

“ADAPT OR DIE”: LIFE SCIENCE LEADERS EXAMINE INDUSTRY TRENDS

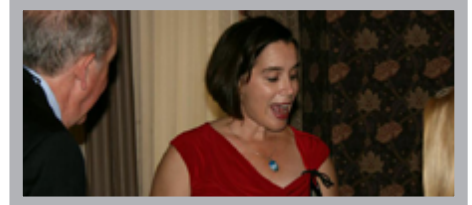
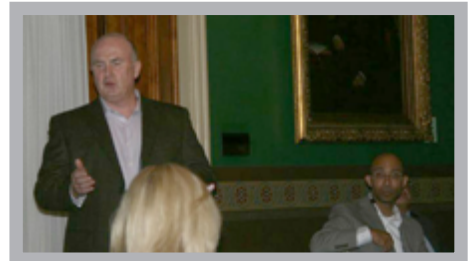
Zensights Gathers Top Executives to Discuss Adaptive Strategies: Capitalizing on Shifting Market Dynamics

The Union League, Philadelphia, PA September 11, 2014

Major scientific and technological advances promise treatment options only previously imagined in science fiction. Personalized medicine, biologics for cancer and rare diseases have become more profitable than traditional molecular therapies. Policy change makes care available to millions more (Affordable Care Act) and incentivizes coordinated care (Accountable Care Organizations). Today, ~60% of sales are from the top six markets (US, Japan, Germany, France, UK, and Canada), but BRIC (Brazil, Russia, India, China) is maturing and will grow ~8% YOY to ~\$1.6T by 2020. These anticipated global demographic changes will double the “middle class” by 2025, increasing demands for medicine.

In the second of a series, Zensights gathered 27 BioPharma Leaders, Suppliers, and Industry Experts for an executive summit focused on adaptive strategies to overcome these industry challenges. The meeting featured a presentation by Lieutenant General (Ret.) Rick Lynch, an expert on Adaptive Leadership. Rick engaged participants in a conversation focused on the need to adapt to changing circumstances, while also applying his nine Leadership Principles to the field of healthcare.

While most marketers talk about the need to “innovate to succeed”, Rick prefers the term “adapt.” Rick believes, “The art of adaptation comes down to much more than a simple set of rules or guidelines. It comes down to the very roots of who you are, the foundation you’ve built, the confidence and trust you’ve inspired, and your ability to truly lead your work force, team, or troops with their best interests in mind.” Emphasizing the modification of strategies and tactics based on changing conditions, he adds, “Adapting as a leader and leading through adaptation takes much more of the same fortitude and positive attitude- only there’s a lot more on the line. This isn’t just about you. This is about everything you’ve done, and everything you’re people have done. This is about success vs. failure. This is about your company, your organization, your country- and whether it’ll live to see another day. Adaptation is the key to survival. And leadership is the key to adaptation.” Prior to his conclusion, Rick noted that the men and women present in the room on this evening have the opportunity to adapt, and accomplish great things that can positively affect the future of healthcare.



Following Rick's presentation, our Zensight's Executive Panel began to apply his "Adaptive Leadership" principles to the rapidly changing healthcare landscape. The panel was moderated by William Looney, Editor in Chief, Pharmaceutical Executive Magazine, and included Asaf Evenhaim, Co-Founder and

CEO, Crossix Solutions, Scotty Bowman, Group Vice President, Shire, and William Trombetta, Ph.D., Professor and Author.

Rick Lynch's 9 Leadership Principles	
Focus on Opportunities, not obstacles.	"It can be done!"
Have fun!	"If the boss ain't happy, ain't nobody happy!"
Achieve a work-life balance.	"How are you living your dash?"
Decide when to decide.	"Take time to think!"
Look down, not up.	"People don't care how much you know until they know how much you care!"
Be a mentor.	"You must be accessible, you must listen, and you must truly care!"
Engaged leadership is important.	"Love your subordinates like you love your own children!"
Be demanding but not demeaning.	"Everyone must perform to his or her full potential."
Always celebrate diversity.	"Don't surround yourself with people like you!"

R. Lynch & M. Dogortino (Oct, 2013) *Adapt or Die: Leadership Principles from an American General*, Grand Rapids, MI: Baker Books.

Which P is most important? They all are! Historically, it has been good enough to focus on providers in order to successfully launch a new product. Not anymore. There needs to be similar focus on patients, payors, and pharmacies. Depending on the type of product being launched, the balance of focus (resources!) may shift toward one of the P's. Interestingly, partnering with the right ACO could address all constituents at once! But, not all ACOs are created equal- both in their demographics, and how well they are run.

Another P- Pricing! Commercial payors, government, GPOs, employer groups, consumer groups, all need to become part of the pricing strategies. Outcomes have also become an increased driver in a pricing strategy; especially as the majority of FDA approvals have shifted from "me-too blockbusters" to rare disease, disease modifying biologics, etc. If you are not sure of the impact of some of these, look no further than some of the payor formulary decisions being listed as a "material impact disclosure statements" for publicly traded companies. One thing is for certain, if your drug is viewed as a commodity, you can expect downward pricing pressure to be applied from all constituents.

The View From Wall Street - Where Did The Hockey Stick Go? Blockbuster launches used to be the norm. Along with those blockbuster launches, stock market analysts became accustomed to predictable "hockey stick growth curves". The majority of launches today require data driven, predictive analytics to identify appropriate target audiences- both physicians and patients. And once the pharmaceutical companies identify the right audience, the game has changed once again. It's not enough to "just provide the pill" there is an expectation that services will extend beyond the pill. Services like education, adherence/compliance aids, ongoing monitoring, etc. Not only can that affect the slope of the growth curve, it has significant implications on the commercialization (i.e.- investment levels) approach.

The changing landscape of healthcare is creating new challenges and opportunities never before seen. The success of organizations will be determined by the ability of leaders to adapt to changing circumstances and capitalize on new ideas. This meeting benefitted BioPharma by allowing for an exchange of ideas between a diverse group of people including Rick Lynch, Retired Lt. General from the US Army, thought leaders from the pharmaceutical Industry, executives from pharmaceutical companies, and entrepreneurs from healthcare service companies. The future of healthcare will need continued collaboration of this kind in order to thrive and ultimately help patients around the globe.

For more information about this topic, or to schedule an interview with Zensights, contact Bob Jansen (Bob@zensights.net or 1.855.936.7444).