

STOKING THE PIPELINE

Record Spending on R&D

R&D spending by U.S. biopharmaceutical companies reaches record **\$58.8 billion in 2007.**

America's pharmaceutical and biotech research companies invested a record **\$58.8 billion last year in the research**

**and development of new life-changing medicines and vaccines** — an increase of almost \$3 billion from 2006, according to analyses by the Pharmaceutical Research and Manufacturers of America (PhRMA) and Burrill & Company.

PhRMA-member companies alone spent an estimated **\$44.5 billion on pharmaceutical R&D** last year — up from the previous record of \$43 billion in 2006, according to the PhRMA survey.

The Burrill analysis shows that non-PhRMA pharmaceutical research companies in the United States spent about \$14.3 billion on R&D last year, compared with \$12.2 billion in 2006.

Over the past seven years, America's pharmaceutical research companies have consistently invested around 18% of sales on R&D activities.

There are more than 2,700 medicines in development in the U.S. for almost 4,600 different indications. Five years ago, there were about 2,000 medicines in development.

The current pipeline includes more than 600 medicines to treat cancer, more than 300 specific to rare diseases, and more than 275 medicines for heart disease and stroke.

This activity dwarfs the pipelines in other parts of the world, such as Europe and Japan, partly reflecting existing policies in the U.S. that foster innovation.

SOURCE: PHARMA, WASHINGTON, D.C.

DTC ALERT

Shift to Physician Offices, Online Programs

Cegedim Dendrite's annual survey indicates DTC marketing is moving away from traditional mass media promotion.

According to the survey, almost two-thirds of marketers want to see more spending on emerging and targeted approaches, such as e-mail, Websites, and programs in physicians' offices and pharmacies, but so far the transition has been slow.

While DTC budgets are stagnating, the survey shows that other challenges to DTC marketing are abating. For instance, marketers report lower levels of interference due to government regulations (54% compared with 61% in 2007) and Medicare Part D issues (3% versus 14%). Part D subsidizes the costs of prescription drugs for



Medicare beneficiaries in the United States.

Fewer industry professionals anticipate increases in spending, with almost 30% reporting their budgets will decrease from last year (compared with only 16% in 2007), including 12% saying their budget will decrease by more than 10%.

Respondents were split over the effectiveness of DTC marketing, with 31% saying it has become less effective and the same percentage saying it has become more effective.

While there have been no

dramatic shifts in tactics since 2006, with DTC marketers clearly still concentrating on patient education and assistance in their marketing plans, they do expect to see increased usage of patient education events, rebates/coupons, and product placement efforts in 2008.

Healthcare provider (HCP) programs continue to be a popular method to supplement DTC marketing, with the vast majority of respondents (83%) saying they have some sort of HCP adjunct associated with their DTC programs.

SOURCE: CEGEDIM DENDRITE, BEDMINSTER, N.J.

FINANCE CHIEFS

Managing Returns

According to two recent Ernst & Young surveys, pharmaceutical CFOs will play key roles as

companies move away from a focus on driving top-line revenue growth to managing for return.

Carolyn Buck Luce, E&Y's Global Pharmaceutical Sector Leader, reports that CFOs will:

- **Shape Growth Strategies:** 74% of respondents agreed that CFOs will need to shift

their time from low-value functions, such as defensive monitoring and reporting, to partnering to help shape growth strategies that enhance business performance.

- **Reduce Costs:** A large majority — 92% — of respondents rated global cost reduction as a key issue for their businesses.
- **Manage Human Resources:** Challenges are more acute for India-based subsidiaries compared with pharmaceutical companies with headquarters in India.

SOURCE: ERNST & YOUNG, NEW YORK

THE WINNER IS ...

Pharma Med Device



PharmaVOICE would like to thank all of the attendees who stopped by our booth at the recent Interphex PharmaMedDevice Expo in Philadelphia — the first event to focus on the convergence of the medical device, pharmaceutical, and biologic industries.

The lucky winner of the iPod was **Debbie Walker**, IT Manager, from AmeriSourceBergen.

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## NEW PhRMA POSITIONS

# Clark, Brennan, and Kinder On board at PhRMA

Richard T. Clark, CEO and President of Merck, was elected board chairman of the Pharmaceutical Research and Manufacturers of America (PhRMA), which represents the country's leading pharmaceutical research and biotechnology companies.

Mr. Clark succeeds Kevin Sharer, chairman, CEO, and president of Amgen, as PhRMA's chairman, who steps down after an 18-month tenure.

Also elected were AstraZeneca CEO David Brennan as chairman-elect of the PhRMA board of directors and Pfizer Chairman and CEO Jeffrey B. Kindler as board treasurer.

In addition, Takeda Pharmaceuticals North America's President Mark Booth, Sigma-Tau Pharmaceuticals' Chief Operating Officer Gregg Lapointe, and Ovation Pharmaceuticals' President and CEO Jeffrey S. Aronin are new full members of PhRMA's board of directors.

Wyeth President and CEO Bernard Poussot, Eli Lilly President and Chief Operating Officer John C. Lechleiter, and GlaxoSmithKline President, U.S. Pharmaceuticals, Chris Viehbacher also joined the PhRMA board for the first time.

## PDUFA PAYS OFF

# FDA to Hire More Staff

The FDA's drug centers intend to spend their user fees to hire more safety evaluators, epidemiologists, regulatory project managers, and experts in risk management and medication errors to enhance their postmarket drug-safety activities.

In its draft Prescription Drug User Fee Act (PDUFA) IV Drug Safety Five-Year Plan, the agency says it will focus on hiring the staff through fiscal year 2009.

Under the PDUFA IV program, the agency will get \$29.3 million annually plus a yearly inflation factor to increase its drug-safety capabilities.

## TUNING IN...



# Featured Podcasts, Videocasts, and WebSeminar Programs

## Podcasts

Log onto [pharmavoice.com/podcast](http://pharmavoice.com/podcast)

- Counter-Launch Planning to Pre-empt and Defend Against the Launch of a Competitive Product**  
**Featured Podcast Thought Leader:** Stan Bernard, President, Bernard Associates LLC
- Enhancing Global Market Access Strategies with Named Patient Programs**  
**Featured Podcast Thought Leader:** John Lagus, VP of Business Development, IDIS
- Pre-Commercial Marketing: Securing Future Success through Meaningful Differentiation**  
**Featured Podcast Thought Leader:** Laurie Lucas, Principal, L3 Healthcare Marketing LLC
- Late-Phase Research Success: Leveraging Secondary Data**  
**Featured Podcast Thought Leader:** Cyndi Verst, Pharm.D., Senior VP, Late Phase, i3 Innovus
- The Future of Pharma CRM**  
**Featured Podcast Thought Leader:** Matt Wallach, Executive VP and General Manager, Verticals OnDemand Inc.
- Making it Stick – How Can Patient Education Really Make a Difference?**  
**Featured Podcast Thought Leaders:** Dr. Stanley Wulf, Chief Medical Officer, and W. Ray Bullman, Executive VP of NCPIC (National Council on Patient Information and Education), InfoMedics

## Videocasts — Industry Vision

Log onto [pharmavoice.com/videocast](http://pharmavoice.com/videocast)

- Clinical Trial Liaisons — A Paradigm Shift**  
**Featured Thought Leader:** John Hudak, President and Founder, Criterium Inc.
- "Globalisation" and Clinical Trials**  
**Featured Thought Leader:** Amanda Decoker, Account Manager, MediciGlobal
- The Next Generation of Clinical Operations**  
**Featured Thought Leaders:** Kaushik Bhaumik, Global Practice Leader, Consulting and BPO, and Srivatsan, Head of Life Sciences, North America, Cognizant

## WebSeminars — WebLinx

Log onto [pharmavoice.com/weblinx](http://pharmavoice.com/weblinx)

- Applying Industry Best Practices to Improve Predictability in Clinical Trials**  
 You will learn how to apply predictive analytics and best practices from other industries to improve enrollment performance.  
**Sponsored by:** DecisionView
- Planning for Electronic Patient Recorded Outcomes: A Guide to Global Clinical Trials Success**  
 With the FDA's draft guidance for patient reported outcomes (PRO) and the EMEA's reflection paper on the use of health-related quality of life measures, the advantages of using electronic tools for patient data collection are growing.  
**Sponsored by:** Lionbridge
- Maximizing Efficiency and Impact through Sales and Marketing Integration**  
 The traditional siloed approach by which sales, marketing, public relations, and other functions are each managed by distinct, unconnected teams is not delivering optimal bottom-line results.  
**Sponsored by:** inVentiv Health