Scenario analyses are performed but rarely drive decisions
- Forecasters are consulted late in the strategy process
- Models are optimized for reporting rather than insight

As a result, organizations often fail to extract the full strategic value from forecasting. The challenge is not **forecast quality.** The challenge is **forecast utilization.**

5. THE FUTURE ROLE OF THE PHARMACEUTICAL FORECASTER

If forecasting is to realize its full potential, the role of the forecaster must evolve. Future forecasters will serve as **strategic translators between data, uncertainty, and decision-making**. Their responsibilities will expand across several dimensions.

STRATEGIC SCENARIO ARCHITECT

Forecasters will design scenario frameworks that help leadership understand the implications of strategic choices.

Examples include:

- Pricing strategies
- Market access negotiations
- Indication expansion strategies
- Competitive entry responses

MARKET DYNAMICS MODELER

Rather than modeling a single product, forecasters will increasingly model **entire therapeutic markets.**

This enables organizations to understand:

- Share shifts
- Treatment pathway changes
- Adoption dynamics
- Patient flow patterns

DECISION IMPACT QUANTIFIER

Forecasters will quantify the **financial impact of strategic decisions**, helping leadership evaluate tradeoffs.

For example:

- What is the revenue impact of accelerated investment in patient identification?
- How much value could earlier market access negotiations create?
- What is the downside risk of delaying a lifecycle strategy?

STRATEGIC RISK ADVISOR

Forecasting teams will help organizations identify and prioritize **key sources of uncertainty.**

This allows leadership to focus on the risks that matter most.

6. THE ROLE OF ADVANCED ANALYTICS

Artificial intelligence and advanced analytics will undoubtedly reshape forecasting. But their role is often misunderstood. AI will not replace forecasters.

Instead, it will **amplify their impact.**

Advanced analytics can improve:

- Demand Signal Detection
- Competitive Intelligence Analysis
- Patient Flow Modeling
- Scenario Generation
- Real-World Evidence Integration

FORECASTING MODERNIZATION: FROM STATIC PROJECTIONS TO DEMAND SENSING

A modern forecast is increasingly built as a causal system rather than a purely descriptive extrapolation. Instead of sizing opportunity only at a national level, organizations are modeling how real-world performance drivers create demand and variability at a subnational level — for example, quantifying the response to field force execution using ML-based causal models, rolling those geographies up to national, and reconciling bottom-up reality with top-down strategic assumptions.

It's like putting the pieces of a jigsaw puzzle together to see the broader picture. Today, the jigsaw pieces sit across different functions and therefore integration is the key. Among the many pieces:

- **Integrated ROI Modeling:** This evolution naturally opens the door to incorporating marketing mix (MMx) thinking into forecasting. When we quantify promotional response and elasticities by segment, channel, and geography, those effects stop living in separate "ROI" workstreams and start becoming first-class drivers inside the forecast — improving not only accuracy, but also decision usefulness.
- **CI and CI Alerts:** Demand sensing is also expanding beyond internal data. Industry and product-level news (e.g., competitor actions, guideline updates, label changes, safety communications, supply disruptions, policy shifts, and pricing moves) can now be ingested, classified, and translated into quantified scenario impacts — turning "news" into forecast intelligence that is measurable and near real-time.
- **Patient and Access Journeys:** In parallel, modern forecasts have become more grounded in patient and payer realities. Payer-level access signals, formulary dynamics, PA/step-edits, and real-world patient journey data can be explicitly modeled so that the forecast reflects what actually happens between intent and therapy start — not just what happens in a consolidated national demand curve.

The enabling factor is a forecasting system that is designed to talk to external data and inputs as they change. Instead of waiting for quarterly refreshes, the model environment can automatically ingest updated claims, access, field activity, and competitive signals, re-run the forecast with guardrails, and publish versioned outputs with traceability.

Scenario modeling has also advanced from “what-if spreadsheets” to goal-oriented planning. Teams can start with a goal in dollars (or share) and reverse-engineer the set of assumptions most likely to get you there — within intelligent constraints that preserve realism, consistency across inputs, and governance.

Over time, this leads to semi-automated and eventually auto-forecasting for different user personas - a system that learns how different roles interact with the model, automatically runs refresh cycles, flags deviations versus prior versions, benchmarks performance, and surfaces the few assumptions that truly changed the outlook.

Importantly, the narrative should emphasize why we are making this change, not merely what is changing. The goal is to increase decision velocity, improve transparency of drivers, and make forecasting a living system of record for Commercial reality — while keeping the forecaster at the center as the accountable interpreter and strategic advisor.

However, these tools still require **strategic interpretation and contextual understanding.**

The forecaster remains essential in translating analytical output into **strategic insight.**

7. WHERE CONSULTING AND ANALYTICS FIRMS CAN HELP

The transformation of forecasting capabilities requires more than new models. It requires new ways of thinking.

Analytics and consulting firms can help pharmaceutical companies evolve forecasting by supporting:

FORECASTING OPERATING MODEL REDESIGN

Organizations must rethink:

- Where Forecasting Sits Within The Organization
- How It Interacts Cross-Functionally With Strategy, Finance, And Commercial Teams
- How forecasting insights influence decision processes

NEXT-GENERATION FORECASTING PLATFORMS

Modern forecasting platforms integrate:

- AI-enabled analytics
- Scenario simulation
- Real-world data
- Automated updates

These capabilities allow forecasting to become a **continuous strategic capability** rather than a periodic reporting exercise.

NEW METRICS FOR FORECAST VALUE

Forecasting performance should not be measured solely by **accuracy.**

Instead, organizations should evaluate:

- Decision impact
- Risk reduction
- Strategic alignment
- Insight generation

8. ORGANIZATIONAL BARRIERS TO FORECASTING TRANSFORMATION

Despite the potential benefits, several barriers often prevent organizations from evolving their forecasting capabilities.

These include:

- Organizational silos
- Legacy planning processes
- Overemphasis on accuracy metrics

Additional themes that leading organizations are layering in include governance and trust: clear model ownership, explainability of drivers, audit trails and versioning, human-in-the-loop reviews, and model risk management so that automation increases confidence rather than creating black-box friction.

Finally, modernization succeeds when it is paired with adoption design — embedding forecasting into cross-functional rituals (e.g., brand, access, sales, finance), aligning on a common set of drivers and definitions, and measuring value by decision impact (e.g., speed, consistency, and risk reduction) in addition to accuracy.

Addressing these barriers requires leadership commitment and a willingness to rethink established processes.

9. WHAT LEADING ORGANIZATIONS ARE STARTING TO DO

Some pharmaceutical companies have already begun to rethink forecasting.

Emerging best practices include:

- Embedding forecasters within strategic brand teams
- Using forecasting models as interactive decision tools
- Integrating real-world data into demand modeling
- Expanding scenario planning capabilities

These organizations recognize that forecasting is not simply a planning requirement.
It is a **strategic asset**

10. THE MOST DANGEROUS IDEA IN PHARMACEUTICAL FORECASTING

Here is the provocative truth:

The biggest mistake pharmaceutical companies could make right now is reducing their investment in forecasting.

In fact, the opposite is true. Organizations should be **doubling down on forecasting capabilities**. Not because forecasting needs to produce more numbers. But because it needs to produce **better strategic insight.**

The future pharmaceutical company will not have fewer forecasters.

It will have **more influential ones.**

Forecasters will help leadership navigate uncertainty, quantify strategic choices, and understand the evolving dynamics of complex therapeutic markets.

In other words: The question is not whether forecasting is still necessary.

The real question is whether pharmaceutical companies are finally ready to use forecasting…

to its full strategic potential.