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## Pharma 3.0: Are you ready?

**THE ERA OF PHARMA 3.0 IS UPON US.** According to Ernst & Young (EY), several industry trends, including healthcare reform, health IT, comparative effectiveness, and the rising confidence in consumer power, are driving nontraditional companies into the life-sciences sector. These factors, among others, will continue to prompt pharmaceutical companies to broaden their focus from producing new medicines to delivering “healthy outcomes” — a shift that will encompass creative partnerships and business model innovation.



In its recent Progressions report, EY describes the transition of the industry’s long-standing, vertically integrated, blockbuster-driven model, defined as Pharma 1.0, to today’s Pharma 2.0 business model, to the upcoming era of Pharma 3.0.

Under this 2.0 business model, companies adopted a number of changes to improve productivity and financial performance, from pursuing more targeted therapies, broadening their portfolio of products and capabilities, to establishing more independent and flexible R&D units, to boosting partnerships with biotech firms and universities, and outsourcing many noncore functions.

Experts, including Carolyn Buck Luce of EY, say even as pharmaceutical companies continue to implement strategies to prosper in Pharma 2.0, these efforts may be overtaken by a Pharma 3.0 ecosystem, a model that will necessitate the inclusion of established industry members, nontraditional companies, and data-empowered consumers.

In this month’s feature article, M&A: A Short-Term Solution Whose Time May Be Over, Ms. Buck Luce discusses how Pharma 3.0 will impact the future of M&A activity in the industry. In this same article, she cites a prime example of a nontraditional company partnering with a major pharma company to develop an innovative patient-centric tool: Nintendo and Bayer created the Didget glucose meter, which children can plug into their Nintendo DS players to monitor their blood-sugar levels.

PharmaVOICE has been reporting on pharma’s need to shift its business model from a pill-based system to one that is patient-centric and outcomes-based for several years, and we thank those thought leaders who first brought this movement to light.

To learn more about why companies should transform their current business model to one that is focused on patient wellness and provides services and information around keeping patients healthy rather than just treating them after they get sick, tune into a podcast featuring Dr. Elby Nash and Nagaraja Srivatsan from Cognizant.

Also stay tuned for PharmaVOICE’s June Forum in which thought leaders from all sectors will discuss how Pharma 3.0 will impact all facets of the life-sciences continuum.

*Cheers,*

Taren Grom  
Editor



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### Their Word...

**DENISE MYSHKO**  
Managing Editor



*Pharmaceutical companies are beginning to rethink their approach to outsourcing.*

**ROBIN ROBINSON**  
Senior Editor



*M&A has been a common quick fix to build revenue in the industry, but the pharma industry needs to start seeking other solutions.*

**KIM RIBBINK**  
Features Editor



*Highly skilled and educated staff are just one of the draw cards for companies looking to broaden their business in China.*

**CAROLYN GRETTON**  
Contributing Editor



*The biotech sector needs to reinvent itself by adopting a more collaborative approach to capitalize on emerging opportunities.*

### COMING in March

- > PharmaVOICE — Special 10th Anniversary Issue
- > Emerging Market — India
- > Showcase Feature — Advertising