THE CORNER OFFICE

A review of the annual reports, public statements, and exclusive commentary from almost two dozen of the industry's pharmaceutical/biotechnology companies reveals the top trends as identified by the CEOs, presidents, and executive management teams of these industry standard bearers.

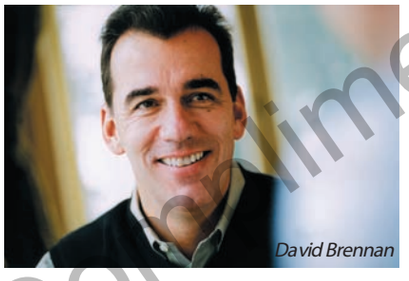
(Editor's Note: Predictions are presented in alphabetical order by contributor's company.)


Masafumi Nogimori

IN-LICENSING

Masafumi Nogimori
CEO and President
Astellas

In addition to our continuing in-house research and development work, we are making active use of in-licensing to reinforce our new drug pipeline, so that we will be able to achieve sustained corporate growth driven by the constant launch of new drugs on the market. We will remain always on the lookout for such licensing opportunities.


David Brennan

MANAGING THE PRESSURES

David Brennan
CEO
AstraZeneca

The growing demand for healthcare means increasing pressure on the budgets of governments and others who pay for it. We must manage the associated downward pressure on the price of our products, whilst continuing to invest in providing medicines that make a difference.


Robert Parkinson

RE-INVIGORATING SCIENCE AND TECHNOLOGY

Robert L. Parkinson
Chairman and CEO
Baxter International

Re-invigorating science and technology is our most important strategic priority. We increased our R&D spending 15% in 2006, to more than $600 million, the highest level in our 75-year history. We will continue to grow R&D spending faster than sales. We also will begin to invest more of our R&D dollars in exploratory R&D and early-stage initiatives that may yield future medical breakthroughs.


Christian Boehringer

MERGERS & ACQUISITIONS

Christian Boehringer
Chairman of the Shareholders' Committee
Boehringer Ingelheim

The year was again one of market consolidation in the pharmaceutical industry. And this trend with mergers and acquisitions is most likely to continue. The main reason for this is a very simple one: lack of productivity in research and development.

GROWING PAINS

James D. Robinson III, Chairman of the Board
James M. Cornelius, CEO
Bristol-Myers Squibb

This year we plan to look for additional opportunities to drive efficiencies and reduce costs, again largely by scrutinizing the way we operate as a business. We cannot pretend this process will be painless. Across our entire industry, companies are facing difficult choices as they restructure. For us, it is important to lead this process in a way that builds strength, confidence, and commitment to a better future for Bristol-Myers Squibb. Still, the overall environment is challenging for all companies across the pharmaceutical industry. Pricing pressures in particular are growing, including in the United States, where the new prescription drug benefit under Medicare is having an impact.

EXPANDING BORDERS

Takashi Shoda
Representative Director, President, and CEO
Daiichi Sankyo

In addition to the major markets of Japan, the United States, and Europe, Daiichi Sankyo also plans to expand its business infrastructure in a fourth market zone consisting of the Asian and Latin American markets, which are expected to expand dramatically in the future. We will also establish a

more efficient global structure to enhance our domestic and international supply chain.

AN ONCOLOGY FOCUS

Haruo Naito
Director, President, and CEO
Eisai

Eisai plans to take full responsibility for the global marketing of future new products through our own independent efforts and thus further increase profitability. To these ends, we will increase the number of medical representatives (MR) in each area of the world where we do business and form an MR team dedicated solely to oncology. We have set up a division responsible for the global marketing strategies, which is based in the United States.

REALLOCATION OF RESOURCES

Sidney Taurel
Chairman of the Board and CEO
Eli Lilly & Co.


Sidney Taurel

We have streamlined operations in both R&D and manufacturing. In 2006, we made difficult decisions to close research centers in Belgium and Germany that duplicated other capabilities. And we closed manufacturing facilities in the United Kingdom and northern Virginia due to excess capacity. These decisions are part of the broader transformation of our manufacturing base for a new era, which has included expansions on the biotech side. In 2006, for example, we successfully started up our biosynthetic insulin plant in Puerto Rico; opened a pilot manufacturing facility for biotech medicines in Indianapolis; and announced plans to build a new biotech plant in Ireland as well as to expand our Indianapolis parenteral-products operations.

SCIENTIFIC BREAKTHROUGHS

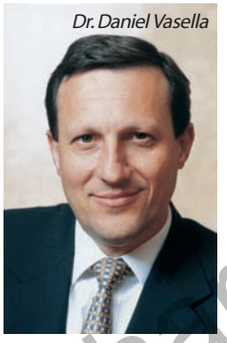
William C. Weldon
Chairman, Board of Directors, and CEO
Johnson & Johnson

The science of health and well-being is evolving rapidly, thanks in part to the wealth of information flowing from sequencing of the human genome. Moreover, scientific breakthroughs outside of biology — in materials science, electronics, computer science, and other technologies that underpin science-based healthcare solutions — are also advancing at an unprecedented pace. This means that opportunity for scientific innovation, including innovation through technology convergence, has never been more promising, especially for broadly based companies with the capacity to adopt and commercialize new technologies quickly.

FILLING THE PIPELINE

Dick Clark
CEO and President
Merck & Co. Inc.

We have increased the productivity of our early-stage pipeline, generating a steady progression of promising compounds into our later-stage pipeline, while maintaining our high scientific standards. And we are significantly reducing the time it takes to move a product through every phase of development. In late development, we have already exceeded our prior cycle-time reduction goal by achieving more than a 10-month reduction. The strength of our pipeline has been further enhanced by our continued commitment to identify and enter into strategic acquisitions and alliances that complement our internal research and development efforts. In 2006, we signed 53 key agreements, including the acquisitions of three leading biotech companies. And we are leveraging these transactions to further strengthen and speed drug discovery at Merck.


Dr. Daniel Vasella

PATIENT-CENTRIC

Daniel Vasella, M.D.
Chairman and CEO
Novartis

In these industry conditions, "business as usual" is no longer a viable long-term option. Identifying and addressing the needs of patients remains at the forefront of all that we do. This includes taking a serious look at the economic and political realities in which patients live because this plays a major role in determining how products are made available to them. This is why our business portfolio systematically reflects the dynamically changing healthcare market: growing demand for innovative medicines (pharmaceuticals), the rising support for greater use of cheaper generics (Sandoz), the increasingly prominent role of vaccines (vaccines and diagnostics), and greater empowerment of patients (consumer health).


Lars Rebien Sorensen

THERAPEUTICALLY FOCUSED

Lars Rebien Sorensen
President and CEO
Novo Nordisk

Considering the magnitude of the diabetes challenge and the fact that current therapies alone cannot solve the problem, it is only natural that many companies see business opportunities in this field. For Novo Nordisk this means increased competition from established innovation-based pharmaceutical companies and from biosimilar manufacturers. To get our message across in this increasingly 'noisy' environment, we need to speak louder and expand our presence globally. In other words, the costs of doing business are going up. In the course of the year we have managed to improve our market position in all therapy areas and in all markets, which has helped us to achieve our goals.

AFFORDABLE INNOVATION

Jeff Kindler
CEO and Chairman of the Board
Pfizer

We understand that our perception of what's innovative only matters if our customers share it. Governments, managed care organizations, and physicians have enormous influence over patients' ability to obtain and afford

our medicines and we need to work in close partnership with them, so that our innovations reach as many patients are possible. And it is essential that we become a more streamlined company — one that listens to its employees and customers, moves quickly, and gives its people more opportunities for growth while holding them accountable for performance.

CROSSFUNCTIONAL COOPERATION

A.G. Lafley
Chairman of the Board, President, and Chief Executive
Procter & Gamble


A.G. Lafley

P&G is the only consumer products company with global business unit profit centers, a global market development organization, and global shared business services, all supported by innovative corporate functions. We are essentially running a number of highly focused companies that share common go-to-market operations and business services. We've made it possible for each business unit to focus on its individual consumers, customers, and competitors while capturing all the capability, knowledge, and scale of a $70 billion global company. We have created the capability to collaborate, learn quickly from one another, and reapply successes across P&G businesses.

COOPERATIVE EFFORTS

Franz B. Humer
Chairman and CEO
Roche Group


Franz Humer

We plan to intensify cooperation between our pharmaceuticals and diagnostics divisions in major therapeutic areas in order to deliver more products tailored to the needs of specific patient populations. The benefits of more precise diagnoses and better-targeted treatments are already evident — particularly in oncology. Tighter cross-divisional linkages between our research, development, and marketing organizations will strengthen our ability to actively shape the future of therapeutics and diagnostics.

INTEGRITY INTEGRAL TO THE IDEAL

Kunio Takeda, Chairman
Yasuchika Hasegawa, President
Takeda Pharmaceutical Company Ltd.

Takeda-ism is management's pledge to act with integrity at all times, especially when facing difficulties or challenges. Integrity refers to our compliance with the highest ethical standards, our fairness and honesty in conducting every activity, and our perseverance in pursuing the ideal


Kunio Takeda


Yasuchika Hasegawa

forms for our operations and management.

Setting our management philosophy, Takeda-ism as the basis of business, we strive toward being a world-class pharmaceutical company of Japanese origin.

Based on a thorough review of the R&D management scheme and investments focused on the global research infrastructure, Takeda will build a structure that will enable the continued launch of new products from its in-house R&D from fiscal 2011. Takeda will invest in in-licensing and alliance activities as supportive measures for in-house research while also enhancing the R&D pipeline to a level where the company can expect sales of in-house ethical products of 2 trillion yen in fiscal 2015.

ADDRESSING ALZHEIMER'S DISEASE

Robert Essner
Chairman and CEO
Wyeth


Robert Essner

I believe that Alzheimer's disease is the biggest healthcare issue of my generation. More than 4.5 million Americans suffer from this disease today, and, as the baby-boomer generation ages, it is expected that this number will grow substantially. Add to that the millions more who are affected by the disease — the families and caregivers of Alzheimer's patients — and the billions of dollars in healthcare costs borne by society, and the nature of the challenge and the critical importance of doing everything we can to overcome it become clear.

Clinical development in this field is complex and expensive with outcomes uncertain, but the impact of success would be enormous. We're proud that Wyeth is at the cutting edge in seeking new drugs not only to treat Alzheimer's disease symptoms better than currently available therapies but potentially to stop or even reverse the course of this crippling and ultimately fatal disease.

Our goal is to turn the corner on this terrible illness and provide new hope. Success will come not just in the laboratory but also on the regulatory front and through the development of strong partnerships with patient groups, government, regulatory agencies, and scientists in industry and academia. We must encourage additional research, accelerated and informed new drug reviews, and more aid to caregivers who bear the brunt of this health scourge. ✦

PharmaVOICE welcomes comments about this article.

E-mail us at feedback@pharmavoice.com.

It strikes us as the perfect match...

Not that we want to set the whole world alight – but Chiltern and CTMS have joined forces to bring even greater coverage and experience to our clients.

When two companies share an unrelenting commitment to quality and both are recognized for exceeding rather than simply meeting clients' expectations a merger is only natural.

The fit of the two organizations is so logical that the only perceptible change will be improvement – a stronger U.S. and global infrastructure, enhanced therapeutic expertise and greater depth from Early Phase to Late Phase to Resourcing Solutions.

We would say that it is business as usual – but neither company has ever been that ordinary.

CTMS℠
Clinical Trial Management Services, Inc.

CHILTERN

A MUTUAL UNDERSTANDING

From February 2008 the combined Clinical Research Organizations of Chiltern and CTMS will be known as Chiltern.

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