

## PHARMACEUTICAL/LIFE SCIENCES COMPANIES AND BRAND POINT MANAGEMENT: MAINTAINING CONTROL IN A CHANGING WORLD.

### EXECUTIVE SUMMARY

Global pharmaceutical sales are in a steady increase<sup>1</sup> and over-the-counter sales are expected to continue strong growth, fueled by many social and governmental factors.<sup>2</sup> But for pharmaceutical/life sciences companies the opportunity for growth comes with challenges. As one report put it at eye-opening length:

“Globalization, [a] shrinking new-product pipeline, increasing cost of new-drug discovery, shrinking PLC of existing products, ever-increasing demand by managed healthcare organizations, public and government to cut down the prices of patent-protected drugs, stringent safety rules of FDA and entry of new players in the market are putting tremendous pressure on all pharma companies, especially the giants.”<sup>3</sup>

The report leaves out one more crucial pressure: building brand affinity in the wake of these other pressures. Over-the-counter (OTC) products have always had to rely on conventional marketing practices – and increasingly are becoming more “consumer” in their methods.<sup>4</sup> And some prescription drug categories – such as antibiotics – are not free of the need to market to consumers. For every kind of regulated medicine, however, zero-error production of packaging and promotional/informational materials is absolutely crucial.

There are powerful allies for pharma/life sciences companies in this marketplace. One is a business partner who understands their practical and creative challenges and offers solutions that promote efficiency and accuracy in the execution of packaging and other important brand materials. The objective is to guarantee compelling and consistent brand experiences for the increasingly involved and informed consumer. This paper describes how it's done.

<sup>1</sup> “2009 world pharma sales forecast to top \$820 billion,” PharmaTimes.com, Jan. 12, 2009.

<sup>2</sup> International Marketing Conference on Marketing & Society, 2007, IIMK.

<sup>3</sup> IIMK.

<sup>4</sup> “OTC Marketing: A Reality Check,” ExpressPharmaOnline.com, Nov. 1-15, 2006.

**ACCURATE, ON-BRAND AND ON-SPEC.**

Traditionally, pharmaceutical companies built their prescription business by developing a blockbuster drug, saturating the market with a sales force and marketing the drug heavily. But this model will not sustain future growth in the industry. Direct-to-consumer advertising has failed to prove its efficacy for prescription drugs in the countries where it's allowed, and major pharmas have correspondingly cut sales forces not only in those countries but worldwide.<sup>5</sup>

Furthermore, the roles of OTC (and a growing array of new health-related products) and prescription drugs will shift in the next decade. "By 2020, prescription therapies will be only one of the components in a collection of products and services from which patients can select," according to PricewaterhouseCoopers.

In addition to this broadening of products, medicines themselves will become more dynamic, launched with "live licenses" and as a result "rapidly evolving labels" that reflect modifications in indications, and dosing and the results side-effect research. One source says this will require "assembled-to-order manufacturing."<sup>6</sup>

This rapidly shifting landscape will put a premium on the ability to respond quickly with accurate, on-brand and on-spec packaging and product materials – globally.



The consumer will play a huge role, too. It's well known that the public is becoming more involved in its medical care, thanks in large part to the availability of information online. Research and self-diagnosis are widespread and growing, and prescription and OTC brands must adapt with useful information online – which demands the accurate re-purposing of extensive brand materials and skills in carrying key brand ideas online and into other digital media.

The upshot of all this: For prescription brands, building affinity with doctors and consumers requires – and will even more so in the future – more sophisticated, information-based marketing that will need to keep up with changes in medical practice and patient involvement. For OTC brands, pressure will increase to extend in effective and timely ways to stay ahead of the competition and leverage the strength of the prescription brand where applicable.

And yet there's more. The entire industry is now adapting to legislation – proposed and passed – that demands even more precision and intercommunication for manufacturers, their packaging and shipping partners, distributors, regulatory bodies and more. The packaging and materials stage is crucial within this, as it's where product information takes form and receives information and coding that are vital to growing regulatory processes worldwide.

This absolutely demands airtight processes for the creation of product packaging and information.

<sup>5</sup> "Pharma 2020: Marketing the future; Which path will you take?" PricewaterhouseCoopers, 2009.

<sup>6</sup> PricewaterhouseCoopers.

# OTC BRANDS NEED TO COMPETE “FROM THE SHELF OUT,” UNDERSTANDING THAT DEEPLY INFORMED AND PROACTIVE CONSUMERS WILL MAKE A MAJORITY OF PURCHASE DECISIONS BASED ON PACKAGE IMAGES AND INFORMATION.

## TIGHT INTEGRATION AND EXECUTION OF BRAND PROCESSES IS KEY.

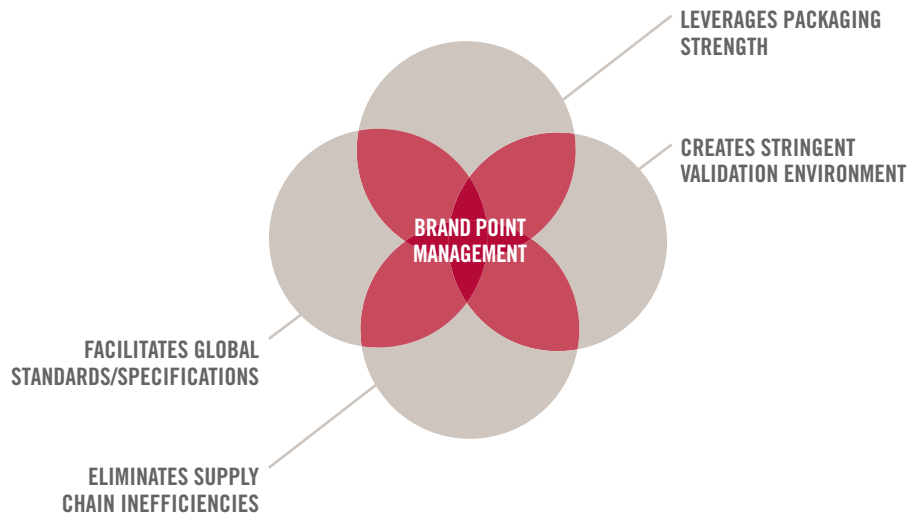
For all medicines and OTC products – as with consumer products in general – the process of producing packaging and other informational and promotional materials goes through three basic stages: strategy, creative and execution, ranging from high-level decisions on a brand’s “big idea” to the actual execution of printing or publishing. In the prescription/OTC world, producers will have to integrate these stages ever more tightly, for the reasons described already – marketing strength, marketplace agility, regulatory requirements – and more that we will spell out.

### Schawk calls this brand point management.

Brand point management is the strengthening of a brand through the delivery of compelling and consistent brand experiences that create greater affinity between shopper and brand. Brand point management touches all phases of a product’s life – from ideation to design to market implementation – because all phases contribute to that moment of interaction between a consumer and the brand.

While the “moment of interaction” between a patient and a prescription drug isn’t compelling in the same way as for a shopper in a store, there are certainly multiple brand “touchpoints” for prescription medicines – and even more for OTC products. And the matter of consistency is as crucial for medicines – prescription and OTC – as for any consumable products anywhere. The rest of this paper will explain how pharmaceutical and life sciences companies can leverage “compelling and consistent” through brand point management. It will focus on:

- Leveraging the strength of packaging to build brands, for prescription and especially for OTC
- Eliminating inefficiencies in the marketing supply chain
- Creating a stringent validation environment
- Facilitating global standards and specifications



<sup>5</sup> “Pharma 2020: Marketing the future; Which path will you take?” PricewaterhouseCoopers, 2009.

<sup>6</sup> PricewaterhouseCoopers.

**LEVERAGE THE STRENGTH OF PACKAGING TO BUILD BRANDS.**

Prescription medicines must find sophisticated ways to market themselves before their patents run out, speaking to both doctors and patients. This requires a deeper understanding of how patients engage with packaging, going beyond the traditional functional approach. For this reason, Prescription brands need to apply the same standards for quality and consistency of brand messaging that consumer products have.

OTC brands, meanwhile, increasingly need to compete “from the shelf out,” understanding that deeply informed and proactive consumers will make a majority of purchase decisions based on package images and information, and that this “touchpoint” is all the more powerful when it’s consistent with previous brand touchpoints – at home, on the go and in the store outside the shelf itself.

Brand point management builds stronger packaging. When there is integration among brand strategists, creative contributors and a wide array of premedia and print-management team members, brand ideas reach shopper touchpoints on-brand and on-spec. For consumer products, brand management technology – including digital asset management, workflow management and more – is enormously helpful in strengthening and streamlining processes to ensure compelling and consistent shopper experiences.<sup>7</sup> Prescription and OTC products have the very same needs – but multiplied by the requirements of highly-regulated and validated processes. Brand point management and brand management technology make it possible to meet these requirements confidently.

**ELIMINATE INEFFICIENCIES IN THE SUPPLY CHAIN.**

In the next decade, pharmaceutical and life sciences companies will need to make steady improvements in their supply chain processes:

- Strategically integrating vendors to save costs on production and to gain more control over processes.
- Aligning creative and executional teams to quickly and efficiently activate strategy and take advantage of crucial first-to-market status.
- Leveraging “smart sourcing” and outsourcing to promote efficiency and agility in adapting to changing requirements and opportunities worldwide.
- Protecting, repurposing and ensuring the accuracy of brand and product assets, such as images, artwork and product information.

These can be achieved through brand point management. Brand point management is predicated on the integration of multiple stages of the brand process “under one roof” to improve communication both upstream and downstream, eliminate inefficiencies and the potential for mistakes, and create a “communications bridge” among regions and countries through a combination of global knowledge and local insight. An antibiotic blister-pack, for example, is a complex combination of branding, package design, crucial text information, production logistics and adherence to multiple regulatory regimens. Brand point management can integrate any or all of these stages.

**BRAND MANAGEMENT TECHNOLOGY EXCELS IN BOTH DRIVING STRICT ADHERENCE TO GUIDELINES AND REGULATIONS ON PACKAGING AND INFORMATIONAL MATERIALS AND ENABLING THESE MATERIALS TO ADAPT DYNAMICALLY AND RAPIDLY TO CHANGES IN SPECIFICATIONS.**

<sup>7</sup> See the Schawk white paper “Brand Management Technology: A Brand Point Management Perspective.”

**VALIDATION AND ADHERENCE IN  
 A HIGHLY REGULATED ENVIRONMENT.**

The FDA and EMEA are expected to pass legislation in the near future that will lay out an entirely new set of regulations for working with governing bodies in the electronic approval of medical-related packaging information. Already in the U.S., Title 21 CFR Part 11 of the Code of Federal Regulations stipulates strict protocols on electronic records and signatures for drug makers, medical device makers and other FDA-regulated industries. And in July 2009, the U.S. House of Representatives passed the first sweeping food-regulatory legislation in 70 years. Clearly tremendous change is happening in the regulatory realm.

To respond, manufacturers need superior technology and vendor partners who can leverage this technology. Brand management technology is instrumental in allowing brands to create compelling and consistent materials, and when it is robust, it excels in highly regulated, validated environments, as well. It excels in both driving strict adherence to guidelines and regulations on packaging and informational materials and enabling these materials to adapt dynamically and rapidly to changes in specifications. Both of these are crucial to speed-to-market and agility across global markets – two key profit-drivers.

In addition to the mandates mentioned above, pharma/ life sciences companies adhere to other regimens. There are training standards, as spelled out in U.S cGMP and European GAMP certification processes, audits according to client and international ISO benchmarks, and overarching digital and physical security mandates. These are designed to prevent contamination, mix-ups, deviations, failures and errors related to the manufacture and labeling of products. For companies, it's vital to have vendor partners who can operate to the same strict standards as the companies themselves, including partners involved in the creation and production of packaging and informational materials.



**FACILITATING GLOBAL STANDARDS AND SPECIFICATIONS.**

As the pharma/life sciences companies market their products globally – especially into developing countries whose spending on medicines has outpaced the developed world in recent years<sup>8</sup> – consistency of brand message and product information is crucial. This requires regional and local knowledge – of people, customs, shopping habits, store environments, government regulations and regional suppliers such as printers – to ensure agility, efficiency and accuracy in product materials. Pharma/life sciences companies will increasingly look for partners who can extend their services globally and leverage the same technologies and processes to the maximum extent. This will save money, increase profits and give companies confidence in attempting growth and taking advantage of marketplace opportunities.

materials for pharma/life sciences companies. Packaging strategy, creative and adaptive design, the full range of premedia services including production art, prepress, proofing and print management, and deep technical expertise centering on BLUE™, the most advanced brand management technology for validated environments – we integrate these every day for our clients worldwide.

BLUE is at the heart of our service delivery. It encompasses digital asset management, copy management, workflow management, online proofing (with annotation and comparator tools) and key performance indicator (KPI) reporting modules. BLUE integrates seamlessly with company-side Enterprise Resource Planning (ERP) systems and is responsive to packaging requirements in ways ERP systems are not capable of.

**HOW SCHAWK AND BRAND POINT MANAGEMENT BENEFIT PHARMA AND LIFE SCIENCES COMPANIES TODAY.**

Schawk is a leader in brand point management services and technology worldwide. We currently partner with 11 of the 25 Best Global Brands as ranked by Interbrand and seven of the top 10 pharmaceutical companies, and we have been delivering fully configurable, comprehensive software and validation service solutions to leading pharmaceutical and medical device companies globally since 2002. Our unique offering combines experience across all the core disciplines required to create compelling and consistent packaging and

In a global marketplace that increasingly makes demands on pharma/life sciences companies – ranging from creativity and sophistication in branding and messaging across disparate geographies to absolute accuracy and accountability to government regulations – Schawk's integrated brand point management solution is timely and powerful. It meets the need for vendor consolidation, communication across workflows and adaptability to constant changes in regulation and consumer needs. It helps consumer/life sciences companies stay ahead of a very fast curve.

**MARKETPLACE DEMANDS**



<sup>8</sup> IIMK.

# SCHAWK!™

Schawk, Inc., (NYSE:SGK), is a leading provider of brand point management services, enabling companies of all sizes to connect their brands with consumers to create deeper brand affinity. With a global footprint of 49 offices, Schawk helps companies create compelling and consistent brand experiences by providing integrated strategic, creative and executional services across brand touchpoints. Founded in 1953, Schawk is trusted by many of the world's leading organizations to help them achieve global brand consistency. For more information about Schawk, visit [www.schawk.com](http://www.schawk.com).

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