IT's Role in the Evolving Pharma Industry

Addressing the R&D Productivity Crisis Through New Globalization and Convergence Strategies

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Use this report to...

Identify solution needs that will have the greatest impact on bottom line efficiencies and costs for users, and thereby driving solution re-investment

Providing you with:

- Overview of the state of the pharmaceutical industry in 2004
- Coverage of the most prevalent, difficult and forward-facing new issues and IT implications in the pharmaceuticals industry
Introduction

With declining R&D productivity, reduced effectiveness of the blockbuster model, and new drug discovery technologies, it's clear the pharma industry needs to change. The future of pharma will ultimately see pharma manufacturers, regulators, prescribers and patients taking advantage of all the technological advances throughout the pharma value chain.

Success in the pharma industry is a function of time to market. Across the industry value chain, research and business-process cycle times determine who reaps the profits from years of intensive research and development. Pharma companies will need to go beyond traditional R&D in order for their globalization strategies to succeed. Portfolio management, networked pharma, collaboration with biotechs, meeting short-term investor expectations coupled with convergence (ERP investment), integration, RFID, regulatory compliance and improvements to sales and marketing will be vital.

Key findings and highlights

• The future of pharma will ultimately see pharma manufacturers, regulators, prescribers and patients taking advantage of all the technological advances throughout the pharma value chain.
• With product-discovery and development cycles that often total seven-ten years, strictly enforced patent-protection time limits, and total development costs often approaching US$1 billion for each new drug, pharma executives need to make complex resource-allocation and prioritization decisions at every phase of the pharma value chain.

Reasons to buy

• Identify solution needs that will have the greatest impact on bottom line efficiencies and costs for users, driving solution re-investment
• Understand pharma industry’s investment characteristics, coupled with analysis of key trends and industry dynamics
• Adapt and tailor your solution portfolios and marketing communications to capitalize on the demands and nuances of the pharma industry
Executive Summary

Chapter 1 Executive Summary

Introduction

Traditionally, pharma companies have been immune from the business pressures that typically affect organizations in many other vertical sectors. Historically, pharma companies have enjoyed double digit growth and sales while comfortably meeting the demands of the impatient investor community. They have also leveraged technology to drive the business forward in terms of drug development and manufacturing. However, a siloed approach to the adoption of technology coupled with rife M&A activity over the years has left the majority of Big Pharma organizations with some serious business and technological challenges ahead.

The Pharmaceuticals Ecosystem

Figure 1: The Pharmaceuticals Ecosystem

Source: Datamonitor

Figure 2: Key Pharmaceutical challenges and issues

Source: Datamonitor

Figure 3: Pharma IT investment priorities

Source: Datamonitor
**IT's Role in the Evolving Pharma Industry – Addressing the R&D Productivity Crisis Through New Globalization and Convergence Strategies**

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“...Globalization initiatives serve to create a dynamic, flexible and agile pharma organization that is preparing itself to combat the R&D productivity dilemma, while aiming to reduce costs and provide transparency throughout the value chain...”

Tony Hart, Datamonitor Technology Analyst
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“...To restore shareholder confidence in the sector, companies must deliver improved productivity and innovation. R&D business models must be reviewed and new strategies and opportunities must be exploited for improving core drug discovery expertise...”

Tony Hart, Datamonitor Technology Analyst
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