



Lifecycle Planning:

Late Stage Product Life Cycle Options (Part One)

**Knowledge Synergies™ Maximize
Return on Investment**

**Over \$70 billion Under Pressure
Between 2003 and 2006**

Executive Summary

Close to \$70 billion in global sales of pharmaceutical products will be under serious late stage life cycle threat in the period 2003-2006. Unfortunately, fewer than 25% of the companies affected will maximize their return on investment and select the most profitable approach in managing a product's declining years.

This is happening in the midst of overall slowing revenues and increasing expenses for new products. Therefore, late stage life cycle decisions should be gaining greater attention due to the increasing importance of their potential long term profit contribution.

The late stage of the pharmaceutical product life cycle has always been a challenge to manage effectively. Traditional strategies to maximize profit and minimize costs have become less effective over time.

In an increasing number of cases, profits will decline well before patent expiration. For example, managed care is becoming more aggressive in its reimbursement policies. Use of increasingly higher co-pays as well as outright de-reimbursement will dramatically effect the profit contribution of numerous drugs and shorten their life span.

The use of knowledge synergies has conclusively been shown to be highly effective in the creation, shaping, processing and transfer

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SWITCH Scene

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From the Publisher

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SWITCH Scene:

The 2002 Rx-to-OTC Switch Scorecard:

**Not Much to Show,
But Stage Set for Better Results**

**New Processes and Market Dynamics
Promise Progress in 2003 and Beyond**

The Rx-to-OTC switch scorecard for 2002 hit a new low. Claritin switched in the US, Flixonase in the UK and Abreva in Canada (actually a direct OTC approval). That is all the major switches in major markets for 2002.

Of course, there was the usual catching up going on in the slower markets. For example, Spain allowed a switch and TV advertising for ambroxil, cetirizine, diclofenac and beclomethasone. Sweden was wrestling with the potential switch of Xenical.

However, basing the year on switch scores hides the real progress made on the various initiatives pursued by the UK and the rest of Europe. Moreover, the market dynamics in the US is shifting towards self-medication. Managed care is aggressively reducing reimbursement, effective-

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