

New Pharma Thought Leadership Released

Pharma 2020: Virtual R&D – Which path will you take?

“Pharma 2020: Virtual R&D – Which path will you take?” contends that Pharma is at a pivotal point in its evolution, particularly in relation to R&D. The patents on many of the medicines launched in the 1990s will expire over the next few years, leaving Pharma very exposed. Only four out of the top 10 companies have enough products in their pipelines to fill the impending revenue gap.

By 2020 the Pharma R&D process may be shortened by two-thirds, success rates dramatically increased, and clinical trial costs could be cut substantially. New computer based technologies will create a greater understanding of the biology of disease and the enable the evolution of a ‘Virtual Man’ with which researchers will be better able to predict the effects of new drug candidates before they enter human beings.

The necessary in-depth knowledge about the human body and the pathophysiology of disease will be generated through a collaborative research network of pharmaceutical companies, academia, independent research houses, IT providers (e.g IBM), industry regulators, payers and providers. Decisions about reimbursement and licensing could fall within the remit of regulatory bodies who’s work and focus will be much more aligned to that of the broader group of healthcare stakeholders . Also the current all-or-nothing medicines approval approach will be replaced by a continuous accumulation of evidence demonstrating that a medicine genuinely works and is cost-effective. The initial trial population will be small – around 25 to 100 patients. The regulator will be able to issue a ‘live licence’ allowing the sponsoring company to market the treatment on a restricted basis to a common group of the population, gradually extending the licence to cover more patients, different indications or different formulations.

The paper highlights some very strong facts related to the need for Pharma to change its R&D process and improve productivity, in order so sustain future growth and performance. It outlines in some detail the nature of changes emerging in technology and the business environment which will provide Big Pharma companies with new operational constructs that will influence and impact their readiness to compete and ultimate success. The report also highlights seven fundamental challenges the industry faces that are reshaping the pharmaceutical marketplace:

1. Chronic disease is soaring
2. Healthcare policy makers and payers are increasingly mandating what doctors can prescribe
3. Pay-for-Performance is on the rise
4. The boundaries between different forms of healthcare are blurring
5. Markets within the developing world are highly varied
6. Governments are beginning to focus on prevention rather than treatment
7. Regulators are become more averse to risk

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