

Six Months Late: How a Launch Delay Can Consume an Entire Development Budget

A transparent model of how launch delays compound development spending, deferred revenue, and customer-base loss.

\$14.79M 99%

Modeled Year +5 gap

after a six-month delay

of original budget

A product team can spend years and millions of dollars building something promising, only to discover that one preventable decision has pushed launch six months into the future. The financial loss is not limited to six more months of payroll. In the illustrative model developed here, a six-month delay produces a \$14.79 million gap by Year +5 - nearly the full value of the original \$15 million product-development and commercialization budget.

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THE DECISION

The feature nobody asked for

At the design review, the question sounds almost harmless. The platform can already generate one result, but the team sees an opportunity to add another feature while the system is being built. It is technically interesting. It may look impressive in a demonstration. Someone argues that it will be harder to add later, so this is the moment to include it.

There is only one problem: the feature is not tied to an approved product requirement, a defined customer need, an intended-use claim, or evidence that it will improve adoption. The customer has not asked for it. The commercial plan does not depend on it. The core product does not need it to deliver its value.

Without the right product, regulatory, quality, and commercialization expertise in the room, the decision is evaluated as an engineering opportunity rather than a program-level commitment. The added work appears manageable. The team approves it.

Then the dependencies surface. Formal product requirements must be rewritten. Interfaces change. Safety risks have to be reconsidered. More testing is needed to prove that the revised design works as intended. The user workflow changes enough to require new studies of whether intended users can operate the system safely and correctly. Manufacturing needs a new test method. Documentation must reconnect every requirement to the evidence supporting it. Tasks that were supposed to run in parallel become sequential, and work believed to be complete must be reopened.

**Six months later, the product is not meaningfully better.
It is simply later.**

ABOUT THIS MODEL

This is an illustrative market-adoption model, not a description of any actual company, product, or development program; any similarities to real-world circumstances are entirely coincidental. The analysis is based solely on the stated assumptions and the references used to establish the model basis.

THE PARALLEL FAILURE

A different path to the same delay

The same loss can begin without a new feature. A clinical or analytical validation study may be designed before the product's formal intended use, the patient population, the specimen strategy, the comparison method, the definition of success, or the regulatory pathway has been settled. The study can be executed competently and still fail to answer the question the regulator will need the submission to answer.

The problem may not appear until the data are generated and the submission is being assembled. A missing population has to be enrolled. New work is needed to show that results from an earlier design still apply to the final product. A manufacturing change makes the material used in validation meaningfully different from what the company plans to sell. A quality review finds that the method used to approve critical production lots was never adequately shown to be reliable.

None of these failures requires bad science or a careless team. They require only that specialized knowledge arrived after a consequential decision had already become expensive.

Research on medical technology has also shown that regulatory uncertainty and delay can impose material development costs. Stern estimated that an added delay associated with a regulatory change was equivalent to roughly 7% of the cost of bringing a high-risk device to market in the study context. [4] The number is not a universal benchmark. The mechanism is the important part: time consumes capital even before lost market opportunity is considered.

THE QUESTION

What does six months actually cost?

A delay is often presented as a schedule change. The launch date moves, the plan is rebaselined, and the visible budget increases by the amount required to keep the team operating. That captures the easiest cost to count, but it misses the larger economic event.

Every delayed month can combine continued program spending with deferred revenue, missed customer learning, lost placement opportunities, weaker competitive position, and reduced strategic flexibility. Drug-development research has quantified both the direct daily expense of running trials and the much larger sales value that can be placed at risk by delay. [3] Medical-device research has likewise shown that development programs can require substantial capital, with broad uncertainty around the estimate. [5] These published findings, together with the stated assumptions, were used to build the composite delay-cost model presented here.

BASE-CASE ASSUMPTIONS

ORIGINAL PROGRAM \$15.0M over 36 months	EXTENDED PROGRAM COST \$0.4167M per delayed month
MEASUREMENT WINDOW 60 months from planned launch	REVENUE RAMP \$5.0M, \$8.0M, \$11.6M, \$15.66M, \$19.575M
YEAR-OVER-YEAR GROWTH 60%, 45%, 35%, 25%	ANNUAL CUSTOMER-BASE LOSS RATE 10% per year, prorated linearly by delay month

The growth sequence is the vetted sequence developed for this model. It was calibrated against the shape and duration of post-launch uptake reported by Tendler and colleagues across 391 U.S. pharmaceutical launches, including a median time to peak of approximately six years and substantial variation in early growth. [6] Their dataset expressly excludes diagnostics and medical devices. The source therefore disciplines the shape of the illustrative ramp; it does not validate these exact annual rates for every Swerve client, product, or market.

THE RESULTS

First three months. Then six. Then twelve.

The figures build the comparison progressively. 'Cumulative modeled cash' means revenue realized inside the five-year window less the original and incremental program cost. It is not a full profit-and-loss statement, net-present-value calculation, valuation, or company forecast.

HOW TO READ THE FIGURES Each pair first shows the cumulative trajectories, then decomposes the Year +5 difference into the delay itself, added development cost, and modeled customer-base loss.

The central result is visible before any customer-base-loss reduction is applied. With that term set to zero, the six-month gap is still \$12.29M and the twelve-month gap is \$24.58M.

3-MONTH DELAY

\$7.52M

50% of original budget

6-MONTH DELAY

\$14.79M

99% of original budget

12-MONTH DELAY

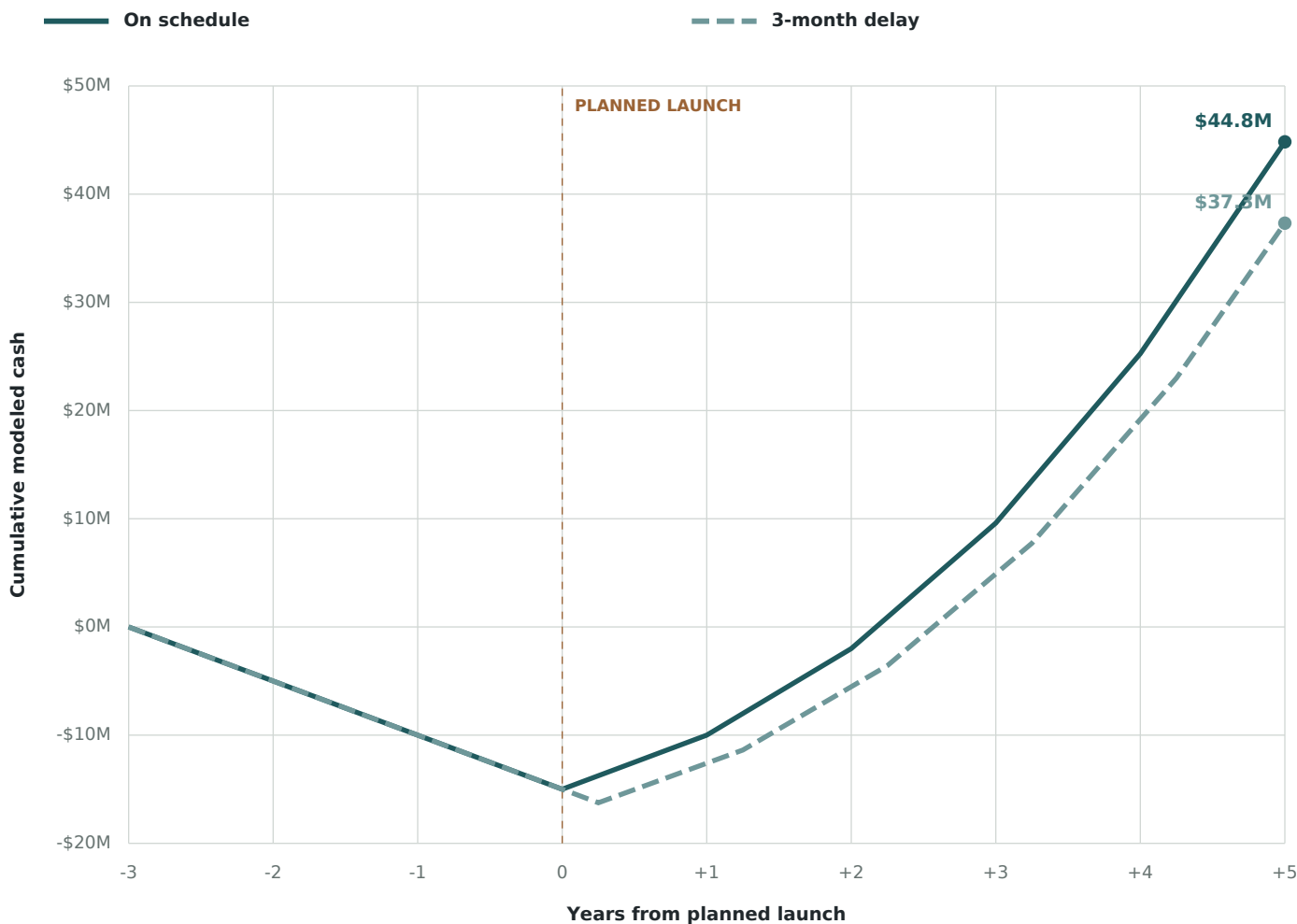
\$28.60M

191% of original budget

FIGURE 1 | PROGRESSIVE DELAY COMPARISON

A three-month slip leaves a \$7.5M value gap

On schedule versus a 3-month delay; cumulative modeled cash through Year +5.



On schedule

\$44.84M at Year +5

3-month delay

\$37.32M at Year +5

\$7.52M gap

Method note: The 60%, 45%, 35%, and 25% Year 2-Year 5 sequence is a calibrated assumption, not a study-reported trajectory. Source: Swerve LaunchGap model, Version 1.1; commercial-ramp shape informed by Tendler et al. (2026), n=391.

FIGURE 2 | YEAR +5 COMPONENT TABLE

Where the three-month gap comes from

The difference separates time shifted outside the window, extended program spending, and modeled customer-base loss.

SCENARIO	REVENUE SHIFTED BEYOND YEAR +5	ADDED DEVELOPMENT COST	CUSTOMER-BASE LOSS FROM DELAY 10% annual rate / prorated	TOTAL YEAR +5 VALUE GAP	YEAR +5 CUMULATIVE MODELED CASH
On schedule	\$0.00M	\$0.00M	\$0.00M 0.0% effective	\$0.00M	\$44.84M
3-month delay	\$4.89M	\$1.25M	\$1.37M 2.5% effective	\$7.52M	\$37.32M

01 THE DELAY ITSELF

Revenue that would have been realized by Year +5 but moves outside the fixed 60-month window.

02 EXTENDED DEVELOPMENT

Incremental program spending at \$5.0M per year while launch is deferred.

03 CUSTOMER-BASE LOSS

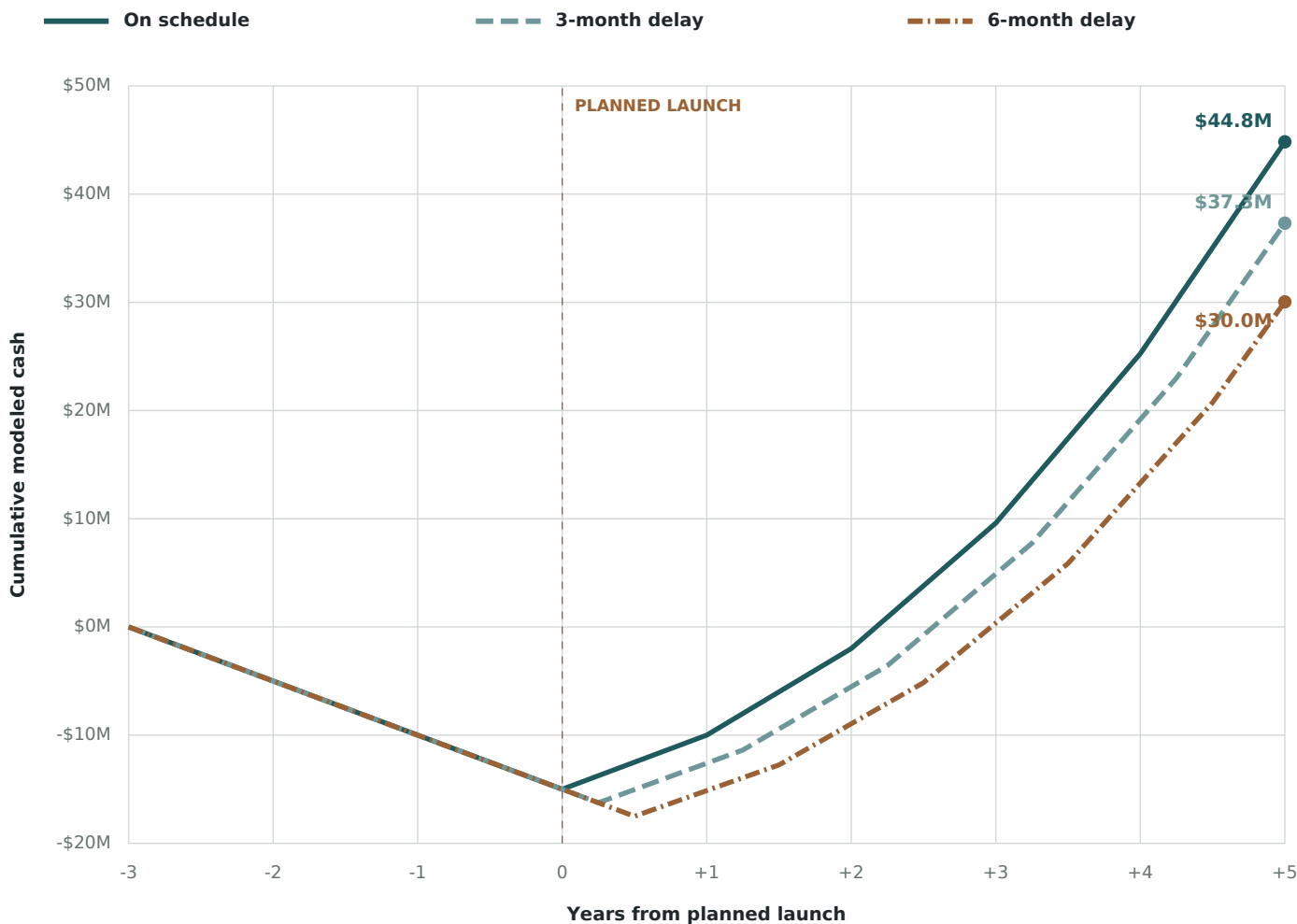
A 10% annual sensitivity prorated by delay month and applied to revenue realized after launch. It is not an industry constant.

The effective customer-base-loss rate scales with delay: 2.5% at three months, 5% at six months, and 10% at twelve months. The dollar term applies only to delayed revenue that remains inside the fixed window.

FIGURE 3 | PROGRESSIVE DELAY COMPARISON

At six months, the gap grows to \$14.8M

On schedule versus 3- and 6-month delays; cumulative modeled cash through Year +5.



On schedule

\$44.84M at Year +5

3-month delay

\$37.32M at Year +5
\$7.52M gap

6-month delay

\$30.05M at Year +5
\$14.79M gap

Method note: The 60%, 45%, 35%, and 25% Year 2-Year 5 sequence is a calibrated assumption, not a study-reported trajectory. Source: Swerve LaunchGap model, Version 1.1; commercial-ramp shape informed by Tendler et al. (2026), n=391.

FIGURE 4 | YEAR +5 COMPONENT TABLE

Three and six months: the losses stack differently

The difference separates time shifted outside the window, extended program spending, and modeled customer-base loss.

SCENARIO	REVENUE SHIFTED BEYOND YEAR +5	ADDED DEVELOPMENT COST	CUSTOMER-BASE LOSS FROM DELAY 10% annual rate / prorated	TOTAL YEAR +5 VALUE GAP	YEAR +5 CUMULATIVE MODELED CASH
On schedule	\$0.00M	\$0.00M	\$0.00M 0.0% effective	\$0.00M	\$44.84M
3-month delay	\$4.89M	\$1.25M	\$1.37M 2.5% effective	\$7.52M	\$37.32M
6-month delay	\$9.79M	\$2.50M	\$2.50M 5.0% effective	\$14.79M	\$30.05M

01 THE DELAY ITSELF

Revenue that would have been realized by Year +5 but moves outside the fixed 60-month window.

02 EXTENDED DEVELOPMENT

Incremental program spending at \$5.0M per year while launch is deferred.

03 CUSTOMER-BASE LOSS

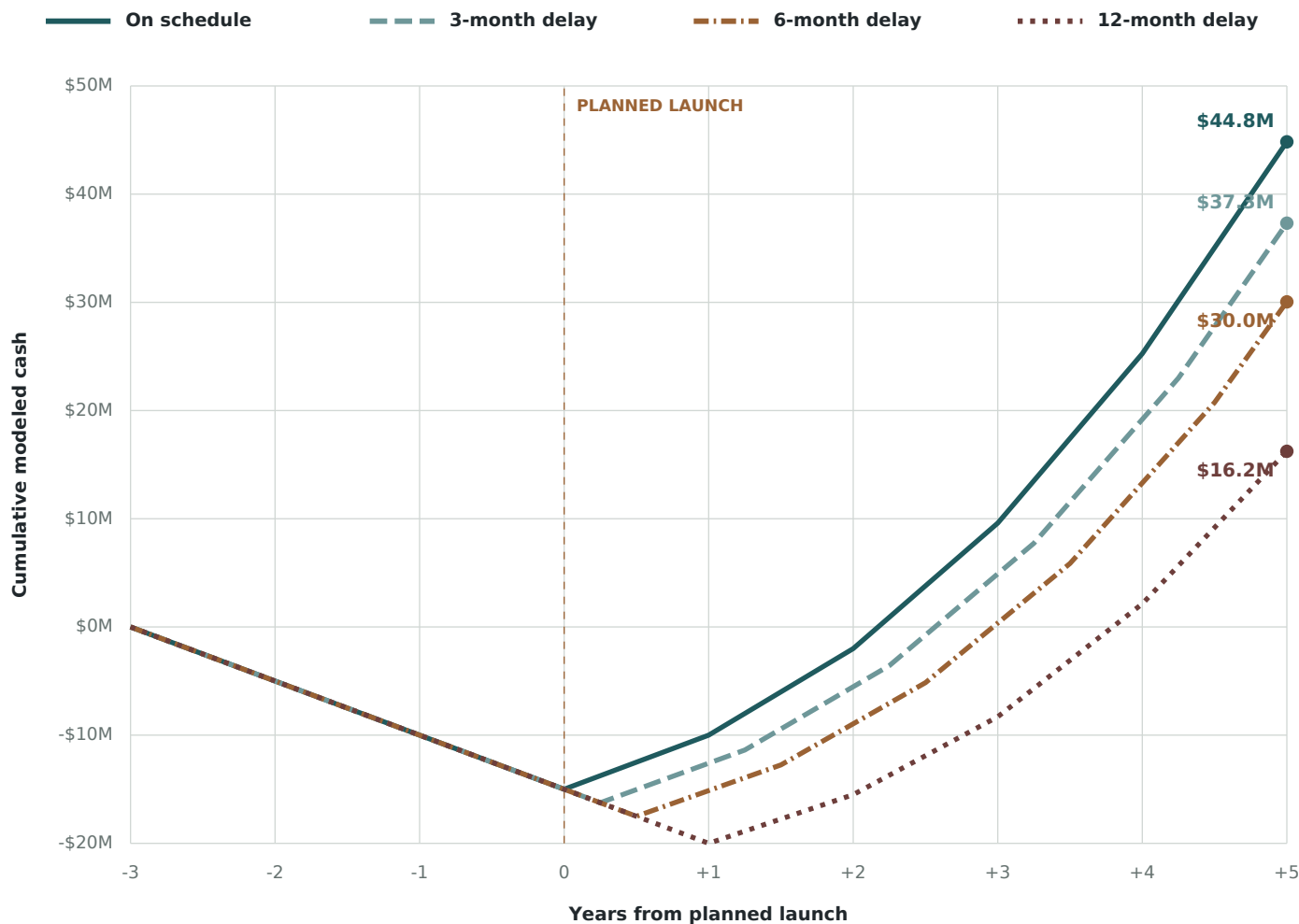
A 10% annual sensitivity prorated by delay month and applied to revenue realized after launch. It is not an industry constant.

The effective customer-base-loss rate scales with delay: 2.5% at three months, 5% at six months, and 10% at twelve months. The dollar term applies only to delayed revenue that remains inside the fixed window.

FIGURE 5 | PROGRESSIVE DELAY COMPARISON

A one-year delay leaves \$28.6M behind by Year +5

On schedule versus 3-, 6-, and 12-month delays; cumulative modeled cash through Year +5.



On schedule

\$44.84M at Year +5

3-month delay

\$37.32M at Year +5
\$7.52M gap

6-month delay

\$30.05M at Year +5
\$14.79M gap

12-month delay

\$16.23M at Year +5
\$28.60M gap

Method note: The 60%, 45%, 35%, and 25% Year 2-Year 5 sequence is a calibrated assumption, not a study-reported trajectory. Source: Swerve LaunchGap model, Version 1.1; commercial-ramp shape informed by Tendler et al. (2026), n=391.

FIGURE 6 | YEAR +5 COMPONENT TABLE

Three, six, and twelve months: the Year +5 comparison

The difference separates time shifted outside the window, extended program spending, and modeled customer-base loss.

SCENARIO	REVENUE SHIFTED BEYOND YEAR +5	ADDED DEVELOPMENT COST	CUSTOMER-BASE LOSS FROM DELAY 10% annual rate / prorated	TOTAL YEAR +5 VALUE GAP	YEAR +5 CUMULATIVE MODELED CASH
On schedule	\$0.00M	\$0.00M	\$0.00M 0.0% effective	\$0.00M	\$44.84M
3-month delay	\$4.89M	\$1.25M	\$1.37M 2.5% effective	\$7.52M	\$37.32M
6-month delay	\$9.79M	\$2.50M	\$2.50M 5.0% effective	\$14.79M	\$30.05M
12-month delay	\$19.57M	\$5.00M	\$4.03M 10.0% effective	\$28.60M	\$16.23M

01 THE DELAY ITSELF

Revenue that would have been realized by Year +5 but moves outside the fixed 60-month window.

02 EXTENDED DEVELOPMENT

Incremental program spending at \$5.0M per year while launch is deferred.

03 CUSTOMER-BASE LOSS

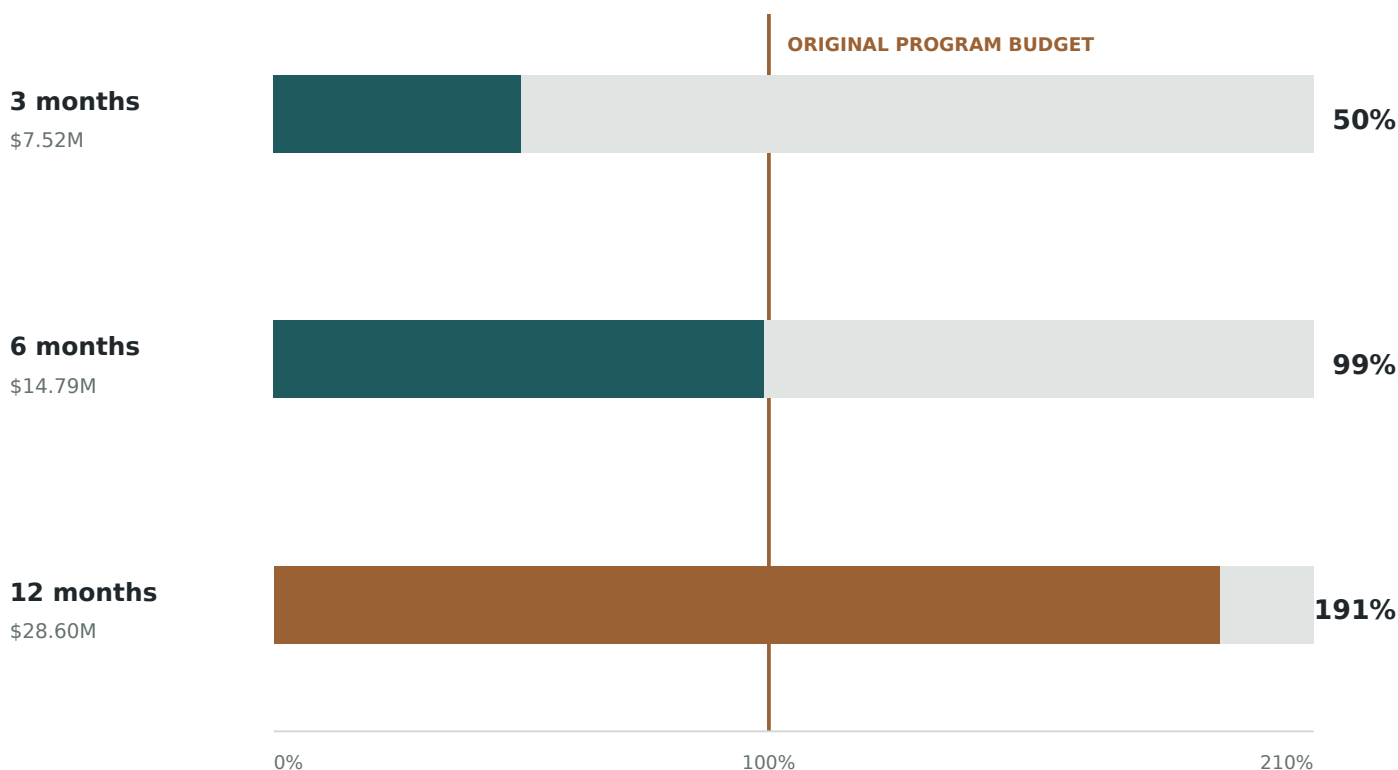
A 10% annual sensitivity prorated by delay month and applied to revenue realized after launch. It is not an industry constant.

The effective customer-base-loss rate scales with delay: 2.5% at three months, 5% at six months, and 10% at twelve months. The dollar term applies only to delayed revenue that remains inside the fixed window.

FIGURE 7 | BUDGET-EQUIVALENCE COMPARISON

At six months, the modeled gap nearly equals the entire original program budget.

Total Year +5 value gap as a share of the illustrative \$15.0M product-development and commercialization budget.



THE CENTRAL COMPARISON

A six-month slip does not add another \$15 million of invoices. The combined Year +5 value gap reaches \$14.79 million, or 99% of the original product-development and commercialization budget.

Percentages are calculated against the original \$15.0M program budget: $\$7.52\text{M} / \$15.0\text{M} = 50\%$; $\$14.79\text{M} / \$15.0\text{M} = 99\%$; $\$28.60\text{M} / \$15.0\text{M} = 191\%$.

THE INTERPRETATION

Six months can consume the economic equivalent of the original budget

The comparison changes how the delay should be discussed. A six-month slip does not add another \$15 million of invoices to the program. Rather, the combined Year +5 gap - revenue shifted outside the window, continued program spending, and the 5% effective customer-base loss produced by the 10% annual assumption - reaches \$14.79 million. That is 99% of the original \$15 million product-development and commercialization budget.

The result does not depend on the customer-base-loss assumption. Set that term to zero and the six-month gap remains \$12.29 million: \$9.79 million shifted beyond Year +5 plus \$2.50 million of additional program cost. At twelve months, the gap without customer-base loss is \$24.58 million, already 164% of the original budget.

Leadership may debate whether early expertise is worth tens of thousands of dollars while a preventable delay quietly places millions at risk.

This does not mean every outside expert prevents every delay, or that every delay is avoidable. Some delays produce essential learning. Some protect patients, users, and the company from a larger failure. The distinction is between time spent resolving necessary uncertainty and time lost because the right question was never asked at the right decision point.

METHODOLOGY AND LIMITATIONS

What the model does - and does not - claim

The model begins three years before planned launch and spends the illustrative \$15 million budget evenly through that period. Each delay extends program spending at \$5 million per year. Annual revenue is recognized evenly by month. The measurement window remains fixed at 60 months from the planned launch, so revenue that moves past Year +5 is described as shifted outside the window, not necessarily lost forever.

For delayed scenarios, the model begins with a 10% annual customer-base-loss sensitivity and prorates it linearly by delay month. The effective rate is therefore 2.5% at three months, 5% at six months, 10% at twelve months, and 20% at twenty-four months. The effective rate is applied to revenue realized after delayed launch. This scaling removes the unrealistic step in which even a one-day delay would have caused the full customer-base reduction. The annual rate is a transparent sensitivity representing missed customer opportunities, competitive entry, or slower adoption; it is not a published diagnostics benchmark.

The calculation does not include gross margin, cost of goods, taxes, working capital, discounting, financing cost, probability of technical or regulatory success, exclusivity loss, reimbursement effects, or terminal value. Those additions may increase or decrease a product-specific result. The purpose is not to claim false precision. It is to make the economic structure of delay visible enough for leaders to test their own assumptions.

THE BUSINESS CONSEQUENCE

The loss does not stop at the ledger

Losing the economic equivalent of an entire product-development and commercialization budget means more than absorbing a disappointing financial result. That value could have funded the next product, expanded the team, supported new clinical evidence, opened another market, or carried the company through its next financing milestone.

Delay also changes what the business gets to learn. Fewer months in market mean fewer customer relationships, fewer product placements, less workflow experience, less real-world evidence, and less time to establish the company's position before competitors respond. The loss is therefore not only money already spent or revenue not yet realized. It is a reduction in the company's capacity to grow, expand, build its customer base, and remain healthy.

Put the right expertise in the room before the decision becomes expensive.

Consequential design, regulatory, clinical, quality, and commercialization decisions should be reviewed as one connected system. The question is not simply whether a change can be built. It is whether the customer needs it, whether the evidence can support it, whether the quality system can control it, whether the regulatory strategy can carry it, and whether its value exceeds the time and opportunity it consumes.

Swerve Molecular Consulting helps founders, executives, boards, and investors examine those decisions early, integrate the relevant expertise, and build a strategy for success. The goal is not to eliminate uncertainty. It is to prevent avoidable uncertainty from becoming an avoidable delay.

Read the interactive edition: swervemolecular.com/insights/cost-of-launch-delay

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SUGGESTED CITATION

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