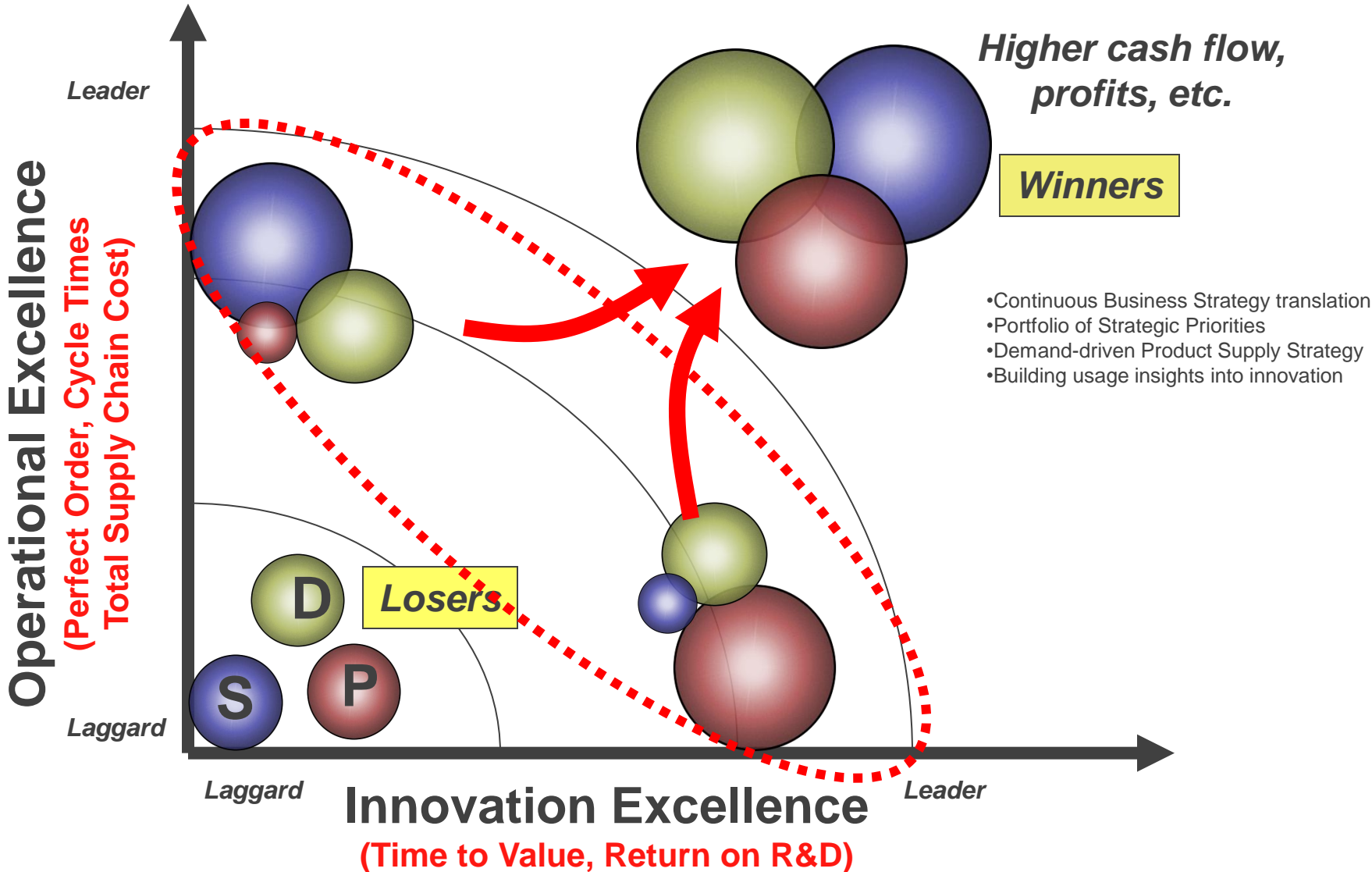


New Product Development & Launch in Biotech

The Intersection of Innovation and Operations Excellence

October 19, 2009

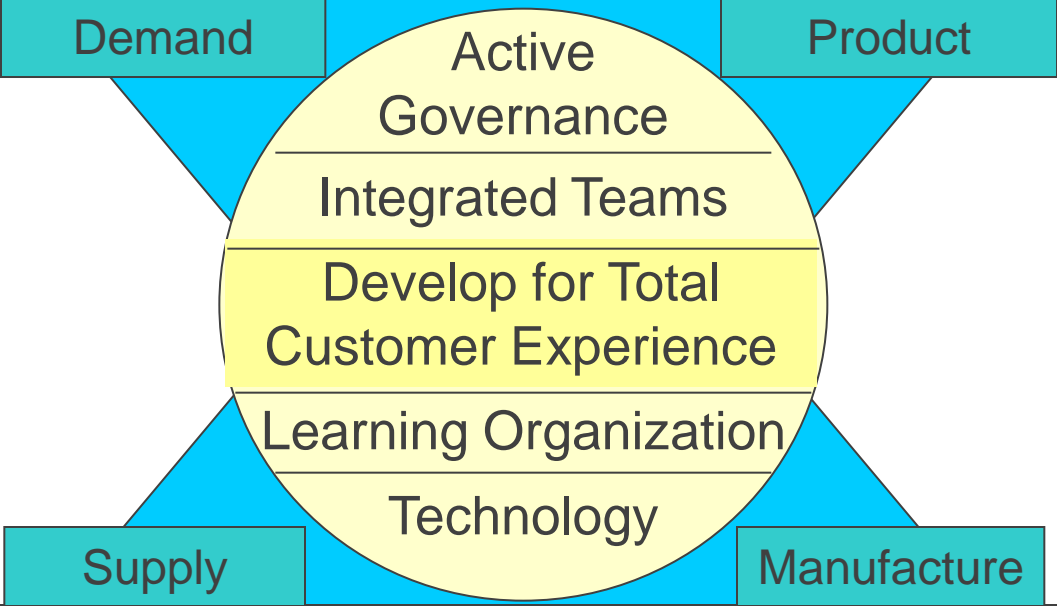
Leaders Leverage Operations & Innovation Excellence



At the Intersection of Innovation & Operations

Innovation-Operations Excellence Fulcrum

Product / Service Innovation
New and different value as perceived by the market



Operations Excellence
Profitable and consistent delivery that continually improves

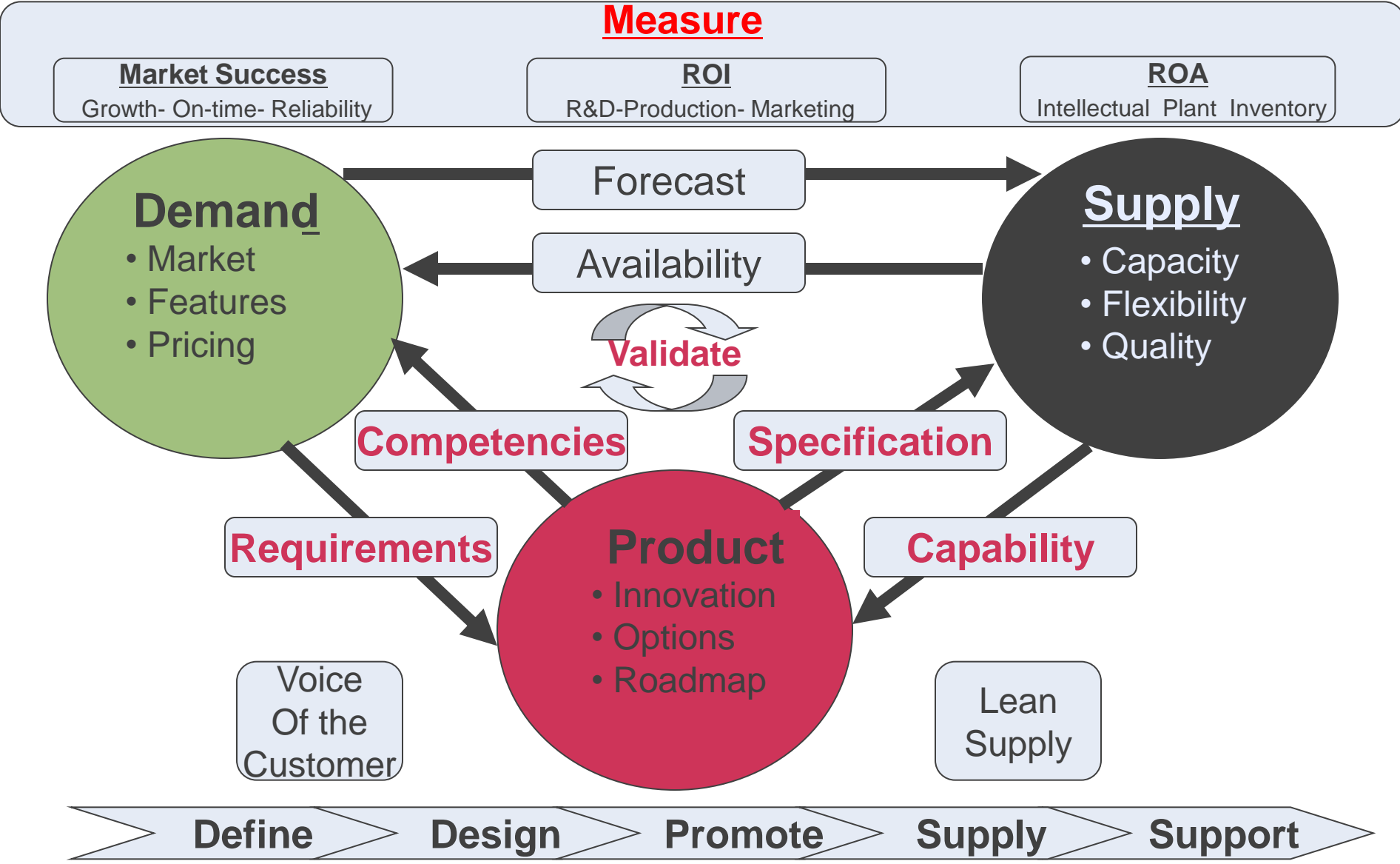
Developing for Total Customer Value

- Astra Zeneca – Design for Supply
 - Simulate supply network at new product introduction
 - \$200M est. saved on resource and inventory placement
- Pfizer – GETQUIT / LifeREWARDS Program
 - Need for post-sale services to benefit total patient health
 - Online support to patients using smoking cessation therapy
- McNeil Nutritionals - Consumer Learning Labs
 - Introduced new weight-loss product based on market assumptions
 - Labs discovered buyers not responding to weight-loss benefits
 - Led to company emphasizing additional health benefits

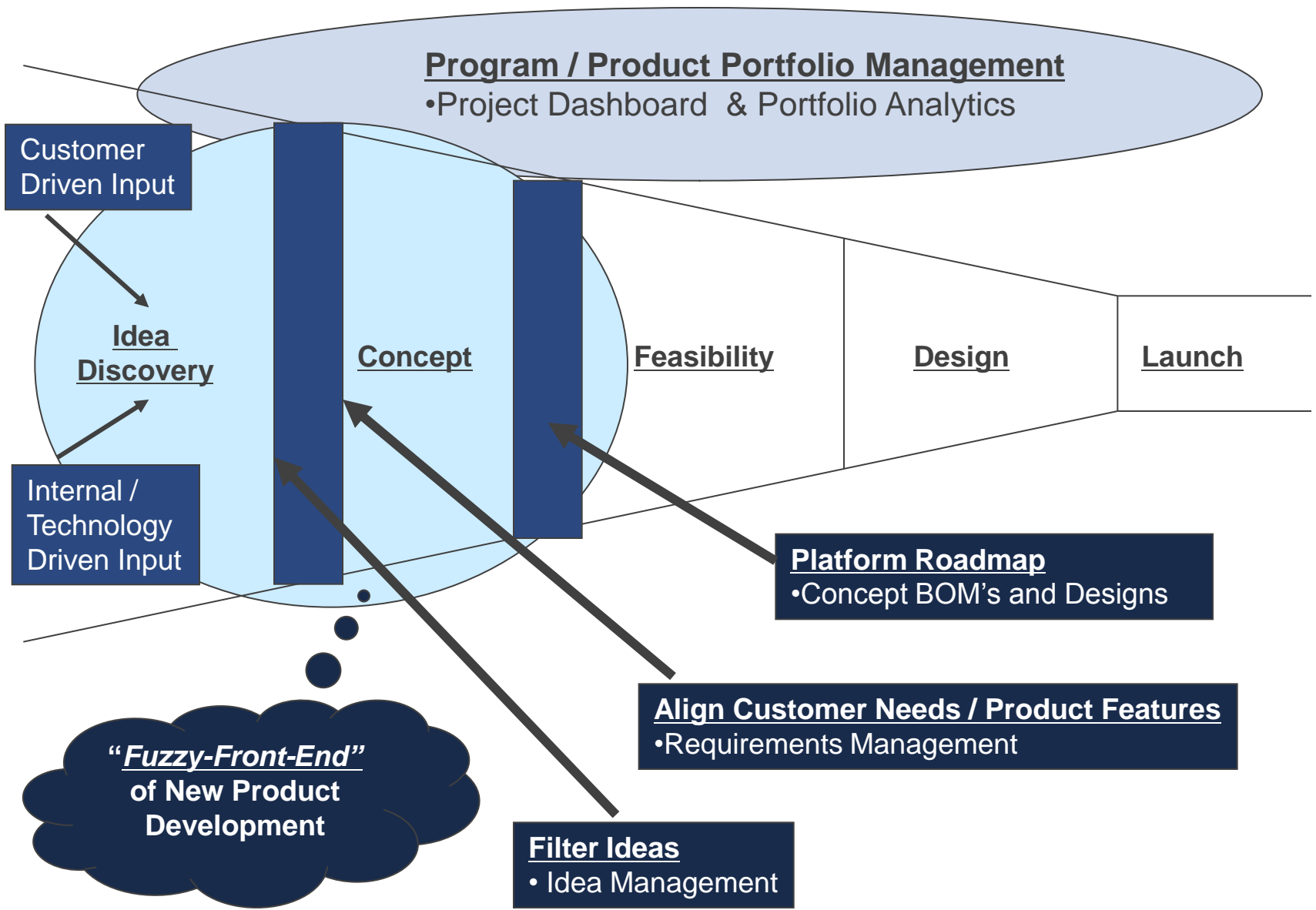
Innovation & Operations Excellence Maturity

	I	II	III	IV
Active Governance	Development isolated from the business	Phase reviews integrate hand-off to the business	Cross-functional steering committee monitors progress	Decisive leaders actively own innovation results
Integrated Teams	Serial product development stages with handoff to operations	Early input from operations on product innovation	Concurrent development of product & process	Early customer insights drive both operation & product innovation
Develop for Total Customer Experience	Product innovation is internal with limited customer insight	Customer input captured on needs and sought for product concepts	Customer behavior observed driving product innovation to meet total needs	Product, supply, and service combine to meet customer needs
Learning Organization	Product & process requirements & specifications rigidly defined early	Single specification for prototype product or method refined	Multiple alternative specifications and prototypes tested & tradeoffs studied	Iterative improvement with knowledge capture & sharing
Technology	No alignment to business needs	Business adapts to commercial applications	Value stream map to eliminate wasted information flow	Enhance business differentiation while eliminating waste

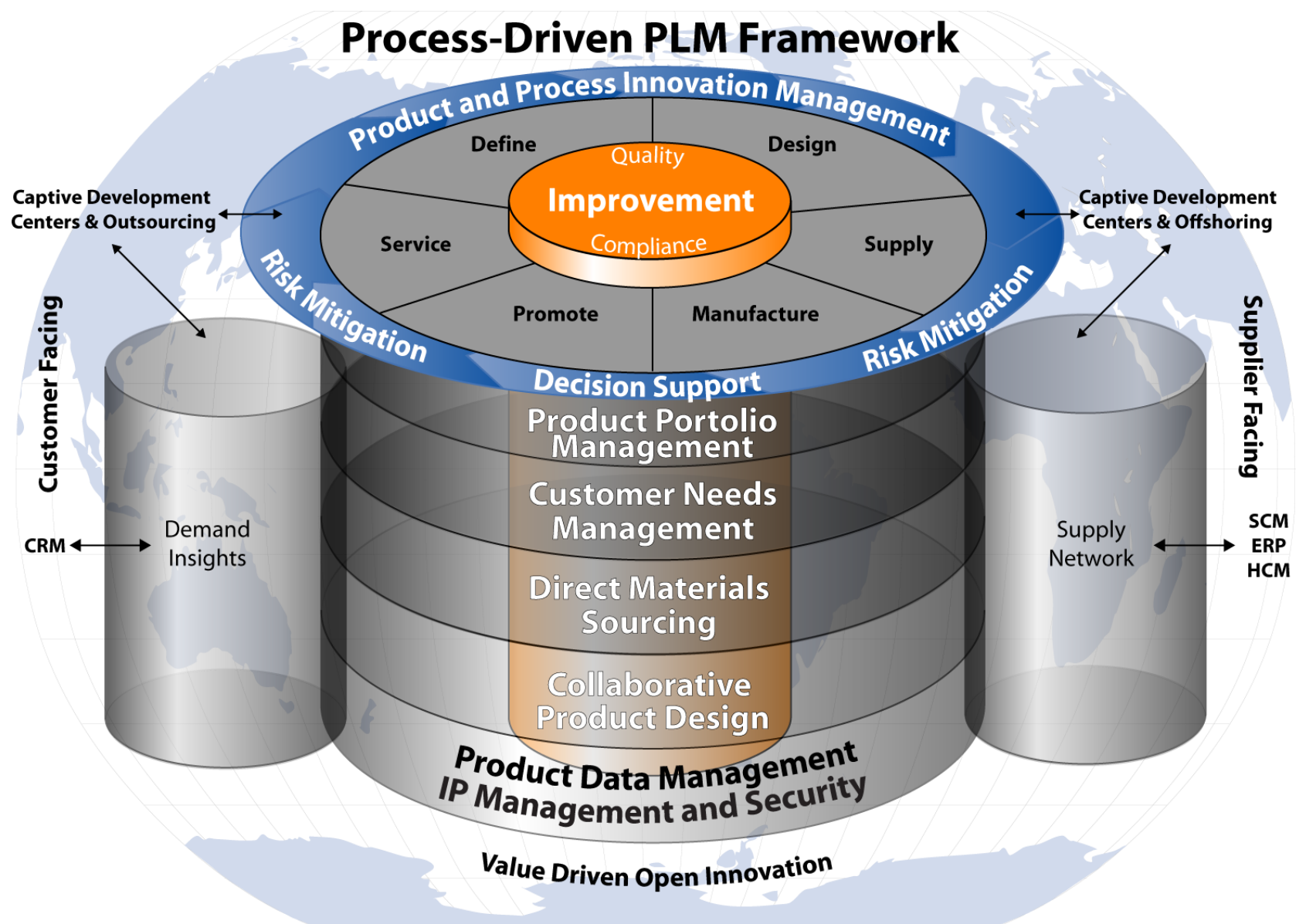
Developing Products for Demand Driven Supply Networks



Fuzzy-Front-End Through Product Launch



PLM Intersects with Demand and Supply Value Chain



Panel Discussion