BY ELISABETH PENA VILLARROEL

COMPETITIVE INTELLIGENCE the EYES and EARS of the INDUSTRY

The need to gain a competitive advantage has never been greater, and competitive-intelligence (CI) teams are evolving to meet the industry's current and future challenges. Shrinking pipelines, increased regulatory scrutiny, and the emergence of clinical-trial registries are just a few of the factors that are creating a tougher environment for industry players and prompting the need for companies to have a stronger CI framework.

As CI becomes a more integral part of doing business, organizations are working to develop formalized structures. According to Cutting Edge Information, few pharmaceutical companies have an established, formal CI function in their organizations and others implemented their CI teams no more than five years ago.

Experts interviewed for this Forum believe that the demand for CI will increase in the near future and its application at the brand level and in areas beyond marketing will increase the practice's effectiveness.

COMPETITIVE-INTELLIGENCE TRENDS

Competitive-intelligence leadership and budget resources are often linked. Stronger leadership can garner more funding, as well as greater team sizes.

87.5% of companies rely on information portals and the Internet to track the competitive maneuvers in their markets.

75% of pharmaceutical companies employ a centralized structure for their CI teams.

69% of companies' CI units report up through marketing, **13%** report directly to the CEO or executive board, **6%** report to R&D, **6%** report to business development, and **6%** report to sales.

62% of companies begin collecting CI from a tactical perspective to support a product during its preclinical stage.

56% of companies employ CI teams led by managers and

44% of companies employ someone more senior, such as a senior manager, director, or executive director.

Note: Percentages represent those of the responses to Cutting Edge Information's survey of 18 pharmaceutical and biotechnology firms.
Source: Cutting Edge Information, "Pharmaceutical Competitive Intelligence: Building Strategic Advantage," Durham, N.C. For more information, visit cuttingedgeinfo.com.

Decentralizing to Improve Effectiveness

A shift from a centralized approach to competitive intelligence (CI) to establishing the function at the brand level is occurring, giving brand managers more ownership and responsibility for analyzing competitive data. Cutting Edge Information's research reveals that companies employing a centralized CI organization succeed at impacting overall corporate strategy. Conversely, decentralized CI organizations are more equipped to address tactical needs at the brand level. Experts participating in this Forum believe a shift to a brand-level approach will ultimately result in more effective CI activities.

GETTIER. As we grow into a larger specialty pharmaceutical company, we are aligning our CI efforts more toward a brand approach, which is having a positive impact on effectiveness. Our CI department is closely knit, and we communicate with each other. This approach has provided us with better research and allows us to follow the story all the way through.

HUGHES. At Lilly, there has been a dispersion of CI. We still have a centralized global CI format, which is anchored with the senior leadership of the company and executives in all the functional areas. But we have been actively pushing the dispersion of CI technologies into all the operating areas. This is absolutely improving its

ASBJORN NIELSEN
Novo Nordisk
A key CI issue is ensuring the proper dissemination of information to the people who need to know what's happening in any given area.

DR. JOHN BIANCHI
DSM Pharmaceutical Products
The fact that brand managers understand that they need competitive intelligence programs suggests that these are now being viewed as very useful and important tools.

effectiveness because there isn't a part of the business that doesn't need CI. We have training programs so we can teach people how this is done ethically, what not to do, and what they can do, all of which has been very effective.

NIELSEN. I focus more on tactical, operational CI rather than long-term strategic CI, a function that is located at Novo Nordisk's headquarters. My position as a central CI manager was established about a year ago as part of a companywide CI initiative. This also increased the focus on CI in the affiliate offices. Previously, there was no specific focus; instead each brand manager had CI as part of his or her responsibility and was expected to figure out what was going on with the competition.

LEVY. To a large extent, pharmaceutical companies have been moving CI activities from a centralized operation to the brand level. In theory, brand managers can get a better ROI on

THOUGHT LEADERS

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competitive data and act on it faster. At the brand level, competitive data simply have the potential to be more actionable and achieve a more measurable ROI. It is important that brand managers understand that this impetus is going to be placed more and more on their shoulders and that they are going to be tasked with collecting competitive information on their key brand competitors in order to competitively strengthen and position their brand. Ideally, CI should have influence in marketing, R&D, and strategic planning to ensure the competitive mindshare is integrated in a company's plans and initiatives. On one level it is great that these activities are moving toward the brand level, but whether the brand teams are equipped to absorb CI initiatives effectively into their processes, understand it, and own it is questionable. I have observed that when CI at the brand level is unsuccessful, it is then often moved to the market-research world, where it tends to have the same problems and potential challenges that the centralized process had. I believe that CI activities should stay at the brand level with a dedicated CI person overseeing the function.

GARLAND. I have certainly witnessed a move toward a more decentralized view of CI. For companies that have big holdings in multiple markets, such as CNS, cardiovascular, or metabolic, the different disease states involve different businesses, different players, different key opinion leaders, different competitors, and different dynamics between those competitors. It is hard for any one CI department to know all the needs of its internal clients. The brand managers are the ultimate consumers of the intelligence. Having the brand managers responsible for their own intelligence just makes sense and improves the intelligence function throughout.

BIANCHI. DSM has decided to consolidate the management of CI for its three life-sciences business units: pharmaceutical services, biologics, and the chemical business. Although there are differences between the business groups, DSM has decided that it makes sense to leverage the commonalities by bringing CI under one activity and one manager for pharmaceuticals across the globe, which is my position. But in other organizations more and more brand managers are realizing that they are not getting the information they need from a central intelligence group and are initiating these activities themselves. Centralizing CI, as well as brand manager interest in this area, can only enhance the quality of CI, as long as there is information sharing. If the organization isn't culturally sharing information, the siloing of information by brand managers can actually dilute the effectiveness, result in redundancies, and dilute strained resources.

FRIEDMAN. The allocation of personnel for CI varies between large and mid-cap companies. Many larger firms have a centralized CI function with an individual who is knowledgeable about CI and is responsible for working with the internal brand teams and who determines the right vendors to support the brand's issues. The mid-cap firms may not have a centralized function or an individual

GOING GLOBAL

As competitive intelligence integrators, we are often privy to the communications struggles faced by both parent and regional entities. We often hear from an affiliate that its parent organization does not understand how to conduct business within its region and is often reluctant to communicate local issues. From the parent organization, we often hear that it cannot get from its affiliates the intelligence it needs, when it needs it, to effectively conduct a strategic global marketing model. marketing model.

STEVEN LEVY

Managing Director

Fletcher/CSI Healthcare Strategies

In an ever-increasing global marketplace, pharmaceutical companies, not unlike other industries, continue to look at ways to lower costs, expand markets, and come to market ahead of the competition. But unlike most industries, the pharmaceutical industry is inundated with myriad separate and often distinct country regulatory dictates that have hampered global growth and efficiencies, forcing global giants to think globally but act locally.

"With R&D, clinical trials, and manufacturing and distribution often in a multitude of countries around the world, one challenge, among many, for today's pharmaceutical companies is to understand what therapeutic, political, social, industrial, and competitive changes are under way that may affect their own access to, and penetration of, a global market," says Steven Levy, managing director of Fletcher/CSI Healthcare Strategies. "It is rare to find a corporate intelligence operation embedded in today's pharma company that truly believes it has a handle on the daily changing global competitive conditions that can and will affect trial outcomes and go-to-market positioning outside the resident parent country. Although there are several companies that have fairly extensive global Websites that list their worldwide trial activities — GlaxoSmithKline is a good example — it is challenging in most cases to know where to go for a global perspective."

Today, there is no international clinical-trial database that highlights global activities, and with the high cost of trial recruitment in Europe and the United States forcing CROs to consider outsourcing trial activities to countries such as India, Asia, and Eastern Europe, the global trial landscape is changing fast. Relying on local affiliates to keep headquarters up to speed on the current and planned local competitive activities in their regions is not enough and can lead to incomplete and short-sighted global scenario planning and may limit a company's global market strategy.

"This does not mean that a company's regional affiliates are not aware of the changes occurring in their own markets; after all, considering the distinct language and customs surrounding a regional trial, a local national is often the best informant," Mr. Levy says. "In a market that is moving more and more to a global pharma brand, it is becoming essential for a corporate strategic marketing operation to have its own global CI source components, with the ability to collect and analyze, on a per-country basis, the CI that is needed to address global requirements."

Source: Fletcher/CSI Healthcare Strategies, Williston, Vt. For more information, visit fletchercsi-healthcare.com.

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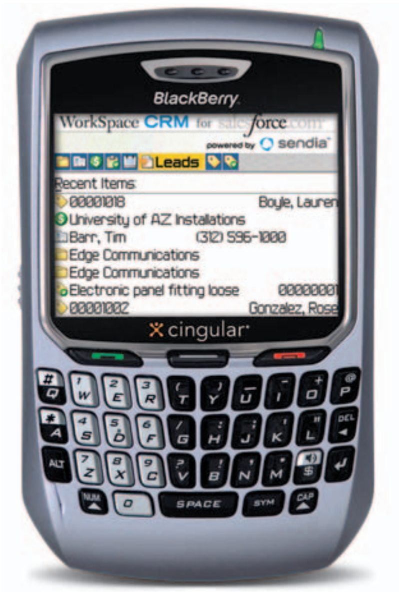

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CORALIE HUGHES
Eli Lilly
Competitive intelligence practitioners have to think globally. For example, a company in Turkey could suddenly be a competitor for a certain product. We need extensive knowledge of the industry, multiple therapeutic areas, world economics, and cultural shifts, as well as a strong understanding of our own company and products and the functional requirements of CI.

JACOB GETTIER
Endo Pharmaceuticals
Quality information allows companies to make better business decisions and that has always been of great importance to us as far as budgets are concerned. Through CI we have discovered numerous opportunities for business development deals.

responsible for CI; then CI vendors work with brand managers directly.

SCOTT. We have found that some of our customers have highly centralized CI teams that look at all of their companies' products, services, and brands. On the other hand, many of our customers have very decentralized organizations that have CI activities focused around different brands and different products within brands. Where CI is housed is largely a function of how the organization is structured.

FORTIN. It is effective to move CI to the brand level so that the brand managers have competitive and market research at their disposal. When that information is combined it is a very powerful resource for the brand managers to use when trying to make the right decisions. There is a learning curve for brand managers; they have to understand that with CI the data are softer and there are not as many targets as with market research. Sometimes the process is a little foreign to them and they have to learn that CI takes time to develop; they cannot have the information right away. But once brand managers understand the process and understand how to interact with and use the CI function they see the benefits, even when making short-term decisions.

Coming into Focus

Often thought of as primarily a marketing tool, CI is bringing value to more areas of the business. As companies begin to use CI in the R&D and managed-care areas, more resources are being allocated to this function.

HUGHES. Recently, we have had a wonderful uptake in interest from Lilly Research Laboratories and we have received calls from our pharmaceutical project managers who want to have a role in CI. Sales and marketing has always been an area that has worked very closely with CI, and we continue to deepen our relationship with those managers.

FRIEDMAN. During the last 10 to 15 years, Phase I through life-cycle management CI issues have been a staple for our organization. In the past four to six years, we have received a significant number of requests to assess changes in the managed-care environment.

BIANCHI. There is a cross fertilization happening in the industry; scientists are asking business questions, and the business people are looking for better science. Scientists are becoming more concerned about how the business side of operations impacts what they do. And business managers are asking questions about the quality of the technology and for help to identify technologies and science that are more likely to be winners in the future.

GETTIER. At Endo, our CI focus still is primarily on business development and strategic marketing, but as our products start to grow, we are taking more of a branded focus to monitor the competitive landscape for our current products that are on the market. CI will continue to play a greater role as our brands are more and more successful.

NIELSEN. My scope has been very much on the pure sales and marketing part of CI, but it is fairly easy to get accurate and detailed information about ongoing clinical trials and Phase IV trials. There is definitely a requirement within marketing for this type of information.

LEVY. Trial investigation, post launch, and DTC are becoming more prevalent areas for CI. An evolving model that is going to be very interesting is applying CI to more traditional marketing initiatives. An example would be ad campaigns. Instead of developing an ad campaign with just the physician or patient in mind, companies are starting to use CI and scenario planning to evaluate potential future competitor campaigns, to identify future competitor direction, such as is the competitor collateral going to focus more on the physician or patient communication. Using that foresight, they are able to place competitor counter positioning messaging into their own campaign even before their competitor's materials have been released. There are many areas and applications where the principles and tools of CI can apply and make a difference. Successful intelligence initiatives, however, require a clear understanding of those principles and consistent, knowledgeable resources to move it forward.

SCOTT. The classic market-research tools — surveys, focus groups, and those types of activities — are valuable but flawed because by design they are formulated to ask specific questions. Although we get the answers, we might not be asking the end user the most important questions. The most exciting area in CI right now is the Internet. People are happy to go to Websites or blogs and share detailed information about themselves, their purchasing habits, and quality control issues. Through this medium, people are really open and the challenge we have is how to tap into that. The volume of information out there is so big that it is very difficult to read it all. But by using data-mining tools, companies can have access to very frank, open, and honest information that can't be obtained using traditional means.

GARLAND. I have seen a shift in focus for a lot of pharmaceutical companies. For example,

Competitive-Intelligence Survey

PharmaVOICE asked its readers to respond to a survey about their competitive-intelligence activities.

Do your company's competitive-intelligence activities encompass global markets and trends?

Response	
Yes	84.1%
No	15.9%

Do you expect the industry's move toward clinical-trial transparency to even the playing field among competitors in their particular therapeutic space?

Response	
Yes	36.5%
No	63.5%

At your company, is the competitive-intelligence function centralized, or is the role performed at the brand level?

Response	
Centralized	54.8%
Brand Level	45.2%

During the past five years, has your company's support of its competitive-intelligence function:

Response	
Increased	67.7%
Decreased	6.5%
Remained the same	25.8%

Over the next five years do you expect your company's competitive intelligence support to:

Response	
Increase	74.4%
Decrease	2.4%
Remain the same	23.2%

Does your company outsource competitive-intelligence activities?

Response	
Yes	49.2%
No	50.8%

Is competitive-intelligence information easily accessible and shared throughout your organization?

Response	
Yes	47.6%
No	52.4%

Sound Bites from the Polling Field

PharmaVOICE asked its readers what types of CI their companies are gathering and what resources they are using to gather the information.

- We collect the clinical-trial phases of our competitors, deal terms, structures for acquisitions, and patent information.
- The main information is generated within the organization from the field force. The second source is to conduct summer projects with MBA candidates. The third resource is outside agencies.
- We collect market-share information, pipeline products in development, selling investments, future product improvements, etc.
- New product formulations, competitive promotional activities and methods, and clinical-trial updates are collected.
- We use anecdotal reports from the field salesforces and brand managers who attend conventions and trade shows.
- We only use public-domain information.
- Brand management and sales information is gathered from throughout the United States from market intelligence sources and key opinion leaders. R&D does more global analysis of syndicated data and conference information.
- We gather data related to competitive product sales, market share, clinical status of competitive products, approved indications for competitive products, and potential patent conflicts.
- We use the Internet and publications to gather information on compounds in trials.
- We gather a variety of information from many different sources: product/trial information is gained from congresses and symposia; compound progress from clinical-trial databases; commercial activity from journals, articles, and general news scanning; strategic direction is gained from war games; and other information from interviews/discussions with third parties.
- Within tight company policies, we evaluate new competition in new classes; new competition from existing classes, such as new combinations; clinical trials, outcomes, new indications; feedback from the FDA to competitors on claims sought. We use internal resources, information from vendors, review the FDA site, and so on.
- We gather information on competitive brand attributes, messages, promotion, resources, as well as data on competitive launches (timing, positioning, messages). Our key sources include the Internet, salesforces, medical liaisons, primary research, and databases.
- We use internal resources and external resources/vendors. The types of information sources include investment reports and analysis, clinical/scientific resources, and thought leaders. The key is to coordinate the various sources so that multiple pieces of information can be synthesized into one triangulating review of a competitive issue.
- We track clinical-trial status, indications under development, sales, patents, launch dates, marketing support, and projected sales. A vast majority of CI information comes from secondary sources with very little primary research occurring.

Source: PharmaVOICE, Titusville, N.J. For more information, visit pharmavoice.com.
Note: Survey analysis is based on 126 responses from PharmaVOICE readers. Company breakdown: 60.3% pharmaceutical; 18.2% biotechnology; 8.3% biopharmaceutical/biology; 4.1% device/diagnostic/equipment; 1.7% marketing/communication supplier; and 7.4% other.

researchers for the past several years have been talking about personalized medicine as a strategic issue and how to make the right pill for Mr. Johnson. Clients are asking us if this could mean the end of the blockbuster and want to find out who is investing in pharmacogenomics to determine who is going to be a leader. People realize that what might seem to be an esoteric issue one year may change and all of a sudden become a tactical issue.

HUGHES. We are a small, centralized group overseeing a broad network of people with CI as a responsibility. But more resources are being allocated to this area. There is greater acknowledgement that a marketing plan is just as likely to fail because of a lack of understanding about the competitor as it is because of a lack of understanding about the customer. And as that realization takes root, the demand for CI increases, along with the demand for resources.

FORTIN. From an OTC perspective, we are witnessing more and more resources being put into CI. Over the years there were people embedded in the market-research groups who sort of did it, but it wasn't organized. We are seeing a shift in CI toward a much more strategic role; there is a need to understand trends such as managed care and how prescription pricing pressures impact the industry, as well as specific areas such as regulatory, generic, and technical intelligence.

Transparency — Leveling the Field

With many companies creating their own clinical-trial registries, and many others providing information to the clinicaltrials.gov database, clinical-trial results are now available to the general public. These registries also include a company's competitors. Although more information is available surrounding ongoing and completed trials, experts interviewed for this Forum do not believe it will dramatically change the competitive landscape, but it could change CI's approach to this area.

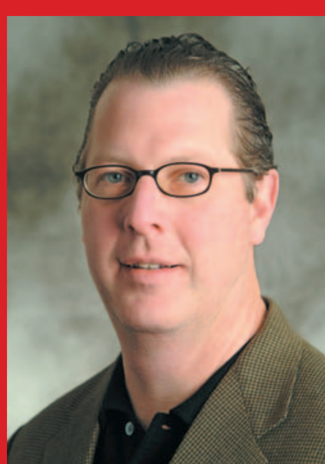
HUGHES. The clinical-trial registries are wonderful in that they help physicians and patients be more informed about pharma products, but that doesn't mean that such registries answer all CI questions.

ERIC GARLAND
Competitive Futures
There are so many decisions to be made by pharmaceutical executives at all points along a product's lifeline and CI is integral to all those areas, from preclinical to postlaunch. The information is useful in answering day-to-day tactical questions, as well as for looking ahead 20 years.

STU FRIEDMAN

The Dunn Group

There is significant value in having individuals who really understand the brand working with either their internal competitive intelligence person or with outside vendors, thus enabling the direct exchange of questions and information. The trend toward integration provides better quality data.



ALAN SCOTT

Factiva

The wealth of information the Internet and its discussion boards, blogs, and chat rooms provide to competitive intelligence practitioners is very exciting. The issue we have to deal with is the volume of information and how to sort through it.

BIANCHI. Clinical-trial transparency is going to make some work easier to do; the actual results will become available in a clearer form sooner. For example, we may not have to read between the lines during an analyst conference call or decipher what was really going on from the poster presentation. But it will probably not level the playing field. The advantage that one company can have over another lies in which company is a better practitioner at regulatory management and how easily others can get competitive information about their regulatory strategy and life-cycle management initiatives.

GETTIER. To a certain degree, transparency is leveling the playing field with the larger pharmaceutical companies that are publicly traded. But the transparency isn't there for the privately held companies. It is still extremely challenging to obtain their information. With the larger companies publishing their trial information, smaller companies have a greater understanding of the opportunities that are available as far as potential licensing deals and are doing a cross comparison of their own clinical trials in a particular therapeutic category.

LEVY. As companies move more toward public registries, the question becomes, who is responsible for looking at what is being made available to the public that might offer a competitor an advantage? This is when CI and marketing should work together. The reality of these registries, regardless of which mandate the government applies, is that there will be potentially thousands of pages of data that can be put on a registry. The challenge for companies is to go through the information and note or highlight what needs to be emphasized. Somebody has to look at these registries, and CI functions, roles, and responsibilities will change in response to this requirement. CI practitioners at all levels will need to understand the benefits and limitations of clinical-trial databases. Companies will not reveal pipeline and product life-cycle plans unless mandated to do so. So the value of competitor trial data on an explicit, almost tactical level may not exist. The key is the interpretation. Does the competitor aggressively try to maximize life-cycle extension opportunities? Does it use the same CROs or locations for its trial activities? Can marketing messages be gleaned from the trial data? CI teams will begin to work more closely with their legal and marketing teams to understand potential competitor use and competitor threats that may arise as a result of the clinical-trial information a company submits. In turn, the CI function will include assessing the viability and positioning of critical registry intelligence competitors have released.

FORTIN. The impact of clinical transparency will depend on a company's definition of clinical transparency. In terms of the gathering process, these databases definitely even the playing field, but they are still just information at that point. Companies still need a CI group that can change that information into knowledge and actionable intelligence and bring recommendations to the table.

NIELSEN. The clinical-trial transparency movement gives a relatively small operation such as ours easier access to some of the baseline information. But it is not my impression that these databases provide much critical information, even with the new rules and regulations coming out. So from a technical point of view I am not sure how useful the information is.

GARLAND. There are a number of scenarios that might result from the push for more transparency, and it all really comes down to how much is mandated by the federal government. How level the playing field becomes will depend on what the government requires.

SCOTT. With clinical transparency there is good news and bad news. The good news is that everyone has access to clinical-trial information; the bad news is that everyone has access to the same information. There is less ability for companies to have an advantage. But by using destination products and sophisticated text mining tools, companies can access and process this information more quickly, which would provide an advantage. I expect that these types of tools will be used at more companies.

FRIEDMAN. The process is still unfolding, and it's not fully clear how much information is going to be put in these registries and when. The timing of the posting is critical. Some of the elements that we definitely will continue to look at for our clients include not only the trials that are ongoing, but trials that are anticipated,

Intelligence Pathway: Integration of Competitive Intelligence in the Pharmaceutical Industry

Leading pharmaceutical companies are aware of the tremendous impact an intelligence-pathway approach can have on the success of their drug-development and marketing programs.

DR. DAVID M. TURNER
VP, Consulting Services
The Dunn Group Inc.

Pharmaceutical and biotech companies are becoming increasingly aware of the importance of competitive intelligence (CI) in developing a critical understanding of the competitive marketplace.

"Key individuals understand the utility in using CI to provide a more rational and informed basis for the decision-making processes crucial to the industry," says David M. Turner, Ph.D., VP of consulting services at The Dunn Group Inc.

For these companies to succeed beyond their peers in today's difficult environment, CI must be deeply integrated into corporate practices and be readily accessible as a resource for practically all decisions to bring drugs and biologics to market and to increase the value of those products to the company.

"We refer to this integration as the intelligence pathway," Dr. Turner says. "The intelligence pathway is the process by which information collected on a company's competitors is used to drive and support quality business decision making. The first step in the pathway is the acquisition of information about the competitive marketplace as it relates to a company's product portfolio. This information is then analyzed, which becomes intelligence, and strategic assessments are made on the basis of this analysis. Recommendations are then made for potential courses of action. Finally, decision makers choose from and act on these informed courses of action to strengthen the opportunity for success."

Examples of strategic decisions that can be influenced by the intelligence pathway include: introducing new and innovative products; increasing market share; planning and executing development within a therapeutic category; developing line extensions; and implementing any of the other many goals to reward investors, benefit employees, and produce products for consumers.

This pathway is already being applied to some degree in most pharma companies. But many gaps exist in that application; systems and approaches need to be optimized and more routinely incorporated into decision-making processes, including strategic planning, brand-team marketing, salesforce assignments, portfolio management, scenario planning, mergers/acquisitions, and licensing.

Information Acquisition and Conversion

At the very core of the intelligence pathway is accurate and ethical information acquisition. Today, information can be accessed via many sources, and these can be grouped into two general categories: secondary and primary sources. Secondary sources include those in printed form: books, journals, the Internet, and myriad other resources. Secondary sources are available to all, though access may be limited by cost and by knowledge of their availability. Companies have a distinct opportunity to strengthen the base of the intelligence pathway through systematizing processes and assigning (or outsourcing) staff to collect and assemble critical information that can then be placed into the hands of analysts to facilitate strategic decision making.

The gathering of information from secondary sources leads to the next step on the pathway: gathering primary-source information, which is directly obtained from people within the industry (human sourcing). In the application of CI known as "primary intelligence," communication with sources generally occurs in conversations with colleagues and other contacts, both internal and external.

Individuals functioning as analysts/strategists, often in a team environment, use the information to formulate key questions for primary research that are necessary for strategic decision making. Subsequently, the internal CI team member identifies an external primary CI firm capable of addressing those key gaps in knowledge.

The external CI firm is now able to serve as an agent of the client without revealing the client's identity. Skilled CI researchers at the firm contact individuals believed to be knowledgeable about the issues of concern and ethically elicit relevant information. These researchers use their unique expertise to analyze the information and begin to distill it into clear and comprehensive CI. To optimize the process of generating this primary intelligence, the CI researcher must put together the disparate pieces of the puzzle that are being identified and collected to create testable hypotheses to validate the accuracy of the picture he or she is constructing.

Now the secondary information and the internal primary data can be combined with the gap-specific intelligence gathered by the external CI firm. This synthesis is driven by a team consisting of the internal CI professional, the external CI firm, and the impacted groups within the company. This intelligence now becomes a crucial component of the strategic planning and decision-making processes.

Strategic Business Impact

"The pharmaceutical industry is built almost entirely on information — from data on the binding of drugs to preclinical toxicology effects to pharmacokinetics in humans, safety and efficacy determinations in clinical trials, reams of data compiled for regulatory submissions, manufacturing specifications for quality control, distribution logistics, messages prepared for promotional, marketing, and educational activities, and so on," Dr. Turner says. "It is critical that the Herculean effort behind the production of beneficial and profitable drugs, and the delivery of drugs into a competitive marketplace, be built on a solid base of understanding that market. This understanding can only be optimally built through the application of a well-designed and executed intelligence pathway."

Source: David M. Turner, Ph.D., VP, Consulting Services, The Dunn Group Inc., Totowa, N.J. For more information, e-mail dturner@dunngrp.com.

trials that haven't been posted, the positioning impact of these trials, enrollment status, safety and tolerability issues, as well as gaining insight into efficacy. Overall, the demand for information centered around clinical trials will continue. There will always be a need to obtain greater detail on what's really going on.

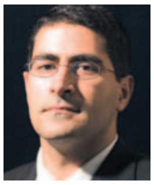
Predicting the Future

Competitive intelligence is expected to continue to be an increasingly important tool for pharmaceutical companies. With the ever-increasing volume of information available, companies will have a greater need for experienced CI professionals to help analyze, advise, and predict the future.

HUGHES. The world is moving much faster and the environment is much more complicated than it has ever been. All companies in the industry are under greater pressure than ever before. Because there is less time to react to change, companies need to move faster to respond to the competitive pressures, so being proactive is incredibly important. The advantage that CI can bring to business decision making and business management has never been more important.

Sound Bites from the Field

PHARMAVOICE ASKED INDUSTRY EXPERTS HOW COMPETITIVE INTELLIGENCE IS DIFFERENT FROM MARKET RESEARCH AND HOW THE TWO FUNCTIONS CAN BE USED TOGETHER TO HELP EXECUTIVES MAKE THE BEST DECISIONS.



JOHN M. LEBBOS, M.D., is an Analyst at Decision Resources Inc., Waltham, Mass., which provides in-depth research on the trends, emerging developments, and market potential of the drug industry. For more information, visit decisionresources.com.

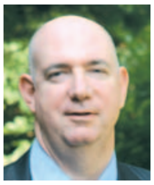
"Although significant variation exists in its definition and scope among companies, CI focuses on understanding the activities, positioning, and strategies of competitors, thereby assessing the potential threat they pose. Market research serves a somewhat broader, though often overlapping, function: to gain an understanding of market trends, assess customer perceptions, and gauge receptivity to new opportunities. For example, in developing a new product launch strategy, it is essential for a brand team to understand the launch timing, positioning, and marketing strategy of a key competing product, which is a function of CI. Market research provides the understanding of physician perceptions and likely reaction to product messaging."

DARIUS NAIGAMWALLA is Senior VP of the Brand Management Practice at Campbell Alliance, Raleigh, N.C.; a specialized management consulting firm serving the pharmaceutical and biotech industries. For more information, visit campbellalliance.com.

"Competitive intelligence and market research were once considered two separate disciplines but are now viewed as two halves of the same whole. When used effectively, these functions can provide decision makers with an improved understanding of their markets and a better foundation for strategy development. Strictly speaking, market research is broader than CI. It provides information on the current market landscape, the payer situation, and physician practice patterns and attitudes. Competitive intelligence focuses on obtaining insights related to current and future competitors, including positioning, messaging, promotional mix, and life-cycle plans. In an ideal world, market research and CI would be integrated to help inform strategic planning. For example, a decision maker could use CI to understand how a future product would likely be positioned, then use market research to understand how physicians might react. Using the knowledge and insights gathered from these integrated activities, decision makers could then refine their strategic plans to pre-empt the competition."

CHARLOTTE SIBLEY is VP of Global Market Research and Business Analysis at Shire Pharmaceuticals, Wayne, Pa., the U.S. subsidiary of the global specialty pharmaceutical company that develops and markets products to defined customer groups. For more information, visit shire.com.

"Competitive intelligence is a comprehensive, consistent, objective approach to gathering and assessing scientific and commercial information on competitors and the environment. CI should be a central information 'hub' that everyone in the organization can contribute to and learn from. Market research is an objective assessment from all customers designed to: provide deep market understanding, develop optimal positioning and communication, and monitor and track product and company performance. Both functions are designed to reduce the risk around decisions or actions."



BART WEINER is President of GfK V2, Blue Bell, Pa., one of the largest providers of custom pharmaceutical marketing research services in the United States. For more information, visit gfkv2.com.

"Competitive intelligence focuses on what is happening at other companies, whereas market research represents the voice of the customer. When they are combined they provide a more complete view of the market to better reduce risk in the decision-making process. In market research, we are often asked to predict the future. We are asked, for example, to help forecast the market potential of a product that may not launch for five or six years. Without the benefit of CI we would not have a window into what competitors might do. We would not have a realistic vision of what the future market would look like, and we would not be able to provide well-reasoned and accurate forecasts."

GETTIER. There is a tremendous amount of information available, but without someone in the CI field to analyze the information, accurate decisions can't be made; companies need someone to provide in-depth analysis. With a continuing information overload, I expect CI to play a larger role in the future.

BIANCHI. Counter intelligence will play an important role in the future. As intelligence is recognized as a real business tool and as a necessity, I expect companies to employ counter intelligence initiatives to throw off competitors. It could be as simple as an ad campaign seeking recruits for positions in a therapeutic area that may never exist within the company or carefully marketed initiatives to detract attention from another activity. People in CI roles such as mine will have to discern what is real as opposed to what is just an effort to misdirect.

SCOTT. The industry has a great opportunity to take advantage of CI. We are witnessing the leading-edge companies taking advantage of CI tools and continuing to use them because they are getting such value from them. A company used to do custom research, primary research, secondary research, and focus groups and get information about what people were thinking and what was important and not important to them. Using today's CI tools, this research can be done much more quickly and provide a real-time pulse, revealing emerging threats and opportunities. Companies that are using CI now have a competitive advantage, and eventually others will figure it out and begin exploring CI tools as well.

GETTIER. There has been a greater emphasis, especially in specialty pharmaceuticals, on conducting more business deals, licensing products, and even acquiring companies, to grow the pipeline. CI has a tremendous role to play in this area.

GARLAND. Without question, CI is going to be more in demand during the next five to 10 years. There is new interest in all types of mergers and acquisitions, new fields of science are moving along, and payer issues are more interesting and more disruptive than ever before. In all areas there are changing business models, and when business models change the behaviors of the individual players come into question. More than ever, executives need to keep their eyes and ears open. CI's real advantage is keeping executives up to date on the changes and environments that they haven't seen before. ✦

PharmaVOICE welcomes comments about this article. E-mail us at feedback@pharmavoice.com.