

consultants' newsletter spring 2009

harten group in the news

In January, **Business Weekly** published our article on how interim providers can bring new international benefits for biotechs. It looked at the advantages of buying in specialist expertise, as and when needed, underlining the fact that outsourcing has been a common start-up business model for many years, with 'virtual companies' being established with minimal central resources.

As medical research is a global function, the piece also explored how established interim providers can tap remotely into a high calibre international network of specialist consultants - including Key Opinion Leaders - saving both time and money.

The March issue of **Pharmaceutical Marketing** is to include comments from Tim Ewbank, Harten Group's Chief Operating Officer, on the current challenges facing the pharma and biotech industries in terms of resourcing sales and marketing functions.

He referred to the expanding use of generic versions of branded medicines in a bid to reduce the NHS drugs bill, major restructuring in the industry and the growing difficulty in accessing GP's time. Tim also highlighted the attraction of flexible resourcing solutions for companies evidenced by the increasing demand for interims.

Headlines emerging from the seventh Annual Industry Survey will appear in the April issue of **CR Focus**. This looks at how the last 12 months of economic turbulence has impacted on the pharma and biotech sectors, how much industry changes are unrelated to the economic climate and what the future will hold.

Readers are left with a number of questions impossible to answer at the current time, including the impact the Obama administration will have on the industry, whether the UK will lose out on R&D investment to newer centres such as India and is it likely that the widening availability of medicines through Medicare boost sales but reduce margins?

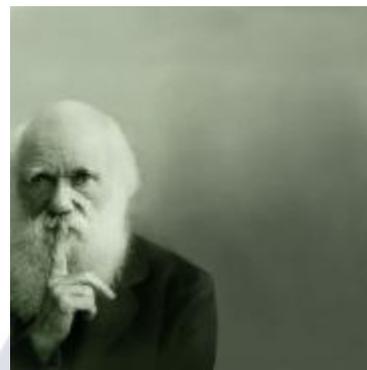
Please see the preview on the next page.

consultant events

As mentioned previously, we are planning to hold a series of informal consultant events during this year. In addition to the valuable updating / networking aspect of the evening, we shall also be including a short talk by a specialist in a relevant field which we hope will be interesting and helpful to consultants.

As part of these Consultant Events, we are considering joining the Darwin "band-wagon", to celebrate the 200th anniversary of Charles Darwin's birth along with the BBC www.bbc.co.uk/darwin/, Cambridge www.darwin2009.cam.ac.uk and many museums.

This event would include visiting the Darwin exhibition at The Natural History Museum in London, www.nhm.ac.uk/visit-us/whats-on/darwin/, followed by drinks near by. Please email Corinne Morley at cpm@hartengroup.co.uk if you are interested.



Charles Darwin.

Other Consultant events this year will include, Harten Group's PR Manager, Lesley Crosland outlining how to place an article in the national trade press, what makes a good story and how you may be able to play a part in this and raise your own profile. Do you have any other ideas for other subjects that you would like covered in this way?

preview of 2008 annual industry survey

In terms of financial performance, as measured by the FTSE, biopharma moved counter to the dramatic falls of 2008. In the previous two years it had underperformed in the market as a whole, but in the downturn when global stockmarkets fell over 20%, UK biopharma showed a modest increase.

So what has not changed despite the turbulent times? Some trends with which we have become familiar continued through 2008, notably corporate re-organizations and acquisitions which inevitably lead to headcount reductions.

Another theme that appears to have taken on a greater sense of urgency is the “patent cliff” from which a substantial number of blockbuster medicines will fall in the next few years. The principal corporate beneficiaries of patent expiries have been generics manufacturers whose revenues have doubled since 2002.

So, against this backdrop, what did our survey respondees report?

Participants in last year’s survey (completed December 2007) were equally divided as to whether 2008 would be a better or worse year than 2007. Whereas in retrospect two-thirds thought 2008 had been worse than expected, perhaps not surprisingly given the timing of the survey (December 2008), a further quarter, took a longer view and concluded that on balance it had been an improvement on 2007.

The outlook for 2009 is increasingly pessimistic with almost 60% respondents believing 2009 will be a more difficult year than 2008, which itself was perceived as substantially worse than 2007.

The modest revenue growth in established markets has led to companies looking to expand into the emerging markets with the perceived greatest potential.

One area where the credit crunch has had a differential impact on biotech is in looking for funding, as potential investors take a more cautious approach to risk. This differential impact on the biotech sector somewhat gives the lie to last year’s survey finding that biotechs appeared more positive about the future than pharma companies.

In conclusion, pharma appears to have been less immediately affected than other sectors because it has been going through a period of modest growth. While the outlook does not generate much short-term optimism, it is considerably better than many other sectors.

charitable contributions



Over the last quarter we have made a donation of £110 to
The Anthony Nolan Trust.

More information on their good work is available through their website,
www.anthonynolan.org.uk.

good-egg award

Occasionally we award one of our consultants a “Good-Egg” Award. This is presented to any of our consultants who have been outstanding in their work, have promoted Harten Group or have been particularly understanding in a difficult situation. We wanted to let you know that, during the last quarter, Dr. Iain Cockburn has been recognised in this way and received a gift of wine from Harten Group.

These “Good-Egg” Awards are not given regularly but consultants are nominated to receive them by a member of Harten Group team or a Client, under special circumstances.

Thank you, Iain for your good work.