

INDUSTRY X.0 FOR PHARMACEUTICAL MANUFACTURERS

Unlocking the power of digital

Accenture's global research study of 931 executives looks to understand existing investments in digital technologies, and the challenges to drive value with such investments. More than 85 of the respondents were executives (75% SVP and above) from pharmaceutical companies.

Companies can do more than just change themselves into digital businesses; they can completely reinvent their operating models, production and value chains to create more value with digital. Our research yields a concrete solution: what we call Industry X.0. It's an action plan for becoming more adept at embracing technological change and profiting from it.

Today's pharma manufacturers recognize innovation and leading-edge technologies are essential to drive growth, yet their hesitation to transform jeopardizes their ability to future-proof their businesses.

PHARMA MANUFACTURERS RECOGNIZE **DIGITAL TECHNOLOGY ADOPTION** AND INNOVATION ARE ESSENTIAL TO DRIVE GROWTH

Top 4 strategic priorities over the next 3 years

1

Profitable adoption of new digital technologies

2

Developing innovative products and services

3

Entering new geographic markets

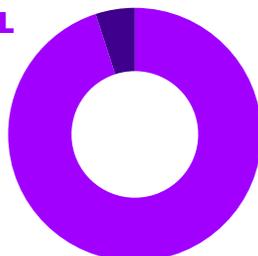
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More flexible and efficient operations & supply chains

In order to achieve these strategic priorities, pharma executives believe it is important to drive higher operational efficiency and deliver hyper-personalized experiences

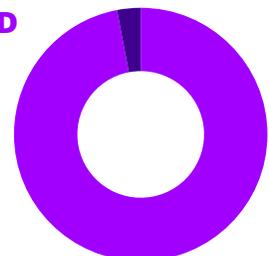
HIGHER OPERATIONAL EFFICIENCY

95%
IMPORTANT



HYPER-PERSONALIZED EXPERIENCES

97%
IMPORTANT



And according to

more than 90%

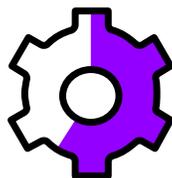
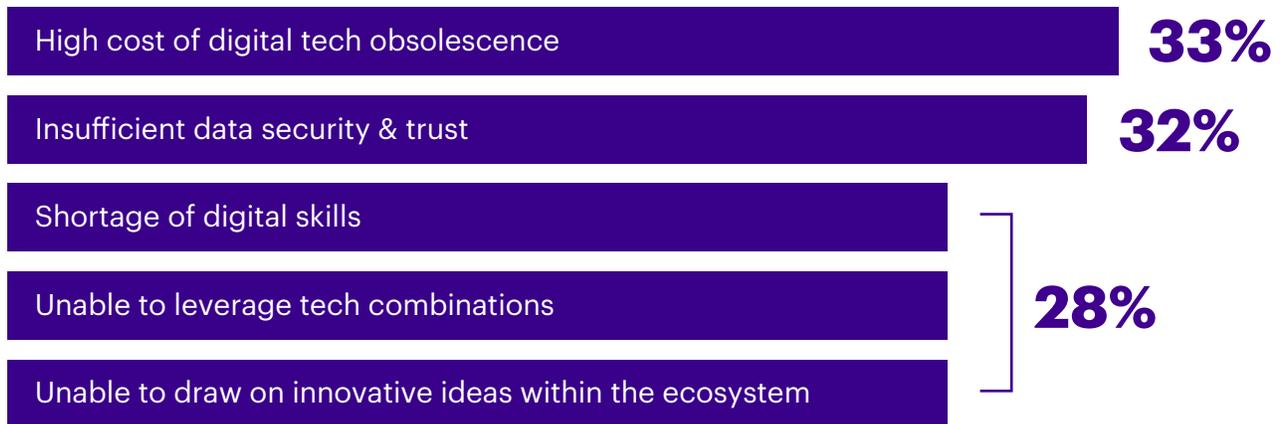
of executives surveyed, the **key to delivering** higher operational efficiency and hyper-personalized experiences is innovation **with connected and intelligent technologies**



But only 40%

of pharma company leaders believe their businesses and operations are ready to innovate with connected and intelligent technologies ...and most remain skeptical about readiness in the next 3 years

The **TOP 5 OBSTACLES** that they believe will keep them from leveraging the power of digital technologies to innovate are:

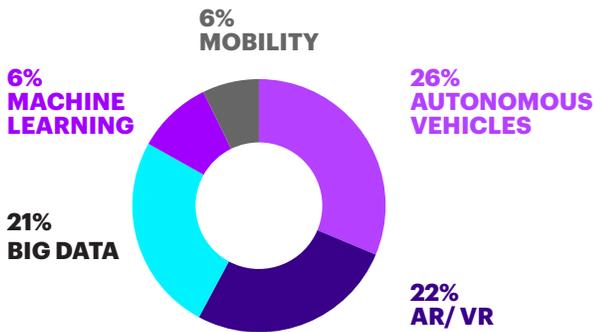


More than half

of pharma leaders believe they will struggle for survival if they don't become adept at innovation with digital

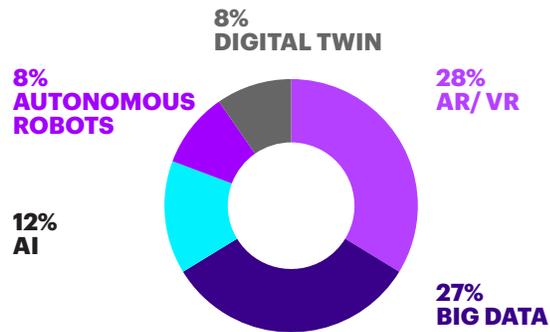
IT'S ALL IN THE COMBINATION PHARMA COMPANIES NEED TO PUSH THROUGH THEIR HESITATION TO REACH THE PAYOFF

Unlock significant financial gains with optimal technology combinations



US\$80k

(or 42% reduction) By combining five digital technologies, companies could achieve additional average savings of US\$80,000 per employee.



US\$6.5bn

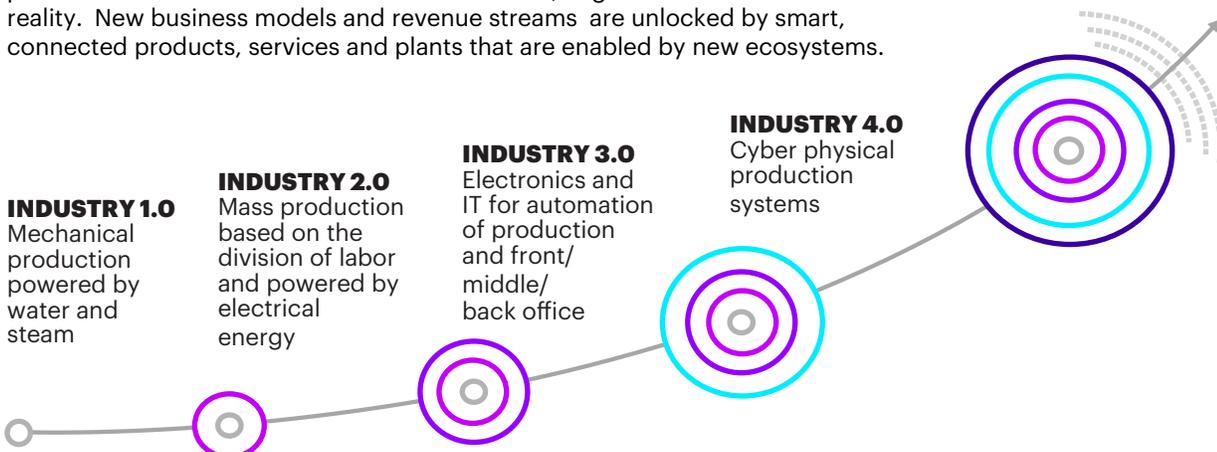
(or 12% increase) A slightly different mix could result in additional average market capitalization of just over US\$6 billion for a company.

LEVERAGING THE POWER OF DIGITAL REQUIRES PHARMA COMPANIES TO COMPLETELY REINVENT THEIR BUSINESS —WITH INDUSTRY X.0

Industry X.0 is the digital reinvention of Industry where businesses use advanced digital technologies to transform their core operations, their worker and customer experiences and ultimately their business models. Unlike all previous industrial revolutions, new levels of efficiency are achieved in the core of R&D, engineering, production, manufacturing and business support through integrated systems, processes, sensors and new intelligence. Worker and customer experiences are reimagined and redesigned through personalization and advances such as immersive, augmented and virtual reality. New business models and revenue streams are unlocked by smart, connected products, services and plants that are enabled by new ecosystems.

INDUSTRY X.0

Industry 4.0 efficiencies + smart, connected, living and learning products



GETTING STARTED: PHARMACEUTICAL COMPANIES MUST BUILD SIX CORE CAPABILITIES



TRANSFORM THE CORE

Digitize and integrate engineering, production, and support for new efficiencies.

Sanofi has invested US\$5.5 billion to build out digital plant capabilities. These include autonomous robots (Cobots) that collaborate with human workers, augmented reality for technicians to enable a paperless shop-floor, and a digital twin to simulate future scenarios.

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FOCUS ON EXPERIENCES AND OUTCOMES

Create hyper-personalized value to differentiate and lead in the market.

In 2017, Pfizer launched Hemocraft™, a modification of the popular video game Minecraft®, and the HemMobile® Striiv® Wearable, a custom wristband, to help people living with hemophilia better approach hemophilia education and activity tracking in the US. The game aims to help younger individuals with hemophilia, 8-16 years of age, learn the importance of integrating treatment into their routine in an educational and fun gaming environment. The wearable helps people living with hemophilia learn about and track different aspects of their disease so that they can have informed conversations with their health care providers.

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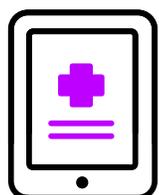


RE-ARCHITECT THE NEW ECOSYSTEM

Assemble and refresh the right partners to drive new innovation and new capabilities.

Cardinal Health's Fuse is made up of a diverse team of experts in technology, design and science who identify complex healthcare problems and produce creative business solutions to transform them.

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INNOVATE NEW BUSINESS MODELS

Invent new revenue streams for new sources of value.

In late 2016, Novartis partnered with Vodacom to launch Life 2.0, a mobile technology-based healthcare platform in Nigeria. The platform aims to improve the delivery of healthcare for citizens who access public health services. Life 2.0 is designed to improve the availability of chronic or essential medication by monitoring drug stock levels. Novartis has already deployed Life 2.0 in over 250 facilities in the northern state of Kaduna.

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BUILD THE WORKFORCE

Source, enable, upskill and protect the next generation of talent.

The corporate training industry is expected to grow at 10 percent CAGR from 2017 through 2020.⁵ Its growth is driven by the need to train or reskill increasingly distributed and far-flung workers for a decidedly digital future, making employee training ripe for transformation.

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MANAGE THE WISE PIVOTS

Continually balance investment and resource allocation between the core and the new.

In its Geel factory, Sanofi has installed sensors that measure more than 5,000 parameters along the production process and generate over 1 billion data points in every single manufacturing cycle. These are analyzed to monitor and maintain high yield levels and allow for predictive maintenance.

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5. Page 33, Redefine Your Company Based on the Company You Keep, Accenture Technology Vision 2018
https://www.accenture.com/t20180227T215953Z_w_/us-en/_acnmedia/Accenture/next-gen-7/tech-vision-2018/pdf/Accenture-TechVision-2018-Tech-Trends-Report.pdf#zoom=50

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We have decades of experiences working with the world's most successful companies to innovate and improve their performance across the entire Life Sciences value chain. Accenture's Life Sciences group connects more than 15,000 skilled professionals in over 50 countries who are personally committed to helping our clients achieve their business objectives and deliver better health and economic outcomes.

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