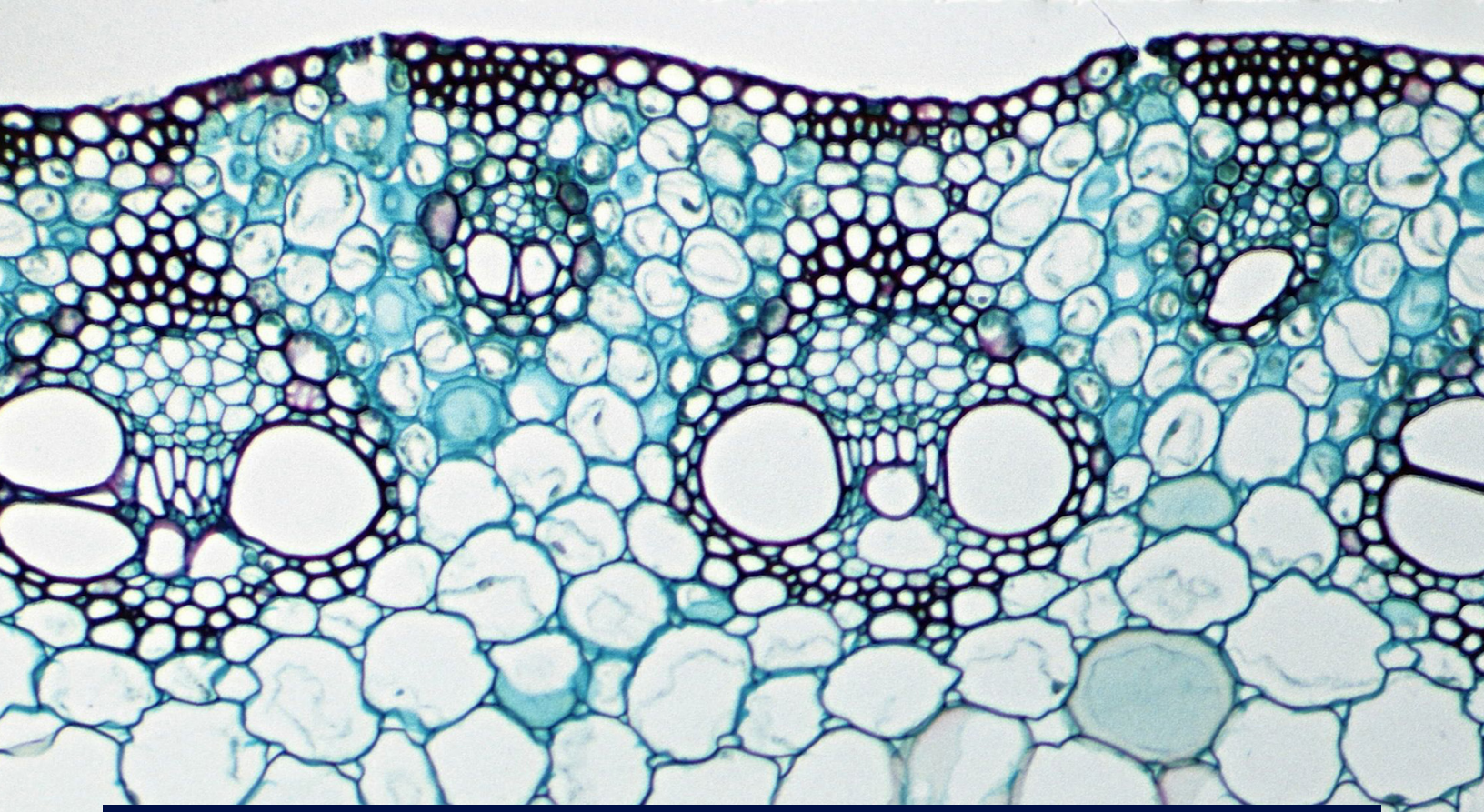


Strategic priorities for the life sciences sector in 2026

MARSH

The US life sciences sector is experiencing profound transition, influenced by shifts in research funding, pricing dynamics, and global pressures.

Simultaneously, rapid technological innovation and evolving policy are reshaping how organizations develop therapies, engage stakeholders, and compete on a global scale.

According to the *Global Risks Report 2026*, experts worldwide view both the short- and long-term global outlook negatively, with 50% of respondents anticipating either a turbulent or stormy outlook over the next two years, deteriorating to 57% of respondents over the next 10 years.

For life sciences specifically, critical challenges include pressure on research and development (R&D) funding, disruptions to clinical trials and supply chains, pricing and reimbursement volatility, and difficulties in talent retention.

In this complex environment, companies should balance long-term strategic planning with short-term operational needs. Below, we explore key disruptions and outline five key priorities for 2026 and beyond.

Known knowns: *The industry's foundations*

Several well-understood trends continue to shape the life sciences landscape, including:

- **Provider financial stability:** The economic health of healthcare providers remains a critical factor influencing reimbursement models and partnership viability. This dynamic can directly affects commercial strategies and market access.
- **Precision medicine advances:** Genomic and personalized therapies are transforming treatment paradigms, requiring organizations to develop new capabilities in research, development, and commercialization.
- **Rising treatment costs:** Escalating prices for innovative therapies are driving demand for value-based care models and cost management strategies, increasingly making drug spending the largest line item in many healthcare budgets.
- **Global market dominance:** While the US remains a dominant market, Europe and Asia are rapidly emerging as critical innovation and investment hubs, driven by robust funding programs like Horizon Europe and strategic regulatory reforms such as the proposed EU Biotech Act.
- **Emerging global hubs:** China is rapidly emerging as a biotech and molecule-licensing hub, signaling a shift in global innovation and competitive dynamics that US organizations should monitor closely. Industry leaders should also view Europe not just as a market but as a strategic partner in global R&D and commercialization, with established life science clusters in countries such as Denmark, Germany, UK, France, Netherlands, Switzerland, emphasizing a broader role in global innovation systems.

These factors are embedded in current strategic planning but also set the stage for emerging challenges.

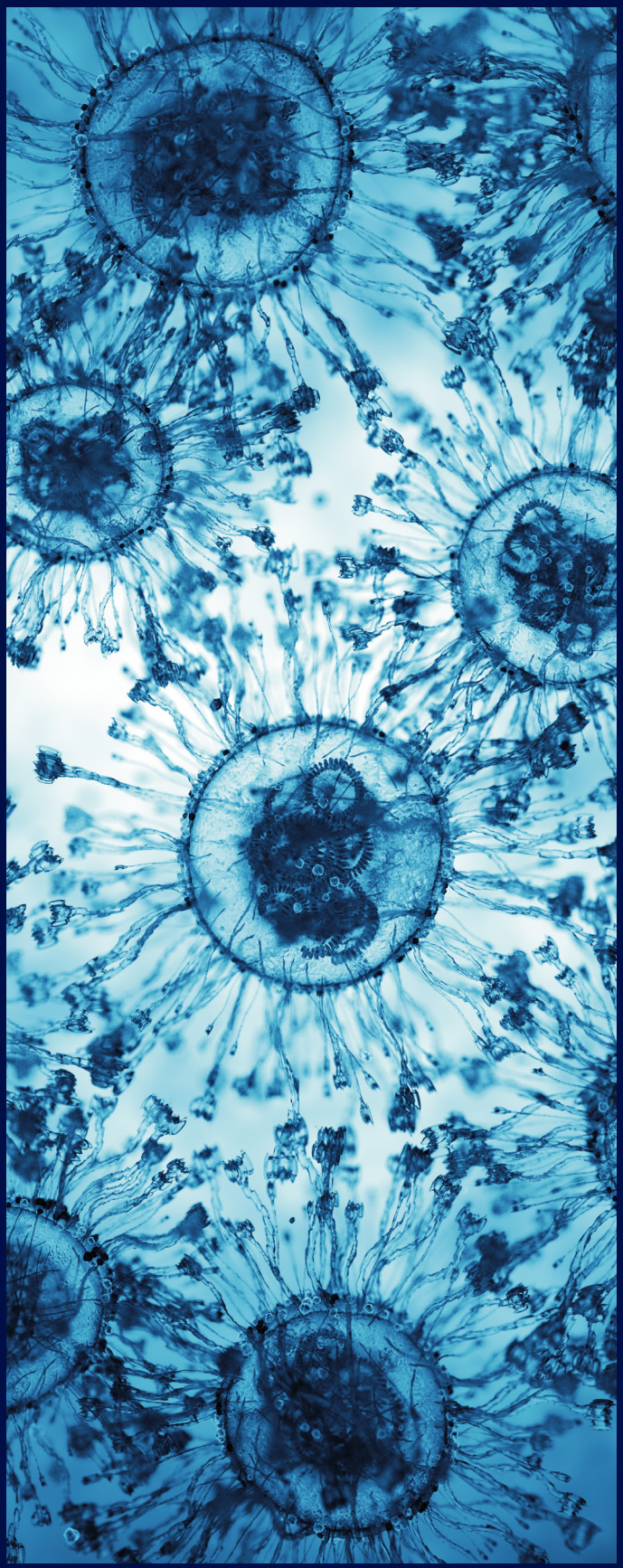
Known unknowns: *Primary drivers of disruption*

Several areas present significant uncertainty and potential disruption, requiring agility and proactive management, including:

- **Innovation and research and development continuity:**
  - Uncertainty around NIH and government research funding levels is impacting biotech pipelines and research and development resilience.
  - AI is moving beyond pilot projects to enterprise-scale integration, accelerating drug discovery, clinical trials, and commercialization processes.
  - Partnerships with technology providers are becoming more important as companies embed AI across operations, rethinking workforce structures and investment priorities.

- **Market access and pricing:**
  - Drug price equalization efforts, challenges faced by pharmacy benefit managers (PBMs), and evolving distribution models — including direct-to-consumer and employer negotiations — are reshaping commercial dynamics.
  - Pricing pressures from the Inflation Reduction Act and other policies add complexity to revenue forecasting and strategic planning.
  - Most favored nation (MFN) pricing policy
    a. **Short to mid-term:** Expect heightened pricing pressure, revenue uncertainty, and increased operational complexity. MFN pricing can reduce cash flows, tighten negotiations with payers, and necessitate strategic adaptation.
    b. **Long term:** There's a risk of reduced innovation, especially in high-cost therapeutic areas, unless companies adjust global pricing strategies and find new sources of value capture (including value-based pricing, broader international premiums).

- **Supply chain and manufacturing:**
  - Global supply chains remain volatile due to geopolitical tensions, raw material shortages, and logistics challenges.
  - Several leading pharmaceutical companies are investing heavily in US-based manufacturing as part of reshoring and supply-chain de-risking strategies.



Unknown unknowns: *Building adaptive resilience*

Unpredictable events — such as sudden geopolitical crises, breakthrough scientific discoveries, or disruptive new market entrants — could profoundly impact the sector. While inherently uncertain, organizations can build resilience by fostering adaptive cultures, flexible operating models, and simplified organizational structures that enable rapid response to unforeseen challenges.

Five strategic priorities for 2026: *Simplify, enhance, accelerate*

To navigate today's complex challenges, the following five strategic priorities rise to the fore. This approach is guided by three key principles: simplifying complexity by making your processes clearer and more straightforward, enhancing your resources by aligning operations, talent, and technology for peak efficiency, and accelerating innovation and responsiveness by embracing agile strategies and new technologies. With these principles in mind, here's what your organization should consider:

1. The policy environment

Strengthening risk and regulatory frameworks is foundational for life sciences organizations to effectively navigate an increasingly complex and dynamic policy environment. By enhancing these frameworks, you can better anticipate and adapt to policy shifts such as changes in drug pricing regulations, reimbursement models, and international trade policies that impact supply chains.

Robust scenario planning also allows you to model potential regulatory outcomes and market conditions, enabling proactive mitigation strategies that reduce exposure to compliance risks and operational disruptions.

This foresight helps maintain uninterrupted market access and protects revenue streams by ensuring adherence to evolving standards.

To navigate complex yet innovation-friendly regulatory reforms in overseas markets, particularly within the EU and UK, scenario planning and horizon scanning can help anticipate changes, engage targeted stakeholders to align expectations, and develop robust contingency and compliance strategies to ensure adaptability and sustained regulatory alignment.

Additionally, a strong policy framework supports transparent communication with regulators and stakeholders, fostering trust and facilitating smoother approvals and negotiations. For example, Europe's evolving regulatory environment, including the recently announced EU Pharmaceutical Package, presents both compliance challenges and opportunities for accelerated innovation. This underscores the need for adaptive, region-tailored strategies.

2. Operational resilience

Operational resilience can be critical to sustaining business continuity amid disruptions such as pandemics, geopolitical tensions, or supply chain disruptions. Simplifying internal processes can reduce complexity and eliminate inefficiencies, allowing teams to respond faster and with greater clarity. Accelerating research and clinical development through streamlined protocols and digital trial management can also shorten time-to-market for new therapies.

Enhancing supply chain transparency — using real-time data and analytics — can be another key priority for building operational resilience, to enable early detection of risks and rapid adjustments to sourcing or logistics. Leveraging digital tools such as AI-driven demand forecasting, automation, and cloud-based collaboration platforms further boosts agility. Flexible manufacturing models, including modular and decentralized production, can enable you to scale or pivot quickly in response to demand fluctuations or disruptions, ensuring continuity and resilience.

3. Commercial and technology transformation

Integrating AI and digital technologies into commercial and regulatory functions has already transformed how life sciences companies engage with customers and navigate complex regulatory landscapes. AI-powered analytics enable personalized marketing, predictive sales insights, and optimized pricing strategies, enhancing competitiveness. Hybrid engagement models — combining virtual and in-person interactions — can expand market reach and improve customer experience by meeting stakeholders where they are.

Digital platforms facilitate seamless communication with healthcare providers, payers, and patients, fostering stronger relationships and faster feedback loops. Streamlining regulatory navigation through digital submission portals, automated compliance checks, and real-time tracking can accelerate product approvals and launches. Together, these technologies can enable organizations to be more responsive, data-driven, and customer-centric, driving growth and innovation.

4. Talent strategy

Talent is a key driver of transformation and innovation in life sciences. According to a 2025 study by CBRE, US life sciences employment reached a record 2.1 million in March 2025 before falling significantly in April, highlighting the fragility of growth in 2025.

Expanding the talent supply involves building diverse pipelines that tap into underrepresented groups, emerging markets, and cross-disciplinary expertise, as well as enabling global mobility to access critical skills worldwide.

Europe, in particular, faces acute talent shortages in core life sciences areas such as translational research, clinical bioinformatics, and biomanufacturing, compounded by rapidly evolving skill demands at the intersection of biology and AI. Initiatives like Choose Europe for Science play a pivotal role in attracting and retaining mobile global research talent by promoting cross-border mobility and collaboration. These European dynamics influence the US talent landscape by intensifying competition for skilled professionals while also opening avenues for partnerships and knowledge exchange.

Work design, or the process of deconstructing jobs, redeploying tasks to the optimal mix of talent and tech, and creating new ways of working, can be essential to creating harmony between new technology and talent. Redesigning cost structures to focus on return on investment ensures that talent investments align with strategic priorities and deliver measurable impact. Additionally, continuous learning and development programs equip employees with the skills needed for evolving technologies and business models. A comprehensive talent strategy can support sustained innovation, operational excellence, and competitive advantage.

5. Cultural alignment and employee well-being

A strong organizational culture aligned with strategic goals is essential for sustaining performance through change. Fostering a culture of trust, resilience, and inclusivity creates an environment where employees feel valued, empowered, and motivated to contribute their best. Prioritizing employee well-being — through mental health support, flexible work arrangements, and work-life balance initiatives — can reduce burnout and enhance engagement.

Aligning incentives and recognition programs with strategic objectives can help reward behaviors and outcomes that drive success. Embedding these cultural elements into structural and operational changes helps organizations navigate transformation smoothly, retain top talent, and build a workforce capable of adapting to future challenges.

It is equally important to implement localized cultural strategies and well-being initiatives that reflect the diverse expectations of global workforces. Tailoring employee reward programs and cultural alignment efforts to these local contexts enhances retention and engagement, ensuring that organizations remain attractive employers within critical regions.

Preparing for the future

The life sciences sector's future will be shaped by a dynamic interplay of existing trends, emerging uncertainties, and unforeseen events.

Marsh's combined capabilities across talent and workforce strategy, supply chain, and risk management uniquely position us to help life sciences organizations interpret these shifts, assess potential impacts, and take informed action. Our data-driven approach provides clear, practical guidance to simplify complexity, enhance processes, and accelerate innovation — empowering your organization to navigate disruption and deliver lasting value in 2026 and beyond.

To learn more about Marsh's capabilities across life sciences, speak with a Marsh representative.