



Pharmaceutical Innovation

An analysis of leading companies and strategies

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"A company's ability to innovate and effectively produce portfolios of innovation assets will determine its ability to generate premium returns in the future..."

Source: Pharmaceutical Innovation: An analysis of leading companies and strategies

Building shareholder value through effective innovation

Over the last ten years, global R&D spend has been steadily increasing, as has R&D spend per new product. Shareholders, anxious to see improved returns are putting ever greater pressure on pharmaceutical businesses to deliver superior earnings. Innovation is widely seen as holding the key, and lies at the heart of a new value paradigm within the industry.

But how precisely do you measure innovation and the ROI it generates? What enables the pharmaceutical industry's innovation leaders to outscore their competitors? What are the drivers of innovation and how should they be exploited to plug gaps in the R&D pipeline and restore or improve earnings growth. These are tough questions, but you'll find the answers in **Pharmaceutical Innovation: An analysis of leading companies and strategies**, a new report from Business Insights.

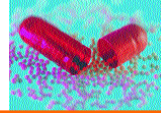
A Practical Guide

Pharmaceutical Innovation: An analysis of leading companies and strategies is based upon a unique dataset generated by the Innovation Index™. This provides:

- A 40,000 word commentary by an experienced pharmaceutical industry analyst that uncovers the **strategies and performance measures of successful innovators**
- Multi-dimensional figures that examine **critical innovation ratios including patents/employee** and quality versus quantity of innovation assets
- Eight highly detailed case studies of leading pharmaceutical **companies who lead in innovation generation and innovation quality**
- **Recommendations to management on winning strategies** in innovation, from resourcing to new corporate structures

Imagine what you could know tomorrow...

The Value Proposition



"It is clear that an evolutionary shift in the way in which the pharmaceutical industry is configured for value generation and capture is inevitable."

Source: Steven Seget,
Director, Delphi Pharma

Your investment in Pharmaceutical Innovation: An analysis of leading companies and strategies will yield real and immediate benefits. Order your copy today and gain:

- **Insights into the factors that determine a successful innovation-based strategy**
- **An understanding of the 'growth promoters'** necessary to kick-start innovation, including the promotion of 'adhocracy'
- **Hard statistical evidence** of innovation performance
- **Proven shortcuts that deliver better returns** on your investment - faster
- **A rigorous analysis of the impact of innovative technologies**, from proteomics to HTS approvals

Detailed case studies on pharmaceutical innovation pioneers

The report includes a series of detailed case studies that explore how eight businesses have earned top rankings as innovators. The companies selected for the case studies either outranked the competition on quantitative measures, including their Innovation Index score, or outperformed on the quality of their innovations.

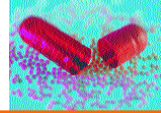
Innovation Index™ leaders

	2001 Innovation Index™ score
Immunex	9.1
Novo Nordisk	7.6
Genentech	6.2
Takeda	5.9
Merck & Co	5.7

Innovation quality leaders

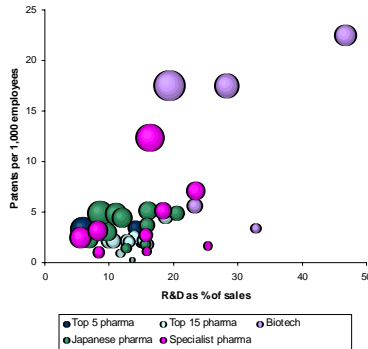
Pfizer	greatest number of top 50 selling portfolio drugs
GlaxoSmithKline	greatest number of top 100 selling portfolio drugs
Novartis	generated the highest number of new product approvals in 2000 and 2001





PHARMACEUTICAL INNOVATION

Figure 3.13: Innovation Index - Company focus, 2000-2001



Source: Pharmaceutical Innovation: An analysis of leading companies and strategies

- The pharmaceutical industry is ranked as only the sixth most effective industry in generating innovation, behind aerospace and defense, automotive, electrical/electronics, chemicals and IT hardware.
- Pfizer was the most effective generator of innovation quality in 2001, as measured by number of top 50 selling portfolio drugs. Key drivers of innovation include supporting the chemistry expertise provided by small therapeutic-based research teams with centralized arrays of data and technology.
- The Innovation Index™ framework was applied to a sample of 40 leading pharmaceutical companies in the financial year 2000-2001. The average number of patents awarded per thousand employees was 5.8, the average R&D investment as a proportion of sales was 18.5%, and the average normalized Innovation Index score was 2.9.

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