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# Strategic Orchestration

June | Deepak Veeraraghavan



A DECISION SCIENCE-DRIVEN APPROACH TO ALLOCATING CAPITAL, EVALUATING TRADE-OFFS, AND ALIGNING ON ENTERPRISE VALUE

# Contrasting Portfolio Strategy in Emerging Biopharma and Big Pharma

# The cost of a wrong portfolio bet has never been higher

*Both sides face the same squeeze — which bets to fund, which to cut — with less room for error.*

## Emerging biopharma · a capital crunch

**39%**

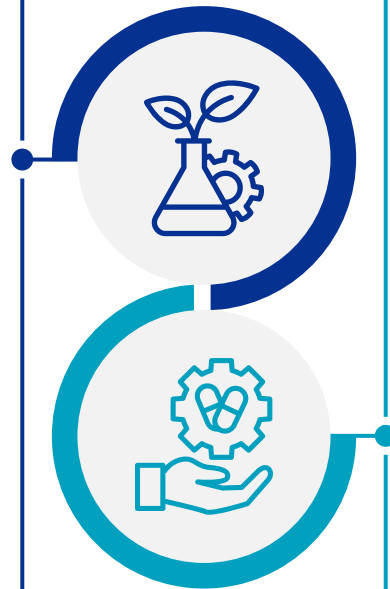
of biotechs had under 12 months of cash in 2024 — a six-year high.

**>50%**

of public biotechs ended 2024 with under two years of runway.

**Decade low**

early-stage financings are tracking to their fewest this decade.



## Big pharma · a record revenue cliff

**\$200B+**

in annual revenue faces loss of exclusivity by 2030.

**~70 blockbusters**

lose exclusivity through 2030 — about 3× the 2016 cliff.

**Up to 80%**

of a brand's revenue can vanish within a year of LOE.

Sources: BioPharma Dive; DeepCeutix; DrugPatentWatch; EY 2025 Biotech Beyond Borders (via BioSpace); Fierce Biotech (2026).

# Biotech and Big Pharma face the same core challenge



## Balance near-term performance with long-term value creation.

Every portfolio decision — what to advance, what to cut, what to buy — is a bet about how to convert today's resources into tomorrow's enterprise value.



Emerging  
biotech



Maximize a limited set of assets while funding growth — every dollar and every month matters.



Big pharma

Manage a complex, diversified portfolio across therapy areas, lifecycles, and geographies — complexity is the enemy.

# Same problem — different shape, different constraint

	 <b>Emerging biotech</b>	 <b>Big pharma</b>
<b>Portfolio shape</b>	2–6 assets, often 1–2 lead programs	40+ programs across therapy areas and lifecycles
<b>Binding constraint</b>	Cash runway and clinical risk	Capital allocation across competing priorities
<b>Time horizon</b>	Next read-out, next financing	LOE cliffs, 10-year enterprise plan
<b>Decision rhythm</b>	Fast, founder-led, often informal	Structured gates, committees, stage reviews
<b>Key stakeholder</b>	Board and public markets	CEO, CFO, therapy area heads, investors

# Despite differences, both fall into the same three traps



1

## Fragmented decision-making

R&D, Commercial, and BD run their own processes, with their own data and their own criteria. Trade-offs get made in hallways, not in governance.



2

## Misaligned incentives

Function- or asset-level incentives reward advancing programs, not killing them. No one is paid to recommend the cut that frees capital for a better bet.



3

## Asset-centric governance

Reviews defend individual programs. Very few forums actually ask: does this mix of bets maximize enterprise value?

***The net effect: governance that prioritizes individual assets over enterprise value.***

# The biotech trap: reactive short-termism

**Illustrative · Mid-stage biotech,  
single lead asset**

**“We'll figure out Phase 3  
when we get there.”**



The lead Ph2 read-out drives every capital, hiring, and BD decision. A promising second asset is under-resourced because "we need to see the data first." When the read-out lands, the company is caught flat-footed — the next 12 months have been built entirely around one binary outcome.



## Common symptoms

Strategy driven by the next read-out or financing milestone

Second and third assets chronically under-resourced

BD evaluated as a Plan B rather than a portfolio tool

Governance is the founding team and the board — no forum between them

Trade-offs happen in reaction to news, not in anticipation of it

# The big pharma trap: slow, siloed complexity

Illustrative · Top-10 pharma,  
four therapy areas

**“Every TA has its own view —  
and they all add up to the plan”**



Each therapy area produces its own long-range plan with its own assumptions and success-rate logic. Consolidation happens at the corporate level by summation, not by enterprise prioritization. The result is a portfolio that looks balanced on paper but under-invests in the two or three bets that would actually move the needle.



## Common symptoms

Stage-gate reviews that advance, but rarely kill

Inconsistent assumptions across TAs and functions

"Peanut-butter" capital allocation across priorities

Commercial and R&D operate on different truths

Decisions take quarters, not weeks — and by then the external world has moved

# What each can learn from the other

## From biotech, big pharma can borrow...

### Focus

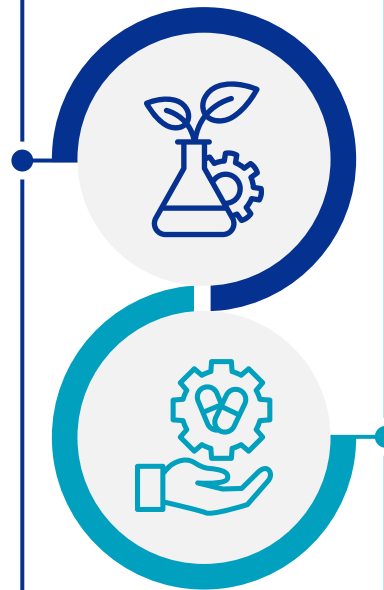
A clear point of view on 2–3 bets that matter most

### Speed

Decisions made in weeks, not quarters

### Conviction

Willingness to say no, redeploy, and move on



## From big pharma, biotech can borrow...

### Rigor

Consistent valuation and risk-adjustment frameworks

### Scale

Disciplined capital allocation across multiple bets

### Governance

Forums built for trade-offs, not status updates

# A Decision Science–driven approach to portfolio strategy



Objective, cross-functional decisions across R&D, Commercial, and Business Development — anchored on enterprise value



## Frame the decision

What are we actually deciding, and what outcomes define success?



## Align on value

One definition of enterprise value across R&D, Commercial, BD



## Generate alternatives

Put real options on the table — not just the default plan.



## Model trade-offs

Probability-weighted scenarios with consistent assumptions



## Choose, commit & govern

Fund explicit bets; re-allocate as evidence changes

*The goal: make the trade-offs explicit, so the decision — not the politics — drives the portfolio.*

# Governance and prioritization — designed for trade-offs

## Governance

### Enterprise Portfolio Forum

A single cross-functional body (R&D, Commercial, BD, Finance) with decision rights — not a review body. Quarterly, with teeth.

## Framework

### Prioritization Matrix

Score every asset on value potential × strategic fit × confidence. Force-rank; don't let every asset end up in "invest."

## Methodology

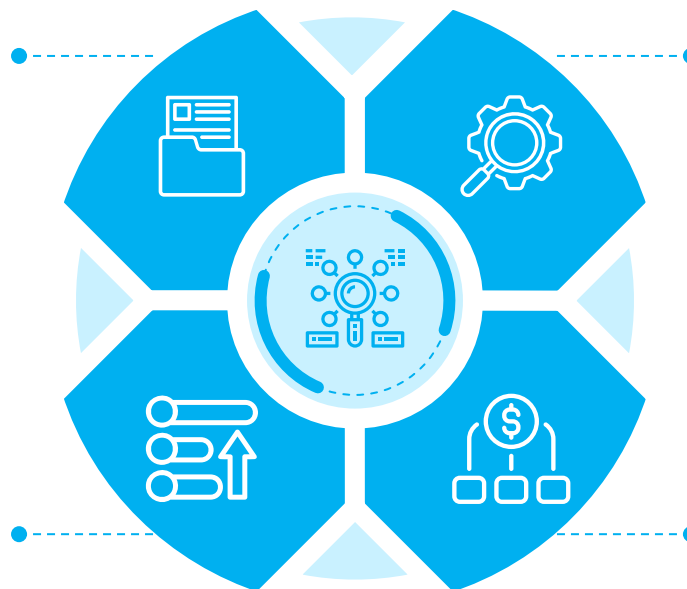
### Common Value Lens

Shared NPV / rNPV model, shared forecast inputs, shared PoS logic. One version of the truth for every asset.

## Operating Model

### Capital Re-allocation Cadence

Pre-committed triggers and review points where capital can be moved between bets — not just added on top.



# The decisions that matter most



*Most portfolio meetings consume time on the wrong questions. Three decisions deserve the vast majority of the oxygen.*

01

**How do we define value?**

Is it rNPV? Is it strategic optionality? Is it shareholder return over 5 years? Without alignment here, every downstream debate is a proxy war.

02

**Where does the next marginal dollar go?**

Not "what's the plan" — what's the next incremental bet, and why is it a better use of capital than every other option?

03

**How do we govern to drive the right outcomes?**

Who decides, with what information, against what criteria, on what cadence — and what happens when we're wrong?

# Structure isn't enough — make it safe to kill



1

## Judge the decision, not the outcome

A sound call under uncertainty can still produce a bad read-out. Judge the decision by what was known when it was made — not by whether you got lucky.



2

## Pre-commit the kill criteria

Set advance / stop thresholds before the data lands, when no one's identity is attached to the answer. The kill becomes a pre-agreed rule, not a defeat.



3

## Pay for the cut, not the launch

Tie incentives to portfolio outcomes — capital freed, value delivered — so someone is finally rewarded for the stop that funds a better bet.

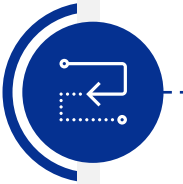
***A good decision and a good outcome aren't the same thing — so reward the decision.***

# What to do Monday morning — regardless of company size



## 01 Audit your traps

Are you biased toward short-termism, or complexity? Name the pathology before you design the fix.



## 02 Align on one value lens

Agree a single definition of enterprise value across R&D, Commercial, and BD — before the next review.



## 03 Design one forum for trade-offs

Stand up (or repurpose) one body with real authority to move capital between bets.



## 04 Force-rank the portfolio

Score every asset on the same criteria. Publish the list. Fund the top bets, protect the options, cut the tail.



## 05 Commit to a re-allocation cadence

Put pre-defined trigger points in the calendar — not just milestones that add, but moments that can subtract.

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THANK YOU!

[bluematterconsulting.com](http://bluematterconsulting.com)

*The companies that win — biotech or big pharma — are the ones that make trade-offs explicit, govern for the enterprise, and have the discipline to re-allocate as evidence changes.*

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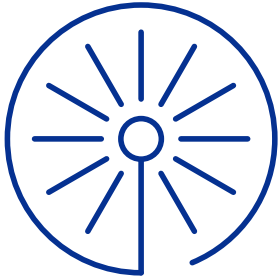
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APPENDIX

# About Blue Matter

Blue Matter helps unlock the full potential of life science innovation through:

## INSIGHTS



Provide clarity  
& confidence

## STRATEGY

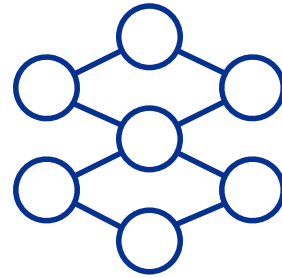


Chart the best path  
to success

## ACTION



Execute  
seamlessly

# CLARITY & CONFIDENCE FOR IMPORTANT DECISIONS



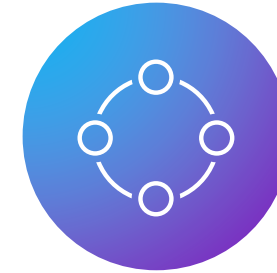
## Primary Market Research

- Market Landscape
- Customer Understanding
- Product Differentiation
- Brand Performance



## Secondary Data Analytics

- Analytical Modeling & Forecasting
- Segmentation & Targeting
- Claims-Based Patient Analytics
- Promotional & Channel Mix Optimization



## Technology & Operations

- Data Management & Warehousing
- Business Intelligence
- Ongoing Operations & Support



# CROSS-FUNCTIONAL STRATEGY SUPPORTED BY DEEP FUNCTIONAL EXPERTISE



## Cross-Functional Strategy

Product Strategy

Portfolio Strategy

Corporate Strategy

Organizational Excellence

Launch



## Functional Expertise & Support

Business Development

Market Access & Policy

Medical Affairs

Learning & Development

Research & Development

Supply Chain



# FROM STRATEGIC PLANS TO REAL-WORLD IMPACT



## Operations

Operational Planning  
Implementation Support  
Change Management

## Communications

Public Relations /  
Investor Communications  
Marketing Communications  
Market Access Communications  
Medical Communications

**ACTION**

