

NEWS RELEASE

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INDUSTRY-RENOWNED SPEAKERS SHARE THEIR VISION FOR THE FUTURE OF PHARMA

Last week, Matthew Arnold & Baldwin LLP (MAB) welcomed more than 100 delegates to an industry-leading seminar, *2020 Pharma: From Vision to Decision*. Speakers included award-winning Paul Gershlick, highly acclaimed Prof. Brian Smith, and pharmaceutical experts Jo Pisani and Stephen Aherne from PwC.

Watford MP Richard Harrington opened the conference with the announcement of the £200m investment in Hertfordshire for 13,000 new jobs and 17,000 new homes, including key transport projects for Watford and support for Hertfordshire's thriving life sciences industry. He added, "The pharmaceutical industry is very important to Watford, and so is MAB... I'd like to totally commend and congratulate MAB for their work through PING, and particularly Paul [Gershlick] who leads the Life Sciences & Healthcare team there".

Paul Gershlick then discussed the current state and the future of the sector, looking specifically at the need to predict future changes and adapt accordingly. He welcomed David Cameron's leadership in recent comments in relation to Britain taking the lead in innovation to tackle the perils of growing antibiotics resistance, when the Prime Minister said "The world could soon be cast back into the dark ages of medicine, unless action is taken to tackle the growing threat of resistance to antibiotics".

Noting that the British Government has committed to being at the fore of developments in the life sciences arena, to make the most of the country's unique cocktail of world-class academia, great skills in the industry, highly-recognised charities and an NHS that is the envy of the world. Paul highlighted the significant opportunities for innovation within that environment, and particularly with two projects located locally at the heart of the Golden Triangle between London, Cambridge and Oxford but which were making waves much further afield: the Stevenage Bioscience Catalyst and MedCity.

Paul talked about how patient data might be exploited to best effect and criticised the "shambolic" attempt at introducing the care.data project. He expressed his hope that NHS England would engage in raising awareness, listening and consulting as it had promised, in order to get buy-in from doctors and patients. He was also encouraged for both patients and business by the idea that early access to medicines was gaining traction, and he addressed the pipeline issues facing Big Pharma who are looking at the fallout from the patent cliff, the increasing complexity of the customer model, and the exciting opportunities available through IT and telecoms and their convergence with healthcare.

PwC discussed the findings of their extensive six-part thought leadership series, *Pharma 2020*, in particular focussing on the final section, '*From Vision to Decision*'. Jo Pisani and Stephen Aherne gave their insight into their vision of what the pharma world would be like in 2020, in terms of changing geographic markets, therapies and treatments of different conditions. They looked at the importance of understanding the global market and how to avoid simple pitfalls, as well as some of the core challenges for businesses operating in the sector. Expanding on Paul's comments regarding the opportunities available through leveraging technology, PwC

also identified how technology can address some of the most fundamental issues facing the sector – including the creation of a chip on a pill which can be used to monitor patient compliance and manage treatment regimen by recording when medicine is taken, and monitoring symptoms allowing for real-time ongoing management of chronic conditions such as diabetes and hypertension. The team finished by looking at various Biotech business models and discussed their vision of a federation model, noting that the key to incentivising the much needed investment into the sector is to de-risk R&D.

Finishing the presentations was Prof. Brian D Smith, who left the audience with three main considerations for businesses in the pharmaceutical sector:

1. It is essential that they appreciate that they are living in a once in a multi-generational period of change in the industry, and that the scale and ambition of their response to those changes is proportionate. Fiddling about with the business model won't be enough.
2. They need to decide on a focussed, clear model and avoid the temptation to "straddle" strategic options.
3. Evolution is messy and by the time the future shape of the market is certain it will be too late to respond; they must proactively adapt to an uncertain future market.

Questions from the audience included those in relation to how IP might be protected, whether there are enough rising stars in the sector to drive the change that is so clearly needed, and what the role of the community pharmacist might be in changing behaviour, as they move from just dispensing medicines to also providing services around managing lifestyles and improving the taking of medicines, with the aim of preventing disease and ensuring better, more cost-effective outcomes that meet the aim of achieving "more for less".

Paul Gershlick heads MAB's Life Sciences & Healthcare team. In 2013, he was awarded an Honorary Masters degree by the University of Hertfordshire for his 'contribution to the development of commercial law in the pharmaceutical and life sciences industry', and this year has been awarded 'Best Pharmaceutical Lawyer in England' by Global Law Experts. PING (the Pharmaceutical Industry Network Group), which Paul set up in conjunction with Watford & West Herts Chamber of Commerce and Watford Council, has also been awarded the Legal360 award for 'most innovative marketing idea'.

Jo Pisani is a Partner leading the UK Pharma consulting team at PwC. She has thirteen years of industry experience in the pharmaceuticals, energy, petrochemicals and fast-moving consumer goods industries with BP and SmithKline Beecham. She has an MBA from Warwick Business School and is a Chartered Engineer. She is a key author of PwC's *Pharma2020* thought leadership series.

Stephen Aherne is a Director within the PwC Deals business. He specialises in pharmaceutical and biotechnology valuation and strategy projects. He has more than 15 years of experience within PwC specialising in the pharmaceutical and biotechnology industries. He holds a BSc in Biological Sciences and an MPhil in Microbiology, and is a qualified Chartered Accountant. He provides strategic advice on R&D, commercial strategy, commercial due diligence, market reviews and valuation advice.

Professor Brian Smith is a world-recognised authority on competitive strategy in pharmaceutical and medical technology markets. He understands the industry from first-hand experience, having spent twenty years working first as a research chemist and then in an ascending series of marketing and strategy roles. He now works as a Management Scientist at both SDA Bocconi in Milan and the University of Hertfordshire at Hatfield. He is also an author and has written more than 250 papers, articles and books on the subject, and acts as an advisor to many of the world's largest pharma and medtech companies.

The event was co-sponsored by MAB, Hertfordshire LEP, Watford & West Herts Chamber of Commerce and Watford Council.

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Notes to editors:

Matthew Arnold & Baldwin LLP, located in London and Watford, is regarded as one of the leading regional commercial law firms in the South East. We pride ourselves on giving clients clear, practical advice and aim to deliver solutions that are business driven and meet the needs of today's commercial organisations.

The firm has a strong focus within three core sectors: Banking & Finance; Life Science & Healthcare; and Technology, Media & Telecommunications.

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