
Editorial

Hidden Diamonds

The majority of papers in this issue of the *International Journal of Medical Marketing* are built around a conference that concentrated on the pharmaceutical sector. The reading of these papers however, brings home the surprising relevance for medical devices, equipment, diagnostics and other sectors in the medical market.

For those readers following a research-led, differentiated product strategy, this work adds elastic to the profit stream. In earlier times and less demanding markets, research-led firms took a sanguine view of the end of a patent. Little additional profit was expected from the genericised or otherwise copied product and both financial and research strategies concentrated on replacing the old product with a new hope, protected by intellectual property rights. This phenomenon, almost a profligacy of intellectual property, could be seen in many sectors of our market. We now live in a different world. The cost of new product development (both research and commercialisation) makes the old approach unsustainable. The demands of shareholders make profligacy indefensible. Hence, many companies have developed sophisticated approaches to stretch the value of their intellectual property, both before and after patent expiration. The lessons that can be learned from those companies can augment the return on intellectual property.

For readers adopting a market following approach (a respectable and proven strategy in itself), this work supports the old military adage of 'know your enemy'. The research companies have tightened

and strengthened their defences, making it harder to follow profitably. No longer is it sufficient to monitor patents, react quickly, produce cheaply and sell well. For market followers, a whole new skill set is required. This involves understanding the complexity and subtlety of the opponents' defences, to find the weaknesses and take commercial advantage. This work provides an insight into where to begin the undermining of an opponent's intellectual property defences.

It is interesting to see how this battle has developed. A form of co-evolution can be observed as research leaders and followers out-maneuvre each other. The result is a more sophisticated marketplace. This evolution has led to a new classification of companies that cross sectors and the leader/follower distinction. There are now those who make full use of intellectual property (as either defender or attacker) and those who do not. Since it seems obvious that this is an undeveloped source of advantage, it is interesting that some companies, in both follower and leader camps, choose not to make full use of it. The answer, as far as I can detect from my extensive research and consultancy in the area, lies in the implicit assumptions that underpin the thinking of senior management teams. Simply put, those companies who have evolved their thinking have evolved their assumptions, recognising that old competencies of research or agility are still necessary, but no longer sufficient. By comparison, those companies who have not evolved in the same way seem to be hostages of implicit and unchanging

assumptions that 'what has worked in the past will work in the future'.

Each of these papers in this special feature is useful. I recommend that you begin by reading Lindsay Bruce's excellent summary editorial piece, which neatly frames and contextualises the individual detailed papers.

In addition to this feature, we are fortunate to have two excellent papers in very different fields. First, Georgiou Labiris and his colleagues have written a fine case study of how changes in the Greek cataract market have influenced the actions of both suppliers and hospitals.

Their analysis is of interest to anyone selling into the secondary care sector. And finally, Zoe Radnor and Bill Lovell's fascinating piece on the application of the Balanced Scorecard in the UK National Health Service. This paper will be of particular interest to those many companies who are attempting to move beyond supplier status and into partnership status with their customers.

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