

### MERCH & COMPANY EVALUATING A DRUG LICENSING OPPORTUNITY

### Introduction

As a leading pharmaceutical company Merck must weigh a crucial strategic choice while evaluating a drug licensing opportunity from LAB Pharmaceuticals Inc. in the case "Merck & Company: Evaluating a Drug Licensing Opportunity." Merck ought to assess both financial and strategic factors related to granting a licensing agreement on LAB Pharmaceuticals Inc.'s new drug development.

# Financial Evaluation

The case focuses its analysis on risk evaluation through expected monetary value computation and decision tree evaluation techniques. Merck must determine if the payments they made to LAB Pharmaceuticals justify earning future revenue from their new pharmaceutical development.

## Lessons

The pharmaceutical licensing decision proved highly intricate for all stakeholders involved. The case reveals strategic approaches that businesses use to manage uncertain conditions while maintaining partnerships and conducting financial project evaluations of fledgling pharmaceutical entities.

### Conclusion

This case of Merck & Company drug licensing demonstrates the absolute necessity of analytical tools together with strategic thinking for making critical corporate decisions. The information demonstrates both strategic and financial aspects of pharmaceutical decision making to students who study and individuals who work in this sector.

### Resource

This case is just a sample partail case solution. Please place the order on the website to order your own originally done case solution.

Resource: Visit <a href="mailto:thecasesolution.com">thecasesolution.com</a> for detailed analysis and more case studies.