

» CEO CORNER

THE EXECUTIVE SUITE

The CEOs, Presidents, and Executive Management Teams of some of the industry's top publicly traded pharmaceutical and biotechnology companies discuss their business models and the **TOP TRENDS THEY BELIEVE WILL IMPACT THE INDUSTRY** in the coming years.

**MEETING CHALLENGES HEAD-ON**

David E. I. Pyott, CBE
Chairman of the Board and CEO
Allergan Inc.

Allergan draws stability, strength, and value from its growth equation — a business model that balances diverse specialties with a focused approach and a leadership presence in markets around the globe. R&D is the center of the enterprise and the long-term driver

of product innovation. We are using today's opportunity to adapt not only to the current size of the medical aesthetics markets, but to prepare for the reimbursed pharmaceutical market of tomorrow. Coupled with innovation, success in this market will be further defined by meeting consumers' demands for credible information backed by science and by working with physicians to help patients make the best-informed choices possible. This is Allergan's formula for responsible growth and expansion. As we manage through the current economic challenges, we have sharpened our focus, made strategic trade-offs, and been prepared to make difficult cuts so that Allergan emerges from this period as a lean, fit, and adaptable company.

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**GLOBALLY FOCUSED**

Masafumi Nogimori
President and CEO
Astellas Pharma US Inc.

The challenge for Astellas is to compete with other players worldwide by developing a business model we call "global category leader" (GCL). The business philosophy of Astellas is to contribute toward improving the health

of people around the world through the provision of innovative and reliable ethical pharmaceutical products. To help realize this business philosophy, we formulated Vision 2015 to define the direction we must take, the company that we want Astellas to be in 2015, and the policies and strategies needed to accomplish this goal. The principal aim is to establish Astellas as a GCL by supplying high-value-added drugs on a worldwide basis in various highly specialized fields where there is a high degree of unmet medical needs. We aim to build a competitive presence within each of these categories. Rather than simply gaining scale through sales expansion, our aim is to generate sustainable growth in enterprise value by developing the GCL business model so that we can maximize the value

added to the lives of patients and everyone seeking a life of health. In these rapidly changing and highly stimulating times with many opportunities, we believe that generating value depends on taking a distinctive approach.

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**ON THE JOURNEY OF CHANGE**

Rich Fante
President
AstraZeneca US

The business environment is driving the greatest era of change the pharmaceutical industry has ever experienced, and the companies that execute well while transforming themselves to compete effectively in this environment will emerge on top. You cannot have success without maximizing the growth

of new, innovative, and meaningful medicines that make a real difference in people's lives — that is why we exist. Transformation must include first-class customer capabilities that deliver services in ways that make sense to our customers now and in the future. It also requires disciplined internal processes that ensure we are operating efficiently and consistently allocating resources where our business needs them most. The most critical levers in a successful transformation are effective managers who embrace and lead change in the organization. Any transformation is a journey, and recognizing the need for change is only the beginning.

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**INVESTING IN LIFESAVING TREATMENTS**

Robert L. Parkinson, Jr.
Chairman and CEO
Baxter International Inc.

Baxter plays a unique role in healthcare. Virtually every product we make is used to treat critical, life-threatening conditions. Our therapies are infused, injected, or inhaled an estimated 6 million times a day, in more than 100 countries, to save and sustain the lives of people

with hemophilia, immune disorders, end-stage kidney disease, and other critical illnesses. Research and development is our most important

strategic priority. We continue to accelerate our investment in R&D to meet the ever-increasing demand for healthcare worldwide, particularly for the medically necessary products and therapies that we provide. It is rewarding to work in an industry where the work we do benefits so many, and where our mission of developing new and better therapies will continue to advance the quality of care for patients around the world.

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SUSTAINABILITY BREEDS SUCCESS

Mark Trudeau
President, US Region, Executive VP
Bayer HealthCare

We are aiming for sustainability in everything we do. Sustainable success requires responsible interaction with all stakeholders, sound business models, and investment in the future. In these turbulent times we could, of course, help to improve earnings in the short term by cutting back on research, but that would not be a sustainable strategy. It would simply be short-sighted. Our investment in research and development is intended to drive our growth and produce groundbreaking innovations. That is how we safeguard growth — and with it, jobs and prosperity. Success tomorrow demands investment today. The time to compete for tomorrow's best products and technologies is now. But we must not lose sight of the long-term challenges either. By these I mean the major issues such as demographic change, global food supplies, energy conservation, and climate protection. Bayer's climate program is already making very encouraging headway. We have good answers that address long-term challenges and at the same time take advantage of related business opportunities for our enterprise.

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FIRST-IN-CLASS THERAPIES MAXIMIZE VALUE

James C. Mullen
President and CEO
Biogen

Our achievements flow from the execution of our well-defined, long-term strategy, which, at its core, is focused on addressing serious unmet medical needs. This strategy anticipated an environment in which many large pharmaceutical companies would face the multiple challenges of patent expirations on major products, less than fully productive pipelines, and pricing pressures in developed markets. We have long held the belief that even in the face of such conditions, first-in-class or best-in-class therapies that change the standard of treatment for life-threatening or life-altering disease will continue to have value for patients and shareholders. We have developed and supported such therapies through robust research and development and highly disciplined business development; by pursuing

treatments for diseases that require relatively small, specialized salesforces, rather than a large sales-and-marketing infrastructure; and by expanding our presence globally to increase the diversity of our revenue stream and maximize the value of our marketed products.

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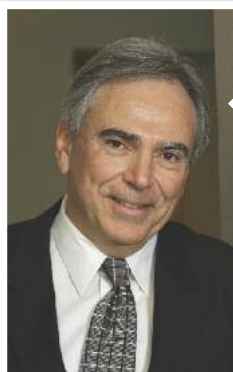


GLOBAL HYBRID INNOVATION

Takashi Shoda
Representative Director, President, and CEO
Daiichi Sankyo Co. Ltd.

This past year we have taken the first steps on the journey toward our vision for 2015, a future for Daiichi Sankyo as a global pharma innovator. In fiscal 2007, we accelerated the expansion of our global business structure, especially in the U.S. market. We also spun off our nonpharmaceutical businesses, thereby concentrating our management resources into the pharmaceutical business. We have moved proactively to keep ahead of a rapidly changing business environment by adding Indian pharmaceutical company Ranbaxy Laboratories Ltd. to the Daiichi Sankyo Group. Through this expansion into a fast-growing emerging market and the field of nonproprietary drugs, we pursue a hybrid business model, adding global reach with a broad product portfolio to our existing high-risk, high-return model. In addition to innovation in science and technology, we also aim to be an innovator in business models. As a global pharma innovator, we will achieve sustainable growth while helping people everywhere to enjoy healthy, prosperous lives.

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HELPING PATIENTS MANAGE CHRONIC DISEASE

Joseph P. Pieroni
President and CEO
Daiichi Sankyo Inc.

Healthcare access and affordability will remain important issues facing lawmakers, advocates, and healthcare professionals as they tackle healthcare reform. Daiichi Sankyo is playing an active role in this dialogue and is committed to developing innovative medicines that support both a healthy nation and a healthy industry. Patients and healthcare providers alike need better tools and resources to help manage and treat chronic conditions like heart disease and hypertension. While patent expirations and shrinking pipelines are a challenge for many organizations, Daiichi Sankyo remains committed to achieving excellence in the treatment of cardiovascular disease with a robust developmental pipeline. Our industry must continue to rise to the challenge of offering new medicines with greater clinical benefit over existing therapies. Healthcare reform will not alter the fact that the most important patient outcome results from using the most effective therapy for each individual patient.



ALL SYSTEMS GOING GLOBAL

Hajime Shimizu
Chairman and CEO
Eisai Inc.

Eisai recently transformed its research and development functions around the globe into a new "product creation system."

This product creation system is composed of 13 units, with seven units covering therapeutic areas such as oncology and neuroscience, and six units based on innovative

technologies.

The new global structure brings together employees at all levels of discovery, development, and regulatory to collaborate on our therapeutic projects.

Our goal is to further strengthen our patient-oriented focus during drug discovery and development as well as streamline the resources needed to generate innovative new medicines that improve the quality of life of patients.

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INVESTIGATIONAL MEDICINES PAVING THE WAY

Fereydoun Firouz
President and CEO
EMD Serono Inc.

With more than 1,000 employees located around the United States, EMD Serono is an established biopharmaceutical leader making an impact on the way people live with conditions such as multiple sclerosis, infertility, cancer, growth hormone deficiency, and HIV.

In 2010, EMD Serono hopes to bring to the market the first oral short-course therapy for multiple sclerosis and the first medication for the treatment of excess abdominal fat in HIV patients with lipodystrophy.

These investigational medicines could transform the way people approach therapy, while broadening treatment options across these respective therapeutic areas.

As we look forward, my priorities are to nurture the culture of EMD Serono and the passion of our employees, which revolve around our core purpose of advancing science to bring innovative therapies and health solutions to society.

We will know we have achieved success for all of our customers when we can build upon our expertise in research, development, and commercialization, to not only treat conditions such as multiple sclerosis and cancer with breakthrough medicines, but promote wellness through therapeutic disease prevention and disease reversal.

EMD Serono is preparing for an extraordinary future.



EARNING TRUST THROUGH CORPORATE CITIZENSHIP

John C. Lechleiter
Chairman, President, and CEO
Lilly

Ultimately, our future depends on the trust of the patients, physicians, and payers who use, prescribe, and pay for our products. We have to earn that trust every day. So no discussion of our future would be complete without addressing our commitment to strong corporate citizenship.

We've learned that the best way to build trust is by letting people see for themselves what we're doing. We've been leaders in transparency, going back to the industry's first voluntary registry of clinical trial data in 2004. Last year, in another industry first, we announced plans to voluntarily disclose our payments to doctors for any speaking and consulting services they provide. Lilly was also actively involved in efforts by the Pharmaceutical Research and Manufacturers of America (PhRMA), which resulted in a revised code for company interactions with healthcare professionals and strengthened PhRMA's guiding principles for direct-to-consumer advertising about prescription medicines. We're also working to build consumers' trust in the safety of the medicines they take. For example, we introduced a color differentiation system for insulin products marketed in the United States and Europe, including vials, pens, and individual packaging for Humalog and Humulin. These safety measures help patients, physicians, pharmacists, and other healthcare professionals accurately identify prescribed insulin and avoid mix-ups.

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LONG-RANGE SOLUTIONS NEEDED

Dan Vasella
CEO and Chairman
Novartis AG

To provide cost-effective healthcare, all systems around the world must achieve three goals: quality assurance in diagnosis and treatment, access to all essential medical services and medicines, and financial sustainability. This requires greater transparency and comparability of treatment results with

standardized treatment methods, measurement, databases, and information technology systems.

There has been little meaningful progress to date in these areas, not only because systemic analysis and planning have been lacking, but also because politicians have been focused on short-term success. Moreover, there are many groups that are resistant to any fundamental change in healthcare.

We expect new policies from the U.S. administration, which wants not only to provide all its citizens access to medical care, but also to stem the rising costs of its healthcare system. There is a risk of a growing belief in state intervention and the temptation to extend the capacity and scope

of state responsibility in naive and costly ways. Instead, government should enhance prevention programs against obesity, for example, and implement tort reform with malpractice caps.

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ACQUISITION BROADENS SCOPE

Severin Schwan
CEO
Roche

We focus on creating medically differentiated medicines and diagnostic tests that significantly prolong patients' lives and improve the quality of life. Thanks to our deep expertise in molecular biology — in both divisions, pharma and diagnostics — we are well-positioned to make personalized healthcare a reality. An important cornerstone in our strategy was the decision to join forces with Genentech. By combining the two companies, we benefit from a broadened set of capabilities, intellectual property, and one of the strongest emerging product pipelines in the industry.

We are now able to share technologies, assets, and expertise across the group.

At the same time, we continue to encourage and promote a diversity of research approaches, because this helps to create an ideal climate for medical progress. Building on almost two decades of successful collaboration, Roche and Genentech have together made swift progress with integration efforts. Within the space of a few months we have already completed all major planning decisions relating to staffing, organizational structures, and joint decision-making processes.

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DIVERSIFICATION IS KEY TO SUCCESS

Christopher Viehbacher
CEO
Sanofi Aventis

The first reason we intend to diversify is quite simply the wide variations in healthcare demand throughout the world. We are going to start from an analysis of patients' needs and ask ourselves: "How can we help them?" It follows that the way we approach prevention, treatment, and services will vary from one region to another. But we are also taking a macro view, paying more attention to global public health issues.

I want us to keep the following challenge top of mind: there are 6 billion people on the planet that could one day become our customers. How can we help them? What can we do to answer public health challenges competently and profitably? That is why we are open to different healthcare options worldwide and will not remain focused only on our traditional pharmaceuticals.

That leads to the second reason for diversification. Our core business — pharmaceuticals — is faced with several patent protection expiries in the years ahead, and our new medicines in development will not completely counterbalance this. In response, we are going to develop growth platforms such as vaccines, diabetes, consumer healthcare products, new innovative products, and an enhanced presence in emerging markets.

When we talk about healthcare, we're talking about something very basic, really: helping people. That's why we are evolving into a global healthcare leader focused on patients' needs. ♦

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

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Get to Know the Clinical Data Liaison Role

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**The Evolution of the Data Management
Role: The Clinical Data Liaison**

By Mary Stefanzick

PODCAST

**The Clinical Data Liaison: The Key Role to
Better, Faster Clinical Trials**

Featuring John M. Hudak



"The CDL is a new role that will become a standard in the industry for companies that want to make more efficient use of limited resources: time and money."

Mary Stefanzick
Director, Data Operations

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