Parallel Session 1

Turning the ocean liner using a few speedboats and a great navigator

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The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views, policy, or position of Novartis Pharmaceuticals Corporation. The paper is based on the author’s personal experience and any errors or omissions are the responsibility of the author.
Acknowledgements
Turning the Ocean Liner

Kathryn Jones, Novartis
Marion Wynncoll, Themis

London, June 2013
..using a few speedboats and a great navigator
How does Senior Management make decisions?
What do they care about?
What decisions are they making now?

How is Global Business Intelligence involved in the decision making process?
Are we/should we be involved?
What is our role?

Identifying New Ideas and Exploring how they can provide Insights and Competitive Advantage
Primary Care
Simple Geography
Simple Customers
Simple Data Sources
Predictable Life Cycles

Simple launch and known life cycles

Physician Decision Makers

G7 Target Market

Simple Data Sources for Primary Care
– Perils well documented
– Know the course
– Know what’s ahead – see things coming years out
– Could change course, but slowly
– Good life

The Captain
Perils well documented
– Know the course
– Know what’s ahead – see things coming years out
– Could change course, but slowly
– Good life

Tracking progress
– Another data point on the chart
– Forecasting the course easy
– Methodical approaches work
– No guess work
– Good life

The Captain

The Navigator
Different Markets
Diverse New Customers
Expanded Geographies
Fragmented Data Sources

- Different Distribution Channels
- Fragmented Data Sources for Specialist Therapies
- Specialty Handling/Complex Dosing
- High Cost
- Not Just G7
- Broader Geographies
- Emerging Countries
- Narrow Target Patient Groups
- Real World Evidence
- Complex Customer Base
- Stakeholder decision makers
- Expanding Generics Sector
- Complex Launch and Life Cycle Issues
- Multiple Simultaneous Launches – new brands, new indications
- Brand Fragmentation post launch
- Expanding Generics Sector

Fragmented data sources

Stakeholder decision makers

Real World Evidence

Complex Launch and Life Cycle Issues

Multiple Simultaneous Launches – new brands, new indications

Brand Fragmentation post launch

Expanding Generics Sector

Complex Customer Base

Narrow Target Patient Groups

Real World Evidence

Not Just G7

Broader Geographies

Emerging Countries

High Cost

Different Distribution Channels

Fragmented Data Sources for Specialist Therapies

Specialty Handling/Complex Dosing
Need to move into uncharted waters
- Faster, higher risk decision making
- With more regulatory constraints

Limited/less use for a navigator
- Obstacles are unknown

Map the terrain ahead
- Find and Define the obstacles
- Recommend a course
What are Pharma Business Leaders discussing?

It's all about GROWTH!

- Patent Cliffs, new Generic Competitors
- Geographies beyond BRIC
- Innovation in R&D is critical but
  - Slow approval for me-too drugs
  - Weaker pipelines
  - Late stage failures
- Must keep feeding the pipeline

"Pharma needs to survive on a different diet"
Senior Pharma Leader
The drugs maker .. abandoning development of fostamatinib and returning rights to the compound to Rigel Pharmaceuticals, the original developer. It has written off $140 million of research costs.
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Sanofi would book a charge of $285 million after tax in its first-half accounts. Sanofi acquired the drug as part of its 2009 acquisition of U.S. cancer specialist BiPar Sciences for up to $500 million.
AstraZeneca has another bitter pill for investors

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Sanofi pulls the plug on two late-stage drugs

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Sanofi MS drug nears green light after pass-the-parcel marathon

* European decision on Lemtrada expected this month
* 25-year journey for drug passed from company to company
* Scientists frustrated by delays, worried over pricing
Traditional Big Pharma
One Asset: Single Product Symptomatic Condition
Large Identifiable Patient Population
€’billions

New Pharma
The attraction of Biologics
One Asset: NME, Systemic so Multiple Indications
Small Patient Populations=€Million
“Where is the Opportunity Hiding?”

Shaping the Future
www.ephmra.org
The Attraction of the Biologics

‘% Sales from Biotechs within the world’s top 100, will increase from 39% in 2012 to 51% by 2018’

‘Orphan Drugs set to be 15.9% of WW Prescription sales by 2018 (excl generics)’

Source: Evaluate World Preview June 25 2013
Maximizing the Value of the Asset
Underserved Populations = Unmet Need

Old Reality

Rheumatoid Arthritis
Severe Plaque Psoriasis
Ankylosing Spondylitis
Juvenile Idiopathic Arthritis
Multiple other

Market Opportunity!

RA
Severe PP
Ank. Spondylitis
J I Arthritis

Indication 1
Indication 2
Indication 3
Indication 4
Indication 5
Indication 6
The Attraction of the Biologics
Where is the unmet need – where is the opportunity hiding?

- 7,000 Rare Diseases
- 350 million sufferers
- 50% are children
- 30% die before age 5

- 95% of rare diseases have NO FDA approved treatment
Where is the Opportunity Hiding?

Salesforce Activity

Laboratory Tests

Claims Data

Customer Profiles

Specialty Pharmacy Data

Devices

Drugs

Online Communities

Patient Advocacy Groups

Instagram

PatientsLikeMe

Blogs

Twitter

Prescriber level Data

Longitudinal Patient Data

Mapping Physicians with their Patient-Level Data
Big Data
extremely large & disparate data-sets

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Shaping the Future

www.ephmra.org
Healthcare: Big pharma, big data
By Andrew Jack

Patient groups are hailing a new era of transparency, but drug companies fear its effects

Sanofi teams with Big Data outfit to research drugs for diabetes and cancer
April 30, 2013 | By Ryan McBride

Pharma's Great Hope: Big Data
Where does the business leader turn for insight?

Consultants?

Market Research?
Business Consultancies: what they say about their work

- Focus is business problem
- Message is about delivery of solutions that might include MR
- Exploring Big Data and Analytics

“We think of ourselves as addressing the business question, MR is just one of the tools”
Market Research Professionals: what they say about their work

“Big Box MR Companies are doing OK – margins shrinking. Boutique MRs with innovation or new services are thriving. Smaller shops (I’s and 2’s) are dying because of the MSA and preferred vendor processes”

- Application of New tools and techniques
- Strategic Sourcing as intermediaries
  - Being commoditized
  - Cost efficiencies, on-shore/off-shore
Consultancy Groups
..your thoughts about Market Research?

- Focus is on delivery of Project
- Centered on the tools rather than the problem
  - Sell specific tool, service, specific process
  - Reliability of the output
- Efficient, solid methodologies and cost effective
  - Precision in execution
- Highly skilled as interviewers
"We did a Pareto analysis, a grid analysis, a decision tree, a force Field analysis ... and then the boss decided to go with his gut."
Market Research has not been slow to adapt to a changing environment

Embraced new technologies
  • Mobile phones
  • Apps
  • Ethnography

Online communities
New Customers
War-gaming
Gamification
Analytics
  • Dashboards
  • Scorecards

Embracing New data sources
Market Research Professionals
- Your thoughts about Consulting Firms?

• Trying to come into Market Research – but they’re different
• They talk to Brand Managers
• Market Researchers work with Market Researchers
• Qualifications of their people are different
• Not sure whether a threat or a partner

❖ High level sponsorship problem/solution orientation means they fall outside MR ‘commoditization’
The Problem: limited internal resources
- Urgency to work on multiple aspects of launch
- No time to work through the usual ‘silo’/’specialism’ approach
  - Sales: Physician and hospital profiling, resource allocation, training
  - Marketing: Develop strategy and promotional materials for healthcare providers and patients

The Solution: Leverage of multi-specialized, flexible resources with track record of success.
- Thinking Partner with strong processes
- Integrated launch platform for sales and market
Case study: How Consultants Work Differently
The Message Test – they both do this..

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diffuse Symptoms</td>
<td></td>
<td>Pain and Irreversible Damage</td>
</tr>
</tbody>
</table>

MESSAGE A | MESSAGE B | MESSAGE C
Case study: How Consultants Work Differently

The Message Test – they both do this..

But the Consultants add this:

<table>
<thead>
<tr>
<th>NUMBER OF COMPETITORS</th>
<th>MARKET SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>&lt;20,000</td>
</tr>
<tr>
<td>Multiple</td>
<td>200,000</td>
</tr>
</tbody>
</table>

Diffuse Symptoms

Pain and Irreversible Damage

MESSAGE A

MESSAGE B

MESSAGE C
Take-away for Market Research

1. Demonstrate Skills and Business Acumen
2. Frame Impact of Decisions
3. Develop a Point of View on Financial Implications
4. Cost to Implement vs. Potential €€
Don’t Play it Safe: Become Explorers

“There will always be market research – they deliver quicker easier and cheaper answers but how much of that turf consultants will play in, is largely up to market research to define. “

Pharma Mgt Perspective
“How do we know it’s not full of consultants?”