BY TAREN GROM

MIDSIZE PHARMA Moving & Shaking the Industry

Unlike their large pharmaceutical counterparts, midsize pharmaceutical companies are usually not constrained by huge overheads or layers of bureaucracy. What these companies do have is a more narrow business focus, which allows them to concentrate on specific areas of drug development. That, in turn, allows them to focus mostly on diseases too small for their bigger rivals to target.

Several years ago, some analysts believed that many midsize pharma companies would fall prey to the M&A frenzy, but instead they are proving that they can compete not only in the United States but globally as well.

Being smaller also allows these companies to be a bit more scientifically innovative. Additionally, midsize pharmaceutical executives say their salespeople have an easier time building relationships with doctors, since they sell only to a few specialists and not to general practitioners.

While midsize pharma companies may be more nimble than their multinational large-cap counterparts, they face many of the same challenges, such as increased regulatory scrutiny and negative public opinion.

In this month's Forum, CEOs and presidents representing a variety of different midsize pharma companies discuss the challenges they and their companies face, as well as the opportunities that exist for organic growth and expansion through partnerships.

THOUGHT LEADERS

JEFFREY ARONIN. President and CEO, Ovation Pharmaceuticals Inc., Deerfield, Ill.; Ovation is a fully integrated global pharmaceutical company with one purpose: advancing medicines by developing, manufacturing, and marketing medically necessary branded pharmaceutical products that satisfy unmet medical needs in the areas of CNS, hematology/oncology, and hospital products. For more information, visit ovationpharma.com.

GEERT CAUWENBERGH. CEO and Founder, Barrier Therapeutics Inc., Princeton, N.J.; Barrier Therapeutics is a pharmaceutical company focused on developing and commercializing products in the field of dermatology and is committed to developing innovative products that address major medical needs in the treatment of dermatological diseases and disorders of the skin. For more information, visit barriertherapeutics.com.

LONNEL COATS. President and Chief Operating Officer, Eisai Inc., Teaneck, N.J.; Eisai is a U.S. pharmaceutical subsidiary of Tokyo-based Eisai Co. Ltd., which was established in 1995 and began marketing its first product in the United States in 1997 and has rapidly grown to become an integrated pharmaceutical business. For more information, visit eisai.com.

MARC GIROUX. CEO, Kurve Technology Inc., Bothell, Wash.; Kurve Technology designs and develops nasal drug-delivery systems for local, systemic, and nose-to-brain medical therapies. For more information, visit kurvetech.com.

A.J. KAZIMI
Cumberland Pharmaceuticals

OUR STRATEGY IS TO IDENTIFY AND ACQUIRE THE RIGHTS TO CURRENTLY MARKETED OR LATE-STAGE DEVELOPMENT PRODUCTS in our two identified therapeutic areas of interest, gastroenterology and acute care.

A View From the Top

Running a company in the highly competitive pharmaceutical arena is no easy task no matter how big the company is. Our Forum participants provide a glimpse into their management philosophies and identify the areas that pose the greatest challenges they face in steering their companies. They also discuss the issues that are affecting the industry overall.

CAUWENBERGH. Our challenge is working within the short-term expectations that prevail under the current investment climate while maintaining the focus and necessary drive to stay the course for the long-term growth strategy of the company.

KAZIMI. The biggest obstacles our industry faces are public and governmental perceptions of the value of pharmaceuticals and the slowdown in the development of new, high-commercial value products.

COATS. Many pharmaceutical companies and their leadership face similar issues that affect the entire industry. For example, the single-most pressing issue for our industry is image and its effect on public policy, which can stifle innovation. One of the largest challenges we face is overcoming these image issues. In addition, the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) has brought unique challenges to our industry. Because of this legislation, the managed care industry is reshaping the business strategies of manufacturers from pricing and reimbursements to internal controls and the latest technology. Specific to Eisai, our primary goal is to discover, develop, and seek specialty products that satisfy unmet medical needs and contribute to the health and well-being of people worldwide. We target three areas of therapeutic focus: neurology, gastrointestinal disorders, and oncology/critical care. In 1997, we entered the neurology market with Aricept. In 1999, we entered the gastrointestinal disorder

A.J. KAZIMI. Founder and CEO, Cumberland Pharmaceuticals Inc., Nashville, Tenn.; Cumberland is a specialty pharmaceutical company whose mission is to acquire currently marketed and late-stage development pharmaceutical products and grow them through marketing to targeted, underserved physician segments. For more information, visit cumberlandpharma.com.

WARREN LEVY, PH.D. President and CEO, Unigene Laboratories Inc., Fairfield, N.J.; Unigene leverages the broad utility of its patented manufacturing and delivery technologies to create a new generation of safe and effective peptide pharmaceuticals that can provide a more natural approach to the prevention and treatment of disease. For more information, visit unigene.com.

PHILIP S. TABBINER. President and CEO, Zylera Pharmaceuticals, Chapel Hill, N.C.; Zylera is a specialty pharmaceutical company focused on developing medications that will treat multiple diseases arising within the inflammation and immunosuppressive pathways. For more information, visit zylera.com.

HIROMI YOSHIKAWA. Chairman and CEO, Otsuka America Pharmaceutical Inc., Rockville, Md.; Otsuka America is a fast-growing healthcare company that commercializes Otsuka-discovered and other product opportunities in North America, with a strong focus on and commitment to neuroscience, cardiovascular, and gastrointestinal therapeutic treatments. For more information, visit otsuka.com.

JEFFREY ARONIN
Ovation Pharmaceuticals

THE BIGGEST OBSTACLE IS THAT THE PHARMACEUTICAL INDUSTRY HAS TO EDUCATE PATIENTS ON THE VALUE OF PRODUCTS AND FOCUS ON THE VALUE AND INVESTMENT BEING MADE VERSUS THE PRICE OF DRUGS, which obscures the meaningful contributions the industry makes to our society.

market with Aciphex. And in 2005, we entered the critical care arena with Fragmin. Our pending agreement with Ligand Pharmaceuticals to acquire four oncology-related products represents our first step into oncology. That being said, finding the right products is challenging. We may look at hundreds of prospective business deals each year to find one that is aligned with our human healthcare mission to satisfy unmet medical needs and increase benefits to patients and their families, as well as our vision, values, and goals.

KAZIMI. Balancing short-term and long-term goals is one challenge. Another challenge is finding the right division of resources required to support currently marketed products while, at the same time, successfully developing the pipeline of future products.

TABBINER. We face two significant and different challenges at this point in the strategic life of the company. First, as we move from a development company to a sales and marketing and development company we must execute on numerous fronts to drive four new branded prescription drugs into large metabolic markets in the next six months. This transformation will challenge our marketing execution capabilities to meet our launch expectations, while also challenging our development capabilities to keep our growing pipeline on track for two to four product launches in late 2007. Second, like all companies our size, we will be challenged to maximize all of our opportunities within our current capital resources, and the company will need to expand its financing relationships and fiscal resources to advance the pipeline as rapidly as we would like to.

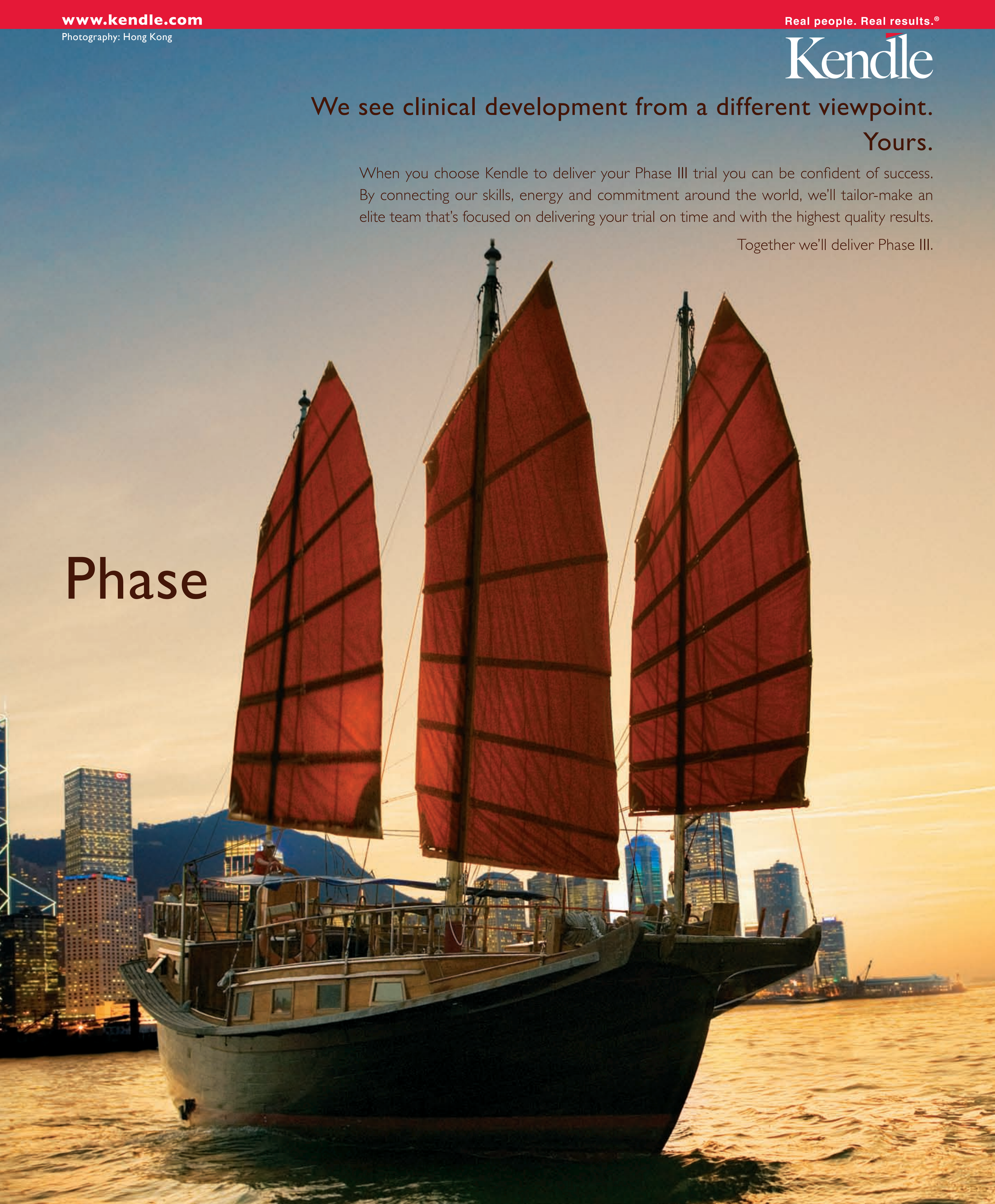
LEVY. Our challenges involve selecting the appropriate opportunities for the technologies we've already developed. We have a unique situation; we've developed technologies that have a multitude of potential applications. Trying to decide how to devote our resources to specific areas of development is probably the biggest issue we face. Our decision-making process begins with a detailed market analysis; we evaluate existing and future products, as well as competitors. We look at the entire therapeutic landscape to determine whether our technologies can lead to novel products that have unique potential and address an unmet need.

GIROUX. Balancing resources for partnership revenue generation with near-, mid-, and long-term product development is a challenge. Some of the longer-term products are more lucrative but near-term revenue is vital to us.

ARONIN. Our greatest challenge is continuing to manage our fast growth while staying true to one of our important missions: taking small-volume, hard-to-make, lifesaving products and ensuring their continuous availability to underserved or overlooked patients who have few or no other effective treatment options available to them. We have stayed focused on building a pharmaceutical company that targets the CNS, oncology, and hospital market areas. It is always a challenge to have the discipline to stay within these markets. We succeed because of our dedication to providing specialty physicians and their patients an uninterrupted supply of high-need medicines for severe illnesses. There's no better equation for success than having a virtuous purpose that fulfills a very real need among patients suffering from severe illnesses.

YOSHIKAWA. Probably one of the biggest challenges has been establishing a name for ourselves; we are a Japanese company that is relatively new in the United States. Other challenges include earning a positive reputation and competing in the world's largest market. It is difficult to know up front what level of expertise is needed in each area and how many people we need to reach to satisfy all of our requirements. If we try to do as "the big pharmas" do, we need a huge investment, which will never be returned from a financial perspective. Another challenge for me has been trying to create a new culture. We cannot say that we do business according to the Japanese culture or the U.S. culture. To continue to be a successful company, we must take into consideration all cultures and focus on a good communications system.

GIROUX. The two biggest challenges are pace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Phase

DR. WARREN LEVY
Unigene Laboratories

THERE ARE TWO CHARACTERISTICS WE LOOK FOR IN PARTNERS. First, a partner has to have resources to do what needs to be done, and second, which is of greater importance, is that a potential partner has to share our vision of commitment to the program.

and pipelines. Specialty pharma companies may choose to start taking their products to market rather than license them to big pharma companies, and this may limit the source for pipeline products.

LEVY. One of the biggest obstacles faced by larger pharma companies is the issue of providing sufficient resources for early stage programs. For a number of companies, their pipelines are not as robust as they'd like. Much of the earlier stage discovery is being done by biotechnology companies. And an ongoing debate is whether large pharmaceutical companies should cut back or increase their R&D spending. I believe these companies have to bite the bullet and increase their R&D spending to make sure that innovation is continued.

ARONIN. The biggest obstacle is that the pharmaceutical industry has to educate patients on the value of products and focus on the value and investment being made versus the price of drugs, which obscures the meaningful contributions the industry makes to our society. The industry creates tremendous value through medicines that save, prolong, and improve people's lives and at a fraction of the cost of surgical interventions or prolonged hospitalizations that might not otherwise be necessary. Through considerable investment in medical research and innovation, the industry makes advances in treatments and provides new hope of cures. Over the past decade, more than 160 drugs were approved in this country to treat rare diseases. These offer hope and relief to patients who often have no other treatment options. According to the National Institutes of Health Office of Rare Diseases, there are 6,000 to 7,000 rare diseases affecting one in every 10 Americans. This population is particularly in need of medicines because, as the FDA estimates, 85% to 90% of rare diseases are serious or life threatening.

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CAUWENBERGH. The challenges include ever-shortening IP cycles because of longer development timelines; earlier entree of generics shortening the time to recapture investment for R&D driven companies; and a U.S. regulatory environment that has clearly put safety far above therapeutic progress and innovation, which has also now infiltrated the development process, making this process tremendously more expensive, and sometimes inhibiting the development of potentially innovative drugs. These factors have caused an upward spiral in cost for new medicines that is likely to trigger centralized government action in the United States, as it has in oversocialized European systems. It is fascinating that the only markets today with true free market dynamics in the pharmaceutical industry are former communist countries, such as Russia and China.

COATS. Consumer doubt, coupled with diminishing pipelines, affects regulation and legislation of the industry, which can eventually result in more roadblocks to developing innovative new therapies. As a whole, the pharmaceutical industry provides tremendous benefits to patients. It is our job, the industry's job, to communicate the advances we make and the advantages of treatments we discover and develop. For instance, pharmaceutical companies have developed more than 780 new drugs since the 1960s, and these medicines have helped drastically cut death rates for many of the nation's leading killer diseases and/or have contributed to improved quality of life. Additionally, according to PhRMA, in 2003, company patient-assistance programs helped 6.2 million people and provided $3.4 billion worth of medicines to financially disadvantaged patients. It's these types of messages that need to be heard in today's environment so that physicians, patients, and families fully understand the value that pharmaceuticals offer. According to the FDA, roughly 300,000 preventable adverse events occur annually. Ensuring patient access to high-quality products is a key priority, and the importance of safety — specifically through drug quality inspections and tampering protection — is something pharmaceutical packagers can directly address. This year, the FDA issued changes to drug labeling rules, the first

AS A WHOLE, THE PHARMACEUTICAL INDUSTRY PROVIDES TREMENDOUS BENEFITS TO PATIENTS, and it is our job, the industry's job, to communicate the advances we make and the advantages of treatments we discover and develop.

LONNEL COATS
Eisai Inc.

major revision to labeling in more than 25 years. The guidelines, another positive step toward putting patient safety first, were designed to reduce medical errors by presenting labeling information in an easier-to-read package insert. Moreover, the package will include a highlights section that explains the most important information about a drug, including any health warnings, indication and usage information, dosage and administration requirements, and a table of contents.

Opportunity Knocks

One of the advantages of being a midsize company is having the ability to more easily make a course change when an opportunity for growth becomes available. Another hallmark of a midsize company is a strategic focus on a few therapeutic categories. Our Forum participants discuss near- and long-term opportunities for their companies.

GIROUX. We see the largest opportunities in the systemic market. The list for nasally delivered systemic drugs continues to grow, and Kurve Technology is positioning itself to provide the device of choice for these therapies.

KAZIMI. Cumberland's biggest opportunities for the near term — two to five years — are completion of development of pipeline products and acquisition of rights to currently marketed products in our therapeutic categories of interest, gastroenterology and acute care, including emergency department and critical care.

TABBINER. We are very excited about our forthcoming brand launches of four novel prescription brands: Zycose for diabetes, Inflamine for osteoarthritis, Bonisara for osteoporosis, and Folmor for cardiovascular disease. We have the chance to bring our novel technology Cytac to market to drive these brands and make a real impact in the lives of patients within some very large disease states. As we build our sales organization to capitalize on these key opportunities, we are transitioning our company to perform in a completely different arena.

ARONIN. Four of our anticipated five new product launches in the next five years will be therapies for high-need disorders fueled by our late-stage CNS pipeline. We envision a great opportunity with growth in our targeted areas of CNS and oncology. Ovation's targeted focus is critically important to our future success because our products — those currently on the market and those we plan to bring to market over the next few years — are solving important problems for the patients who use them.

YOSHIKAWA. Otsuka is a successful specialty healthcare company that is focused in key therapeutic areas principally in U.S. markets, commercializing products innovated by Otsuka, and continuing to benefit patients and professional healthcare communities around the country and the world. What differentiates Otsuka from many other pharmaceutical companies is the fact that we have a corporate culture that gives us the flexibility and entrepreneurial agility to achieve goals, as well as the luxury of time and resources. Some of Otsuka's products took a long time to develop, but that extra time allowed us to gather more data and be more thorough, ensuring that the right drug is developed to benefit the patients who need it. This will help us with our future opportunities, which I believe are a combination of remaining successful with our marketed products and our current pipeline, with new products in new therapeutic categories for new markets, a few of which are currently in Phase III clinical trials. These products will help us to continue to grow our business.

The next eight to 10 quarters should reveal a plethora of positive results, including a steady flow of product pipeline news and development progress.

CAUWENBERGH. The next eight to 10 quarters should reveal a plethora of positive results, such as nice revenue increases on a quarter-by-quarter basis; a steady flow of product pipeline news and development progress; and some potentially interesting in-licensing and partnering deals. The combination of these factors could lead to a potentially profitable company in the 2009 to 2010 timeframe with substantial momentum in revenue growth.

Zero in on your target market with expertise that goes straight to the answer.

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GEERT CAUWENBERGH
Barrier Therapeutics

I LOOK TO TRENDS IN THE MARKET AND STEER R&D EFFORTS TOWARD THOSE TRENDS. New markets are not discovered; they are created.

COATS. Increasing therapeutic specialization of pharmaceutical companies — from R&D to business development — is essential for success in an increasingly challenging marketplace. Eisai has long employed this strategic approach, and we will continue investing in our key therapeutic areas and, therefore, will continue to grow our reputation as a leader and innovator in these categories. Both Aricept and Aciphex have realized their potential to become billion-dollar products in the United States by providing benefits to patients and their families, contributing to Eisai Inc.'s total sales of $2.2 billion in fiscal year 2005. Moreover, Eisai attained in 2005 the goals of our global midterm plan, the "Millennium Plan," one year earlier than scheduled. Thus, our next midterm plan, the "Dramatic Leap Plan," began one year earlier and covers a period of six years from 2006 to 2011. Under this plan, Eisai aims to sustain steady double-digit growth in the United States, contributing $4 billion to worldwide sales by 2011, double what we contribute today. Moving forward, we will continue to grow, forge strategic partnerships, and develop, acquire, in-license, and manufacture products in collaboration with other companies, as well as on our own.

Expansion Strategies

The deals may not be as large as in the large-cap arena, but midsize pharma companies are just as keen to evaluate the best possible product and company fits for their organizations.

YOSHIKAWA. The purpose for an acquisition of a company is primarily to obtain both visible and invisible assets that are necessary to a company's infrastructure to be successful in the pharmaceutical business. An acquisition sometimes may work better than building that infrastructure on our own. For example, if we were to find a compound in a therapeutic category new to us, we may acquire a company that has the expertise and organization in place to commercialize it. As for potential product opportunities, most important would be fit — do the potential products fit into Otsuka's therapeutic categories. We have specialty salesforces trained in neuroscience, cardiovascular, and gastrointestinal areas. We evaluate whether they address unmet medical needs; if they are first-in-class or best-in-class; and would the company that we partner with be a good match in terms of knowledge, experience, and the corporate ethics and culture that it follows.

GIROUX. For us, the strategy is synergy and opportunity. The effort should make both sides stronger and provide a better position to more aggressively pursue market share.

KAZIMI. Our strategy is to identify and acquire the rights to currently marketed or late-stage development products in our two identified therapeutic areas of interest, gastroenterology and acute care. We will, however, evaluate opportunities outside our current target areas to determine if we believe we could develop additional value with the product.

LEVY. Our acquisition strategy is based on finding products for unmet needs. For example, we're active in the osteoporosis area, and there are certain opportunities that we believe will present themselves. Diabetes is another area of interest, as well as certain chronic disease areas where we could apply our technologies.

ARONIN. Our strategy is consistent across acquisitions of products and companies. We remain focused on identifying high-need products concentrated in three primary therapeutic areas — CNS, oncology, and hospital therapeutics. We have completed eight acquisitions in the past five years. We currently have 20 products marketed in more than 85 countries. While growing our current base of products, we also seek to identify select opportunities to acquire new products or companies within our core target areas. While we have an entrepreneurial culture, the company is also financially disciplined and has expertise in evaluating and in transitioning products, which is very attractive to pharmaceutical companies that seek to divest products. We integrate the new products seamlessly into our business, successfully taking on very difficult manufacturing transitions. We only do acquisitions of products where we can increase the value through new dosage forms, better science, improved manufacturing, or better education.

CAUWENBERGH. Ideally any acquisition should fit the following criteria: the product should have strong IP protection with substantial remaining patent life, i.e. growth potential; it should not compete with our own marketed drugs at this point or near-term

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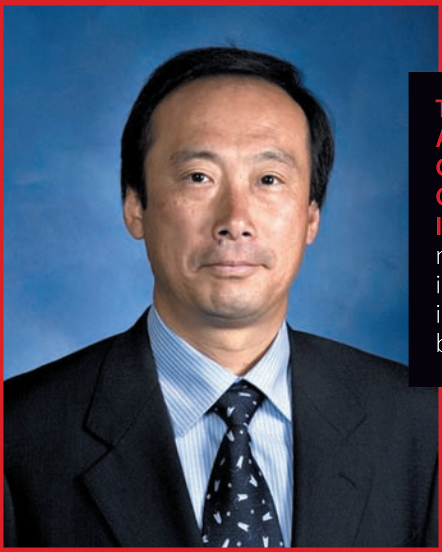

THE PURPOSE FOR AN ACQUISITION OF A COMPANY IS PRIMARILY TO OBTAIN BOTH VISIBLE AND INVISIBLE ASSETS that are necessary to a company's infrastructure to be successful in the pharmaceutical business.

HIROMI YOSHIKAWA
Otsuka America Pharmaceuticals

pipeline products; it can't be a me-too drug; and there should be the possibility to differentiate the product with physicians based on meaningful patient benefits.

COATS. Moving forward, we believe we will achieve the greatest growth through a combination of efforts: research and development, in-licensing/acquiring promising new products in our therapeutic areas of focus, establishing strategic alliances, and producing specialty products that satisfy unmet medical needs and contribute to the health and well-being of people worldwide. We can achieve this goal independently and/or in collaboration with other companies.

TABBINER. When we started Zylera, the principles of the firm noted frustration with the very narrow approach we had been required to use to choose opportunities in larger or publicly traded companies. So we committed ourselves to use what we call an "accelerator" concept, wherein we will take on any technology that we can drive toward the market rapidly and effectively even if it means that we later have to license it or sell it to another company that has a marketing capability that we don't possess. By taking this approach we have been able to license a number of platform technologies and delivery systems that have yielded the four products we have, or are launching this year, and an additional two to four products that we anticipate being able to launch within the next 18 months.

Filling the Pipeline

For our midsize pharmaceutical company leaders, R&D means maintaining a tight focus on core therapeutic areas while pushing the innovation envelope to uncover new opportunities.

CAUWENBERGH. We look for novel approaches, including chemistry, pharmacology/mechanism of action, pharmacokinetics, pharmaceutical formulations, to existing indications in dermatology. I look to trends in the market and steer R&D efforts toward those trends. New markets are not discovered; they are created.

COATS. About 15% of Eisai's worldwide revenue is spent specifically on research and development, mainly in our three targeted therapeutic areas. We have a compound in our pipeline, E7389, a potential new therapy for breast cancer, which is currently in Phase III trials. This compound also will be studied for soft-tissue sarcoma, prostate cancer, and ovarian cancer, among other cancers. Additionally, in oncology/critical care, we have initiated a Phase III clinical program for E5564 (eritoran) as a potential treatment for severe sepsis, a potentially fatal condition for which there are few effective treatments. In the neurology arena, Eisai in the United Kingdom discovered an oral AMPA receptor antagonist, E2007, which is about to begin Phase III trials for the treatment of Parkinson's disease in the United States. The compound also is being investigated for potential use in epilepsy and other indications. Additionally, Eisai continues to develop rufinamide, acquired from Novartis Pharma AG, for the treatment of epilepsy and submitted a new drug application to the U.S. Food and Drug Administration in 2005. We also submitted a supplemental new drug application to the FDA for Aricept for the treatment of severe Alzheimer's disease. In April 2006, our parent company, Eisai Co. Ltd., established the Eisai R&D Management Company, a global organization that will manage and support all of Eisai research and development.

GIROUX. We anticipate what the market will look like as far ahead as we can and pursue only what we believe will be a viable, far-reaching product that aligns with our current efforts. One example is the delivery of dry powder therapeutics.

On the Market

Because midsize pharma companies often lack the resources of a huge salesforce, the focus is on specialty audiences, a strategy that naturally aligns with focused areas of therapeutic concentration.

KAZIMI. Our sales and marketing strategy is to focus our efforts on the highest potential users of our products, whether they are hospitals or physicians. While running somewhat counter to the practice of the last several years of sending several representatives into the same office with the same product, our focused, nonintrusive approach to motivate customers has resulted in a high level of acceptance and product usage.

ARONIN. Our approach to commercialization has always been science-based education, dealing with high-level thought leaders. We continue to develop important clinical data around our products. Our highly trained and specialized salesforce uses data to educate the physician community. Our sales team plays a crucial role in introducing these new clinical opportunities to the medical community. Historically, we have sold and marketed products on our own. Recently, though, we launched one of our products very successfully in the neonatal marketplace in partnership with Abbott Laboratories' Ross Products Division. Through this partnership we achieved 100% market coverage with more than 400 sales representatives.

CAUWENBERGH. We focus our efforts on specialists: dermatologists and pediatricians. We also focus on the benefits of our products rather than negative marketing against the competition. We maintain a close interaction between the home office and salesforce. This strategy results in higher ownership on both sides and fast action to optimize sales results.

Resource Allocation

According to these industry leaders, concentration on core capabilities appears to be the winning strategy with those functions that consume disproportionate resources outsourced to trusted partners that meet the highest standards.

ARONIN. As a fully integrated global pharmaceutical company we have the ability to independently and effectively execute across all areas of our business. At times, however, it makes more sense to partner than to duplicate resources that are widely available in the industry. For example, we have several partners that offer the bricks-and-mortar manufacturing facilities, and it makes good sense to leverage their manufacturing expertise and efficiency.

CAUWENBERGH. Barrier is a fairly virtual company. Much of what we do is outsourced, but the general rule is that critical functions are filled by Barrier employees. We outsource manufacturing and scale-up functions and use contract research organizations for our preclinical and clinical programs. We take a hybrid approach to our salesforce in which all of the senior management, including regional managers, are Barrier employees, as well as a portion of the sales associates who have proven their value to the company. The rest of the sales associates belong to the contract sales organization (CSO). The CSO also provides all of the back room operations, such as sample management, fleet, IT, and so on. In

PHILIP TABBINER
Zylera Pharmaceuticals

PARTNERS MUST DEMONSTRATE MARKET UNDERSTANDING AND COMPETENCIES. We primarily look for companies that have relationships with key opinion leaders and the track record to show launch effectiveness and market penetration.

general, if the cost of outsourcing consistently exceeds the cost of an internal position, we hire an employee for that specific function. We will probably always outsource the more complex, capital intensive, specialized functions of our business, such as manufacturing.

YOSHIKAWA. We have specialty salesforces that focus on therapeutic categories; we have one in neuroscience and another in the cardiovascular and gastrointestinal areas. Our sales strategy is very basic: we will do the right things in communicating with patients and physicians and create messages and sales materials that are exactly consistent with the label of the drugs we sell. I believe that is best for patients and physicians, and, eventually, we will achieve success in the market by providing a good product that meets medical needs and promoting it appropriately. In terms of our marketing strategy, we typically begin the branding process for potential products about three years before the expected product launch. Our primary goal is to develop a brand that is distinctive and memorable. We also work with clinical, regulatory and legal, and other marketing and communications people from Otsuka's offices in Europe and Japan. While OAPI commercializes products only in the United States, marketing and branding activities do occur on a global basis to ensure consistency worldwide when products are launched in various countries.

COATS. Our mission as a pharmaceutical company is to deliver medicines into the hands of patients who need them as quickly as possible. We believe that we can create this patient value by seamlessly integrating all company functions, from discovery and development to marketing and manufacturing. But we seek to outsource in those areas in which maintaining a particular function or capability is not cost-effective, usually to augment capabilities. We take a global approach to outsourcing and seek to build effective partnerships and close working relationships.

TABBINER. We are always interested in new technology platforms aimed at our key therapeutic areas — metabolic diseases — but at our current stage we are more interested in international marketing partners that are interested in representing our brands in their key markets. Partners must have the capabilities and track records to demonstrate market understanding and competencies. We primarily look for companies that have relationships with key opinion leaders and the track record to show launch effectiveness and then market penetration. Our products also need to receive key and influential positions in our partner's marketing plans.

CAUWENBERGH. The best partners are those who have similar views as we do on business development, new markets, and sales and marketing strategy; and companies for whom our products would be important to their future growth. We would want to be sure that there is real synergy and value in any partnership for both sides.

COATS. Successful partnerships rely on a balance between two partners that have business needs that complement each other. A well-structured partnership reduces risk, thrives in an environment of continuous information exchange, and reflects a commitment of flexibility. All parties in a partnership must operate with a common goal: to promote a brand that produces the most effective outcome. It has been our experience that shared decision making provides for the best outcomes. We work with partners to align goals and objectives to fully realize the promise of each product. Our arrangements with our co-promotion partners foster equality and mutual respect. We work together to tailor these relationships so that both companies have a voice in all decision making. Specifically, we seek to work with companies that share our mission to provide products that satisfy unmet medical needs and increase benefits to patients and their families.

Successful partnerships rely on a balance between two partners that have business needs that complement each other. A well-structured partnership reduces risk, thrives in an environment of continuous information exchange, and reflects a commitment of flexibility.

GIROUX. We look for a sense of urgency; prospective openings to grab market share and meet an unmet, or poorly met need. Our ideal partners understand this urgency and move accordingly. ✦

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