

4 Major STRENGTHS in Today's Pharmaceutical Industry

01 Strong Commercialization Expertise and Leadership:

Companies in the industry are extremely competent at taking a product from the later stages of development, obtaining FDA approval and registration, and readying the product to be marketed.

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02 Financial Resources and Ability to Fund Innovation:

Along with providing financial resources which are allocated via their own venture funds, pharma companies are more frequently ear-marking a portion of their capital towards academia and start-ups, which allows the industry to finance innovation.

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03 Substantive Internal Data Sets Exist to Fuel Learning:

Internal data sets within a particular pharmaceutical company allow for more robust and consistent analyses. This holds promise for significant innovation and/or industry-learning internally and, particularly so, if shared more broadly. However, bridging data sets between pharma companies poses challenges as there are incompatible data structures that make the analyses more complicated.

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04 Diversification in Industry Portfolio Facilitates Financial Stability:

By having a diversified set of diseases to pursue, opportunities in every stage of development, along with blockbuster opportunities side-by-side with more modest opportunities, the industry is able to 'weather the storm' of uncertainty in drug discovery and development. Consequently, the big wins are necessary to fund the other, numerous small and big failures.

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Note: These Strengths are adapted from a Discussion Paper prepared by Bernard H. Munos and John J. Orloff from the National Academy of Medicine. The paper was published July 20, 2016, entitled "Disruptive Innovation and Transformation of the Drug Discovery and Development Enterprise" and is based on a series of qualitative interviews with 25 individuals from organizations who work with the pharmaceutical industry. Our changes to the conclusions reflect input from the pharmaceutical participants in our consortia at One Million Solutions in Health.