

Inspire Pharmaceuticals

Harnessing Uncertainty to Drive Project/Portfolio Value



Company Description

Inspire Pharmaceuticals is a biopharmaceutical company that focuses on discovering, developing and commercializing new treatments for diseases in the ophthalmic and respiratory/allergy areas.

Business Situation

In 2006, the company recognized the need to create a formal process to address decision making as it grew and matured following its founding in 1995. Company leaders needed a better way to determine if projects should be advanced or terminated and to develop strategies for moving projects forward. The company also wanted a better way to determine how to compare the value of potential business-development opportunities against the value of internal R&D projects, particularly where there was a lot of uncertainty.

Solution

SmartOrg consultants worked with Inspire to develop and install a value-based management process, supported by Portfolio Navigator[®] software, with the objective to help the company transition from ad hoc decision making. Inspire management and SmartOrg jointly developed “value maps” and analytic templates to identify the key parameters that influence project and portfolio value, including the impact of uncertainty on attaining forecast results. The system enables users to directly interact with the templates via web browsers. Decision makers were able to review the impact on project/portfolio value as they created new projects or updated others. Using the process, the company was able to make a critical decision in weeks that had been stalled for more than a year.

Results

In addition to providing a process for ongoing decision making, there was an immediate benefit. The company had engaged in many discussions about the pros and cons of a licensing opportunity for a product in the early-to-mid stage of development, but struggled with a number of issues that prevented them from reaching a yes/no decision for almost two years. With Portfolio Navigator[®], the company was able to model the uncertainty by explicitly capturing the intellectual property (IP) risk in terms of the impact on dollar value.

Said the VP of Biology, “We came to the realization that even with the IP risks, the project was valuable to us at the time. As a result, the decision makers could accept the risks because the range of uncertainty was now transparent. Portfolio Navigator allowed us to master the impact of uncertainty with a rigor that we did not have before.”

TECHNOLOGIES / SERVICES

Value-based strategy consulting

Portfolio Navigator enterprise software

BENEFITS

Improved speed and quality of decision making

Better dialogue and focus on parameters “that really matter”

Increased understanding of the impact of uncertainties on value

Consistent evaluation of projects at all stages of development

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SmartOrg software and services help companies discover their most profitable opportunities. We provide solutions for the economic evaluation of opportunities, especially when the future is clouded with uncertainty.

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