

How to improve efficiency, reduce cost and better manage changes in the Pharma sector*

The Challenge

The global pharmaceutical industry has been evolving in the last few decades. Patent expiries, weak pipelines, regulatory changes and product withdrawals combined with competition from generics, challenge the development and sustainability of this market. Nonetheless, external demographics and consumer market trends mean the growth prospects for the industry remain healthy.

In China, the pharmaceutical market is a fast growing market with abundant opportunities. According to IMS figures, China is expected to maintain a growth rate of 15% to 16%, reaching 15 to 16 billion USD in 2007. The Economist Intelligence Unit estimates that by the middle of the century, drug sales in China will outstrip those in every other region, and China is expected to become the world's fifth-largest pharmaceuticals market by 2010.

Both domestic and multinational pharmaceutical companies in China face multiple challenges, but if approached the right way, these challenges can be turned into opportunities that can expand their business and result in sustainable growth in China.

To stay competitive in this market, have you consider the following?



Our Approach

PricewaterhouseCoopers, with its strong pharmaceutical expertise, provide industry-focused services that help organisations improve processes, meet regulatory requirements, and achieve greater operational excellence across the value chain. Our extensive portfolio of pharmaceutical industry-focused services includes:

New Business Model

- Focus on generic manufacturing in China impacts domestic market growth
- Pricing pressure & IP protection enforcement drive domestic companies to develop new business model
- Assisting in developing a framework for innovation and project management structure to support new business model

China's Entry to Foreign Markets

- Increasing interest and demand from Chinese domestic companies to enter foreign markets
- Clarifying foreign pharmaceutical regulations
- Assisting in writing standard operating business procedures and preparing for foreign inspection
- Developing compliance programs for exports in foreign markets (ie. cGxPs of US FDA, European, Japanese and/or Australian regulators)

Drug Safety & Pharmacovigilance

- Weak drug safety programs have high risk impacts: costly product recall, losses due to cease of production, penalties imposed by the regulator, damaged brand and company reputation, lost public trust
- Assessing the effectiveness of existing pharmacovigilance and drug safety programs
- Identifying and assist with implementing solutions to increase the efficiency and accuracy of data collection and reporting

Global Outsourcing

- Multinational companies want to achieve cost-saving benefits in low cost countries (i.e. China, India, etc.) by outsourcing animal trials, clinical trials, development of manufacturing process, and production at industrial scale
- Evaluating risks and benefits of an outsourcing strategy
- Identifying, interviewing, analyzing and screening potential partners
- Managing outsourcing transition and organizational change management

Pharmaceutical Supply Chain

- Deficiencies in product quality, sub-optimal manufacturing planning and equipment usage leave room for process improvement and cost reduction even in a low cost country such as China
- Setting up an efficient and safe supply chain amidst a massive distribution network in China
- Reviewing and assessing existing supply chain by using Process Analytical Technology (PAT)
- Defining key performance indicators, evaluating efficiency and establishing improvement programs
- Providing comprehensive procurement excellence solutions

Sales & Marketing Compliance

- Common practice of bribery by sales people drive the need for strict internal compliance policies
- Understanding and implementing international regulations (i.e. FCPA, anti-bribery legislations by OECD) in the Chinese market
- Facilitating a compliance assessment of the major sales and marketing activities used to promote products
- Reviewing existing operating environment and delivering customized recommendations

Key Benefits

PwC's Pharmaceutical team will help organisations increase performance by improving the efficiency and effectiveness of their operational processes.

- Increase ability to enter foreign markets faster and more efficient
- Reduce fixed costs (inventories and waste)
- Build efficient supply chain
- Increase cost control
- Increase knowledge of legal and regulatory compliance controls of field sales operations
- Maximize drug safety and increase public trust
- Improve efficiency of R&D, supply chain and sales & marketing
- Reduce time to market



Contacts

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Performance Improvement (PI) Practice

The PI Practice works in tandem with the other Advisory areas, Transactions and Crisis Management, to provide holistic solutions that help companies **improve the efficiency, effectiveness and cost of key business processes**. We align our business skills and industry knowledge to assist with **Finance Effectiveness; IT Effectiveness; Operations & Deal Services; HR Advisory; Market Entry and Governance, Risk & Compliance**.

To deliver a more comprehensive solution to clients, we utilise key enablers such as **Change and Programme Effectiveness, Data Services and Technology**.

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