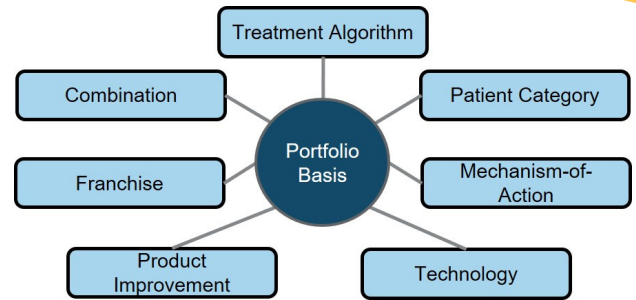


WHY PORTFOLIO ORGANIZATION IS IMPORTANT IN BIOPHARMA?

Organizing products into portfolios allows the pharmaceutical companies to develop expertise, better answer patients and HCPs needs. Becoming an expert in a specific indication or therapeutic field can bring company recognition, trigger customer retention and better answer patients' needs. Expertise in a specific Mechanism of Action or in a specific technological platform can potentially reduce clinical development time and improve success rate, simplify manufacturing, and simplify IP protection.

Focusing on a portfolio allows pharmaceuticals companies to better "own" their market, develop synergies in order to be more efficient and try to protect their market from the competition. Various models for portfolio organization can be employed



- 1 Treatment Algorithm-Based Portfolio:** Medicines are developed to follow specific treatment guidelines and/or different lines of treatment. This model is especially valuable if the company proposes different therapeutic solutions along those guidelines.
- 2 Patient Category-Based Portfolio:** Medicines approved for one patient group are further developed for other populations, recognizing varied dosage and formulation needs.
- 3 Mechanism-of-Action-Based Portfolio:** Medicines are developed for different indications, targeting a specific biological pathway or mastered mechanism of action.
- 4 Technology-Based Portfolio:** Medicines are developed using a patented technological platform, ensuring intellectual protection and correlated project success.
- 5 Product Improvement-Based Portfolio:** Companies focus on improving existing products, such as enhanced pharmacokinetics or administration, to address competition and transfer patients to improved formulations.
- 6 Franchise-Based Portfolio:** Companies concentrate on developing products within specific therapeutic areas or franchises, establishing leadership in those fields. This portfolio can take multiple forms such as a backbone product combined with multiple adjunctive therapies for a specific therapeutic area or a backbone product approved for multiple indications.
- 7 Combination-Based Portfolio:** Fixed-dose combinations of multiple drugs are developed, leading to more effective treatments, especially for complex diseases like HIV/AIDS.

Selecting the right portfolio model is key for success in the competitive pharmaceutical landscape. When managing a franchise or a portfolio, it is imperative to develop a level of alignment between the different brands and potentially develop synergies. To achieve this, an inspirational Portfolio Vision as well as Strategic Objectives specific to the portfolio must be established. But ideally, managing a portfolio is also to ensure that products belonging to the portfolio are at different life cycle stages allowing to dedicate the right resources to launches for example, and ensuring a constant business growth.

The creation of a thought-through portfolio allows to develop the following competitive advantages:

Developing Expertise: Organizing products into portfolios allows pharmaceutical companies to delve deep into specific indications, therapeutic fields, or technologic platforms. By specializing in a particular area, companies can acquire in-depth clinical and medical knowledge and skills, becoming the go-to experts in their chosen field. This expertise not only bolsters the company's reputation but also instills trust among patients and HCPs alike.

Meeting Patients' and HCPs' Needs: A well-organized portfolio allows companies to better understand and address the needs of patients and HCPs. By focusing on a specific area, companies can improve their market and stakeholder knowledge and tailor their products and services to effectively cater to the unique requirements of patients and HCPs in that field. This targeted approach not only enhances customer satisfaction but also fosters long-term relationships, leading to increased customer retention.

Accelerating Clinical Development: Expertise in a specific MoA or technological platform can bring about significant advantages. Companies specializing in a particular MoA or platform can streamline their clinical development processes, reducing time-to-market and ultimately improving the success rate of their products. This strategic approach can give biopharma companies a competitive edge in the industry.

Heightening Brand Awareness: By organizing their products into portfolios, biopharma companies can create a distinguished brand image. This focused approach allows companies to showcase their expertise, demonstrating their commitment to specific indications or therapeutic areas. Increased brand awareness not only attracts potential customers but also opens doors to new collaboration opportunities within the industry.

Streamlining Operations: Portfolio organization is not only about expertise and branding; it also brings operational benefits. Companies that structure their portfolios based on treatment algorithms, patient categories, MoA, or technological platforms can potentially simplify not only their commercial and medical organization, but also their manufacturing processes. This streamlining gives the opportunity to reduce commercial expenses, as well as production complexities and costs while ensuring consistent quality across products.

Intellectual Property Protection: A technology-based portfolio, centered around patented technological platforms, offers a robust layer of intellectual property protection. This safeguard helps companies secure their innovations and maintain a competitive advantage in the market. It also provides a foundation for future research and development endeavors.

These six points collectively underscore the critical role of portfolio organization in helping biopharma companies thrive in a highly competitive sector.

