

Team Case Analysis: Novo Nordisk A/S

Jen Hancock, Joseph Mandeville, Marissa Hardimon, and Renee Little

University of Cincinnati Blue Ash College

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Dr. Michele D. Kegley

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Introduction

Novo Nordisk A/S, hereinafter referred to as “Novo Nordisk,” or simply, “Novo,” is a global healthcare and pharmaceutical company with headquarters outside of Copenhagen, Denmark (*Our Heritage*, 2023). The company formed with the intent of focusing on diabetes, which has led Novo Nordisk to help with secondary diseases related to diabetes like heart conditions and weight management. Novo’s purpose is to defeat chronic disease with essential medicine and to create a cure for these diseases. Novo is continuing to pave the way for the future, and to find a cure for diabetes. According to their website, Novo serves 170 countries and has sixteen production sites and ten research and development centers; they are the largest in the world for what they do (*Who We Are*, 2024).

Novo’s history started in 1923 when it began to produce insulin (*Our Heritage*, 2023). This revolutionized treatment for diabetes because it turned diabetes into a controlled disease instead of one that was unmanageable (*Our Heritage*, 2023). Novo also developed long-acting insulin in 1946 which would help people manage their diabetes more effectively while taking less shots and was the first to develop insulin pens in 1985 (Rex et al., 2012). Novo also made a huge discovery in 1987 which was, “the first human insulin products manufactured using genetically engineered yeast cells” (*Our Heritage*, 2023). Additionally, Novo Nordisk is the only company with Food and Drug Administration (FDA)-approved prescription-only semaglutide medicines that treat diabetes under the Ozempic and Rybelsus brands, and obesity under the Wegovy brand. Novo is also growing rapidly and expanding its production capacity. “The Danish pharmaceutical giant said it will establish a production facility in Odense designed to accommodate multiple product types within the rare disease area, such as haemophilia” (Chopping, 2024).

Background/Problem Identification

With weight-loss injections becoming the new fad for dieting and losing weight, it comes with controversy. The two key issues that need addressing are cost and side effects. The weight-loss drugs mentioned in the previous section can be very costly, costing an average of one-thousand dollars USD per month without insurance. The underlying issue with this is that insurance companies will not cover these drugs because physicians prescribe them off-label. Additionally, these drugs are much cheaper in other countries, which helps fuel this controversy (Teng, 2024). The markup of these drugs makes them difficult to use for an extended period of time on a working-class budget. “Only about half of large employers cover anti-obesity medications, and coverage is even spottier among smaller employers. Without coverage, patients have to sometimes pay full list price, limiting uptake” (Wainer, 2025a).

The second controversy involving Novo is the listing of the side effects of their medication and ensuring that recipients of these drugs have proper information on these effects. Pharmaceutical companies often disregard the labeling and advertising of these side effects with the hope that they do not deter sales. Side effects of these drugs cannot only be mild, but have even led to serious adverse reactions such as cancer and stomach paralysis (Goodman, 2023). On their website, Novo states that they, “cannot provide information,” about their prescription medicine and that, “users must find another route for information” (*Who We Are*, 2024). Should the company who manufactures a product not be able to give detailed information about said product? It has also been found that, “those who lose weight on Ozempic often find it has left them with sagging skin-a common side effect that is driving a boom in cosmetic surgery” (Dizik, 2025). Clients are left with a potential surgery that will cost them even more money, which is also not covered by insurance.

Novo Nordisk strives to conduct its activities in a, “financially-, environmentally-, and socially-responsible way” (*Corporate Governance*, 2024). This is known as the, “Novo Nordisk Way.” Novo also holds shareholder meetings to help keep itself in check and has a board of directors that supervises the performance and direction of the company (*Corporate Governance*, 2024). Novo has strived to have open communication, pave the way in the pharmaceutical world, and be economically-responsible as much as they can as a huge conglomerate company.

Literature Review

Novo Nordisk vaults market capitalization in the past year against LVMH Moët Hennessy Louis Vuitton SE, which makes it the most valuable company in Europe (Wall Street Journal Staff, 2025). The company’s stock price recovered ground and closed in Europe down 20.7%, a loss of \$94.5 billion in market capitalization. The drugs for weight-loss are estimated to generate peak annual sales of more than \$150 billion (Wall Street Journal Staff, 2025). Novo Nordisk received FDA approval as a kidney-disease treatment, but the weight-loss drugs are feared worldwide for the serious cause they may have to the digestive system (Seal, 2025). This includes stomach paralysis, pancreatitis, and bowel obstructions.

With so many people taking these drugs, there could be thousands of cases with serious issues, leading to an increase of medical emergencies. Novo stands behind the safety and efficacy of all its medications when used consistently with the product labeling and approved indications (Teng, 2024). Additionally, Novo has a leading market position amongst its competitors (Bindzus, 2023). Its growing rate has increased significantly, especially since the FDA has approved Ozempic for diabetes treatment, along with the European Medicine Agency, which was a drug demand that assists with diabetes and weight loss (Bindzus, 2023).

SWOT Analysis

Strengths

Novo Nordisk is the biggest diabetes company in the world, with products that range from insulin to oral anti-diabetes drugs and devices. The company has a strong pipeline of new products including GLP-1 receptor agonists, SGLT2 inhibitors, and biosimilars that can influence its growth in the future (Bindzus, 2023). Novo also has a very efficient and experienced workforce, specializing in diabetes treatment and biopharmaceuticals. The company has expanded its presence to more than ninety countries, which allows for a large and diverse customer base. Novo derives its sales from diabetes products, biopharmaceuticals, and other healthcare-related products.

Weaknesses

Novo Nordisk's business model is based on the company's ability to innovate and market new diabetes treatments, and reputation is a critical asset that can affect the ability to attract and retain employees and customers. As a global pharmaceutical company, Novo participates in strict regulatory requirements and has a risk of reputation damage for non-compliance with these regulatory standards. The company's research and development expenses are also exorbitant and may adversely affect its results. It is also a new revelation that, "for Novo, whose blockbuster drugs Ozempic and Wegovy could face Medicare pricing caps by 2027, the pipeline outlook is murkier. Its stock has dropped 30% over the past six months amid concerns over its next wave of innovation" (Wainer, 2025b).

Opportunities

Diabetes is a chronic disease that is continuing to rise, and the diabetes market is still growing (Bindzus, 2023). Therefore, Novo Nordisk has the chance to develop its business in emerging markets like Asia and Latin America. The company has the financial and research backing to pursue strategic partnerships and acquisitions of other companies that will diversify its products and markets. This is an area of growing importance for Novo as it focuses on the development of new biological products that can treat diseases.

Threats

Novo is negotiating with the FDA to take its weight-loss drugs off of the shortage list, which would help reduce the number of compounded versions produced (Chopping & Loftus, 2025). Additionally, there are challenges to the intellectual property of Novo Nordisk because of generic manufacturers (Whyte, 2024). Novo is likely to face challenges in market access for its products in various places, which may affect sales and profitability. The company may also face threats in terms of pricing from governments and obtaining reimbursement for its products (Bindzus, 2023). Strides are being taken which will inevitably force Novo Nordisk to try to make the product cheaper. “Both Wegovy and Ozempic are still on the U.S. Food and Drug Administration’s drug-shortage list. This has allowed compounding pharmacies to make their own versions of the drugs, which amount to lower-cost competition for the original brands” (Chopping & Loftus, 2025).

Recommendations

Ensuring pricing and availability of medications in the field of pharmaceuticals remains an issue, particularly in less-developed markets. Government initiatives such as the Inflation Reduction Act in the U.S. aim to reduce pharmaceutical costs. Maintaining profitability poses a

challenge (Harbour, 2024). I recommend that Novo Nordisk consider collaborating with governments and healthcare providers in emerging nations to tackle urgent issues faced in these areas. “Shares were 4.1% lower in afternoon European trade as investors also digested news that semaglutide will be subject to U.S. government price negotiations that aim to lower the price that Medicare pays for certain drugs” (Chopping, 2025). This would allow for a cheaper and more reasonable drug price.

With next-generation medications under research, Novo has a sizable pipeline. The question is whether any of them can challenge Eli Lilly's growing market dominance, considering Zepbound's stronger weight reduction capabilities over Wegovy (Loftus, 2025). Novartis can have an influence on enhancing healthcare results through its knowledge and established position in the field. This could result in a boost in brand reputation and the development of distribution channels that promote brand loyalty over time.

It is important that Novo Nordisk, together with patients, healthcare providers, investors, and the public, have an open communication with consumers. This can include sharing information about their own research, product development, and corporate social responsibility initiatives in order to ensure transparency and build trust with various stakeholders. Also, considering the potential impact of generic competitors on Novo Nordisk's market, it is essential to acknowledge the possibility that their entry could compromise Novo's market share and profitability.

The introduction of generic competitors that manufacture Novo Nordisk's key products may reduce its market share and profitability. The FDA continues to identify Wegovy and Ozempic as drugs in scarcity. As a result, compounding pharmacies are now able to produce their own copies of the medications, thereby providing the original brands with lower-priced

competition (Chopping & Loftus, 2025). This development necessitates a thorough analysis of Novo's overall market strategy and competitiveness, ensuring Novo Nordisk maintains a strong presence in the sector.

Conclusion

In conclusion, Novo Nordisk has solidified itself as a dominant force within the global pharmaceutical market and as a global leader in healthcare. The company has made innovative strides in the development of life-saving medicine, revolutionizing diabetes care with groundbreaking treatments like long-lasting insulin and insulin pens. Recent advancements in obesity medications from Novo also highlight its leadership in the healthcare industry.

However, Novo Nordisk is not without its challenges within the pharmaceutical sector. Rising concerns surrounding the excessive cost and side effects of its weight-loss medicines have generated significant controversy for Novo. A noticeable lack of transparency about these side effects and Novo's stance on not providing detailed information to recipients of its weight-loss drugs contributes to a distorted public image. Furthermore, the company's reliance on innovation and the entrance of generic manufacturers of similar weight-loss drugs produced by Novo poses risks that could impact its market share and profitability. Challenges in market access for Novo's products in various regions also affect sales and profitability.

Despite these issues, Novo Nordisk has opportunities for growth. Emerging markets and strategic partnerships represent chances for Novo to diversify and to further develop its business. The global prevalence of diabetes highlights a growing need for Novo's products.

For Novo Nordisk to maintain its dominance in the industry, it must address the key issues presented in this paper directly. Collaboration with governments and healthcare providers

to help ensure fair pricing and availability of Novo's weight-loss drugs in underserved markets is critical. Additionally, creating transparency in communication with patients will allow Novo to rebuild trust and protect its reputation. Novo must also balance profitability with ethical practices to secure its success in the global pharmaceutical market. Novo's commitment to its mission of defeating chronic diseases is integral to its continued success.

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