

Pharma's Reputation Improves As It Capitalizes on Innovation Lessons Learned During a Pandemic

(Sources: An Article by Beth Bulik for Fierce Pharma and an article by Naomi Ikeda for PharmaTimes)

A recent poll revealed that nearly two-thirds of all Americans have a positive view of the pharma industry. This is a significant reversal from just one year ago when only about one-third (32%) viewed the industry positively. The Harris Poll, which was conducted in February of 2021, was based on a 7-point scale (1 being "very bad" and 7 being "very good".) Of those individuals surveyed, 62% gave pharma a 5, 6 or 7, an increase of 30 percentage points since January 2020, before the pandemic even hit the U.S. This demonstrates a key point - the upturn stems directly from pharma's proactive response to COVID-19—just as some industry executives hoped. Multiple companies were quick to jump into vaccine development, working across the industry to share data and resources, speeding vaccines to market with high efficacy and safety profiles and now rolling out shots, all worked in pharma's favor.

"They're very much part of the solution," said Rob Jekielek, managing director at Harris Poll, adding that with the vaccines working well now, "as long as that continues, it's going to have a lot of positive pull for pharma. Right now, they're very science- and research-forward versus very business-forward."

The science-forward position, along with the public's charged-up interest in research and technical details thanks to the vaccine, may result in sustained reputation gains for the industry. The opportunity to showcase not only vaccine technology but future innovations centered on advancements which are now part of the public's everyday vocabulary—like mRNA—could lead to more engaged and educated consumers. Pharma can "use vaccines as a really important lens, but also get back to the core facts, proof points and narrative around pharma innovation, research and science serving patients," Jekielek said.

2020 proved to be an enormous year with the pharma sector thrown into the limelight as a potential savior to the COVID pandemic. Funding was channeled into pharma in record amounts, supercharging R&D activity. It became evident early in the pandemic that the pharma industry was emerging as the true winner of public confidence when so much contradicting information was present. A research report based on a survey of businesses across the globe, the International Innovation Barometer (IIB), showed that those within the pharma sector remain positive about their ability to drive forward R&D spending. In this research, conducted in May last year, 59% of respondents in the pharma sector expected their R&D budgets to either somewhat or significantly increase over the next three years.

One thing is certain; pharma entered into 2021 with a greater presence and with more funding than before. So after so many years of struggling with public perceptions of the industry, COVID-19 treatments are changing this narrative and provide

(continued on page 2)

In Brief...

- ◆ **Johnson & Johnson** received Emergency Use Authorization (EUA) from the U.S. Food and Drug Administration (FDA) for its COVID-19 vaccine. The FDA's authorization of the one-dose vaccine provides a quick lift for the U.S. immunization effort. J&J expects to ship a total of 24 million doses by the end of March and 100 million doses by mid-2021, while **McKesson** ramps up distribution nationwide. Additionally, J&J has just inked a partnership with **Merck** to boost production of the newly authorized vaccine, and is partnering with pharma manufacturer **Sanofi** to help produce the J&J vaccine in Europe.

- ◆ The FDA announced that is allowing undiluted frozen vials of the **Pfizer/BioNTech** COVID vaccine to be transported and stored at conventional temperatures commonly found in pharmaceutical freezers for a period of up to two weeks. The change is reflected in updates to the *Fact Sheet for Healthcare Providers Administering Vaccines*. The alternative temperatures for storage of frozen vials are not applicable to the storage of thawed vials before dilution (which can be held in a refrigerator for up to five days) or on the storage of thawed vials after dilution.

- ◆ **Walgreens** is partnering with **Uber** in underserved communities that lack access to transportation so that individuals can get to Walgreens stores and offsite clinics where they can receive the COVID vaccine. The program, which will be piloted in U.S. cities including Chicago, Atlanta, and Houston, will offer free transportation as part of Uber's push to provide as many as 10 million free or discounted rides to vaccination sites. Walgreens has already hit a milestone of providing over 3 million vaccinations in long-term care facilities and additional vulnerable populations. Additionally, Walgreens will begin to sell **LabCorp's Pixel COVID-19 PCR Test Home Collection Kit** beginning this Spring. The test allows customers to self-administer sample collection then send to LabCorp via prepaid FedEx Express Overnight.

(continued on page 2)

SAVE THE DATE

IFPW Foundation's
2021 Virtual Benefit
 April 29 & 30, 2021



Watch your email for your invitation to participate in this exciting event. Sponsorships are available. Contact Christina Tucker at c.tucker@ifpw.com for more information!

Pharma's Reputation (cont.)...

the pharmaceutical sector with wider investor interest and public support to use as a foundation for greater innovation going forward.

There are several key trends likely to define the sector in the near future:

Collaboration will be even more important. The last five years have seen increasing demands for firms to pool resources. To improve or develop products in the modern world is increasingly technical and demanding, leading to more complex developmental activities as well. At the same time, economic and regulatory pressures are squeezing margins. Developing a new drug or treatment from scratch has historically been an incredibly expensive and long process, often taking years – if not decades – before a company sees the fruits of its labor. Collaboration not only allows the burden of costs to be spread across multiple companies, but the pooling of expertise and knowledge leading to faster breakthroughs.

Digitalizing the patient experience. Like all sectors, pharma is slowly but surely digitalizing its services. This change is affecting the entire healthcare ecosystem from diagnosis, to treatment, to drug research and management of chronic conditions. Likewise, the digitalization of care offers a more personalized and holistic experience for patients. Due to wearable technology, patients can get real-time updates on the status of their health, enabling them to then seek care immediately. This provides better level of care in comparison to regular general practitioner (GP) check-ups, which may discover health risks later.

COVID-19 has accelerated the digitalization process. As GPs have had to keep physical visits to a minimum and phone calls are often inefficient, many practices have enhanced their online and video conferencing services. This makes the journey from diagnosis to treatment both faster and much easier.

Big tech is here to stay. Big tech is slowly infiltrating all industries, and pharma is no exception. It has been building a presence in the sector over the past few years and this is certain to accelerate. With technology playing an increasing role in pharma, whether that's through machine learning or big data, big tech firms have a lot to offer pharma companies, many of which might not have the technology infrastructure or capabilities to implement within the scientific applications.

Advances in technology are coming to fruition in pharma applications and many organizations are looking to implement technology to make subsequent R&D activities more efficient. Technologies are being deployed across several areas, whether that be speeding up drug discovery, reducing R&D costs or lowering failure rates in clinical trials.

Sustainability and ethics must be a priority. As companies face pressure from consumers and governments, sustainability and ethical practices are now on top of the agenda for all industries. Not only is this an environmental imperative for pharma firms, but a business necessity.

The pharma sector faces growing demand to address environmental problems, such as reducing the amount of waste, limiting the use of single-use plastics or fossil fuels, as well as complying with new standards around chemical sourcing and waste from development. The sector has come a long way in this regard, with companies doing a lot more in response to criticism that they are not doing enough for the environment. The International Innovation Barometer (IIB) has shown that

the pharma industry is investing significantly in sustainable innovation, with 18% of respondents dedicating 26-50% of their budget on sustainable innovation, which is compared to an average of 14% across all sectors.

As pharma moves into a post-pandemic era, it is certain experts and industry insiders expect that pharma companies will leverage the positive news and COVID-19 innovation in future communications and messaging to rehabilitate its previously subpar image. Eli Lilly CEO Dave Ricks said last April that the biopharmaceutical industry has a “once-in-a-generation opportunity to reset” its reputation. Similarly, Christina Falzano, Havas' Conran Design Group managing director, told Fierce Pharma in August that it presents “an opportunity to demonstrate, not only remind people but demonstrate, what is at the heart of what they do, which is improving people's lives and applying science to do that.”

In Brief (cont.)...

- ◆ Pharma manufacturer **Bayer AG** formed a partnership with German company **CureVac** to focus on the support of clinical studies and the approval process for CureVac's mRNA-based COVID vaccine *CVnCoV*. To date, Bayer's contribution to tackling the pandemic has principally involved donations of equipment and supplies to 60 countries. Bayer is ramping up its global production network in Wuppertal, Germany and expects to produce approximately 160 million doses in 2022.

- ◆ **Moderna** has announced that due to the success of its COVID-19 vaccine, it is investing to further expand its manufacturing capacity to produce up to 1.4 billion doses in 2022. This comes on the heels of the company's increased output forecast for 2021. Separately, **AstraZeneca** has decided to divest a large part of its stake in Moderna to finance its own pipeline.

- ◆ **The European Commission** will propose this month an EU-wide digital certificate providing proof of COVID-19 vaccination that could allow Europeans to travel more easily over the summer. The plan is for a “digital green pass” on March 17th and to cooperate with international organizations to ensure that the system also works beyond the EU. The pass will provide proof that a person has been vaccinated, the results of test for those not yet vaccinated and information on recovery for people who have contracted COVID-19.

- ◆ On March 1, Colombia became the first country in the Americas to receive the COVID-19 vaccine through the COVAX program. The delivery is part of a “First Wave” initiative, a global pilot program in which some countries receive early delivery of a limited number of doses of the Pfizer/BioNTech vaccine as part of their allotted quota.

- ◆ **CanSino's** COVID-19 vaccine candidate has received approval, along with state-owned corporation **Sinopharm's** COVID-19 vaccine. China plans to ship millions of doses around the world, particularly the Middle East, Africa and Latin America and have put in place the necessary supply chains to maintain temperature controls from manufacturing through every step of distribution which has been dubbed the “Health Silk Road”.

(Sources: Company Press Releases, Drug Store News, FiercePharma, FierceBiotech, and Scrip Intelligence)