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National Disclosure Summit

Best Practices in implementing a coordinated Global Transparency Program

February 7, 2014

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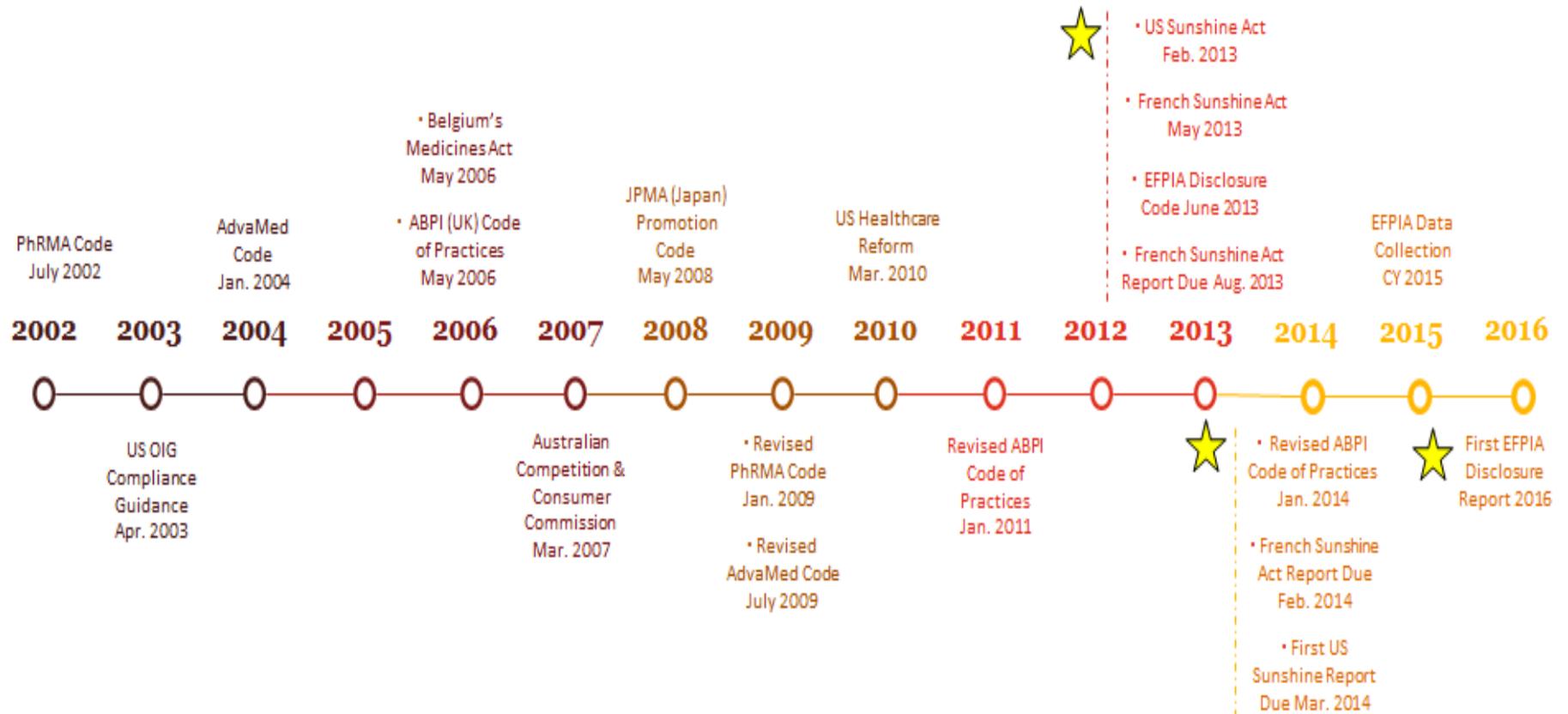
Agenda

- Global transparency overview
- Your path to a global transparency program
 1. Identify sources that will share your global transparency policy
 2. Define vision and goals
 3. Define your optimal framework
 4. Evaluate your assets
 5. Define the operational model that fits your organization
- Questions

Global transparency overview

1

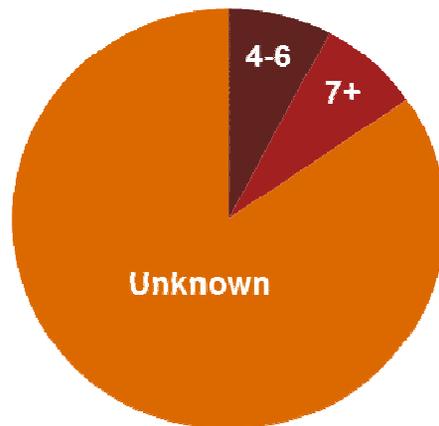
The evolution of global transparency



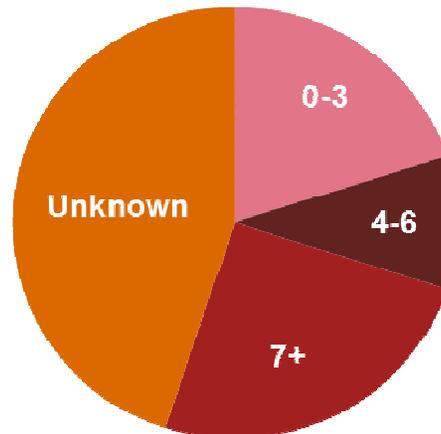
Global aggregate spend benchmarking - operations

Reported dedicated resources for O-US aggregate spend programs:

November 2012



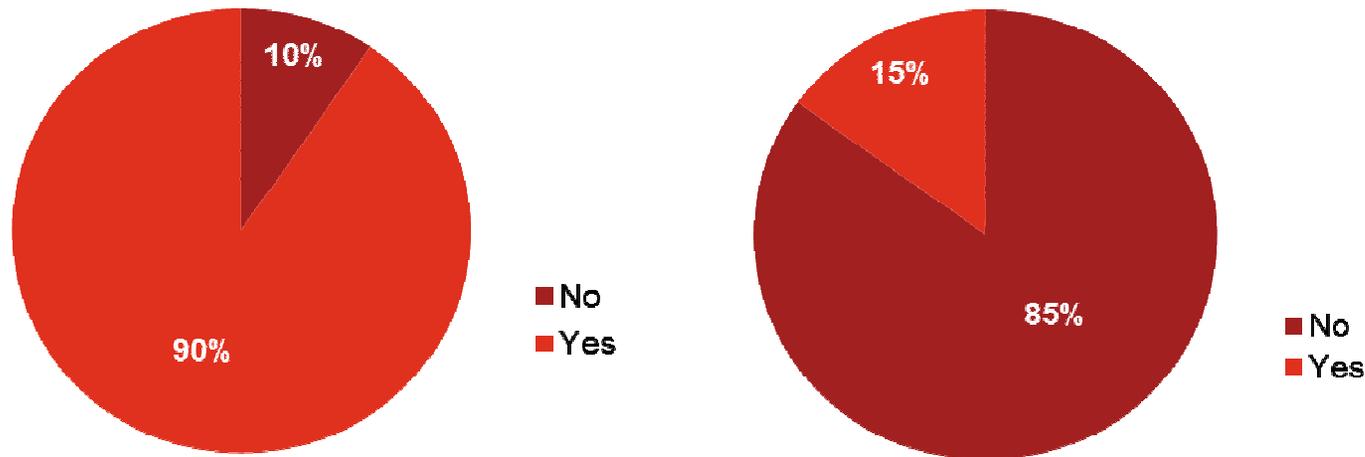
September 2013



- ***Based on the decrease in 'Unknown' responses, companies are starting to institute resources to handle in-country global requirements.***
- ***Most companies still do not have a global strategy in place and many companies reported a desire for **better global alignment** and capabilities.***
- ***Will be a key focus of pharma companies in 2014 with **EFPIA** going into effect in 2015.***

Global aggregate spend benchmarking - resources

Question 12: Have you implemented a software-based reporting solution/system for:
U.S. State & Federal Reporting *Global Reporting*



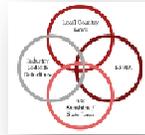
- ***A majority of companies have implemented a software-based reporting solution/ system for U.S. State and Federal Reporting, but **not for global reporting.*****
- ***35% of respondents reported that the company changed solution/system vendors during an implementation, indicating a general dissatisfaction with vendors.***

Your path to a global transparency program

2

Your path to a global transparency program

1. Identify sources that will shape your global transparency program



2. Define your transparency vision and goals

3. Define your optimal framework

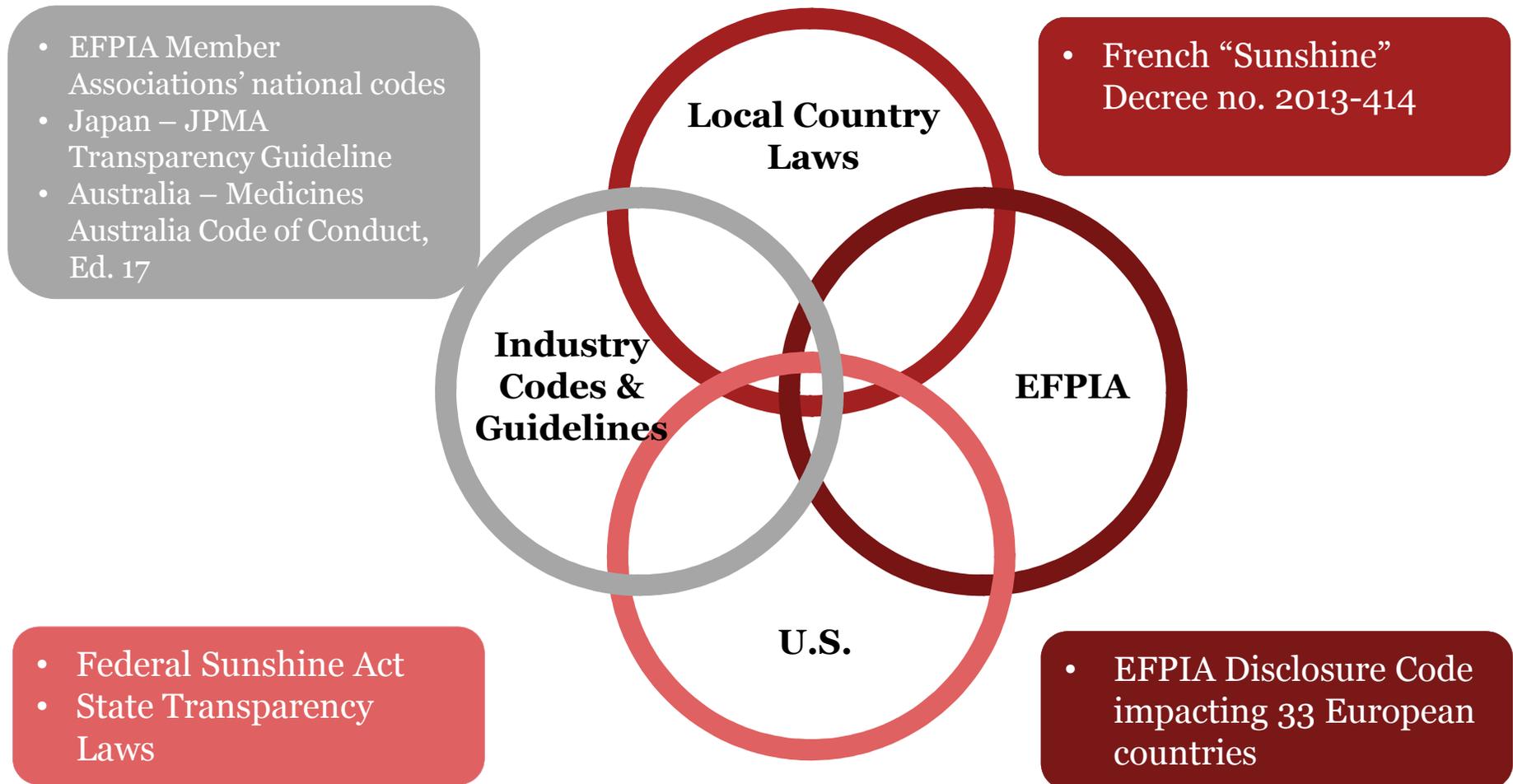


5. Define the operational model that fits your organization



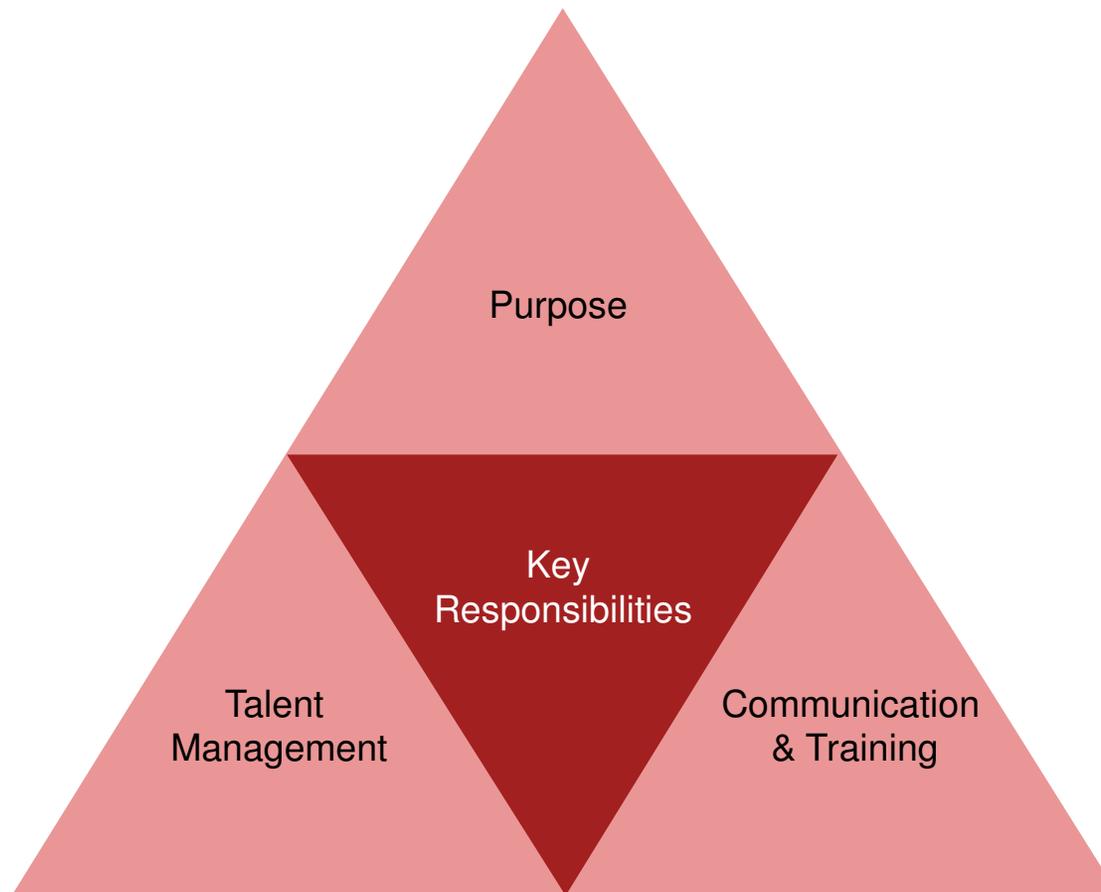
4. Evaluate your Assets

1. Identify sources that will shape your global transparency program



2. Define your transparency vision and goals

Whether it's called a mission statement, vision, or goal, companies should first articulate the purpose of their global transparency programs within the context of their specific business needs.



3. Define your optimal framework

Governance

- Pros and cons of implementing a local, regional, or global approach to transparency
- Leverage existing and planned organization structures, processes, and systems
- Appropriate level of governance, collaboration, coordination, and visibility regarding HCP/HCO spend across the countries that require some form of transparency disclosure

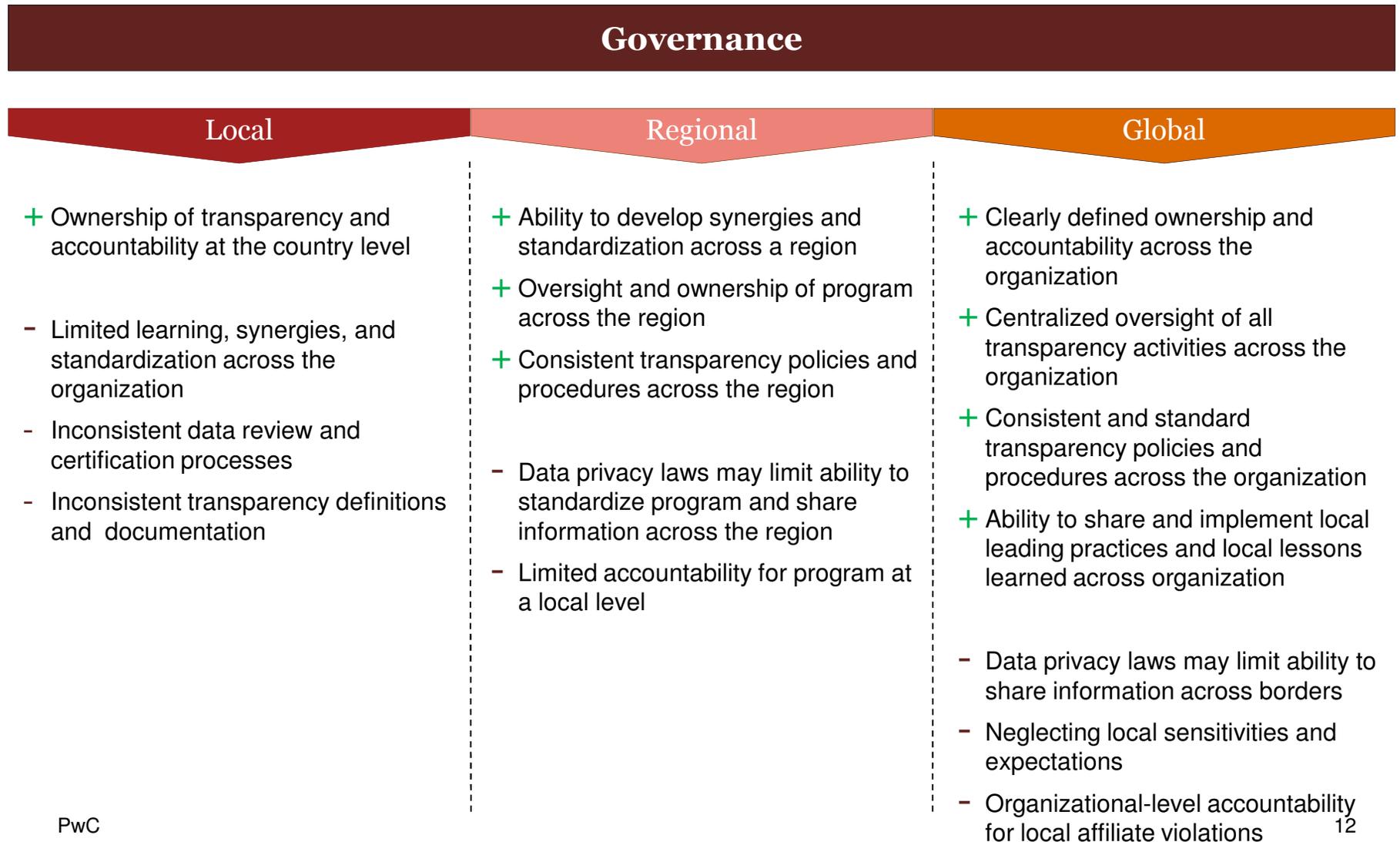
Policy, procedures, and controls

- Existing country-specific/European compliance, policy, and control considerations
- Compliance enhancements
- Existing safe harbor considerations and local country privacy laws

Resources and investments

- Funding, resources, timing, and capability constraints
- Dependent, existing, or planned investments in systems and data upgrades
- Manage transparency reporting in-house, outsource it to a third-party vendor, or achieve it through a combination of in-house/outourcing
- Lessons learned/assets can I leverage from my US efforts?

3. Define your optimal framework - Governance



3. Define your optimal framework – Source Systems

Source Systems, Data Capture & Remediation

Local

- + Limit data captured to only that which is required for reporting
- Lack of visibility into interactions with local HCPs by regional affiliates
- Inconsistent use of source systems by local affiliates

Regional

- + Consistency in HCP/HCO data captured across the region
- + Consistent use of source systems across the region
- Requires capture of data and information that may not be required for reporting in several countries in the region
- Requires compliance with strictest data capture requirements in the region

Global

- + Standard terms, definitions, processes, and source systems to capture transaction data
- Update to local law/regulation impacts data collection across organization
- Requires compliance with strictest data capture requirements

3. Define your optimal framework – Master Data Management

Master Data Management

Local

- + Ease of developing, implementing, and maintaining a local customer master list
- + Avoid duplicative entries for the same recipient in a single customer master list
- Inability to identify cross-border spend
- Limited visibility into HCP/HCO spend in other countries

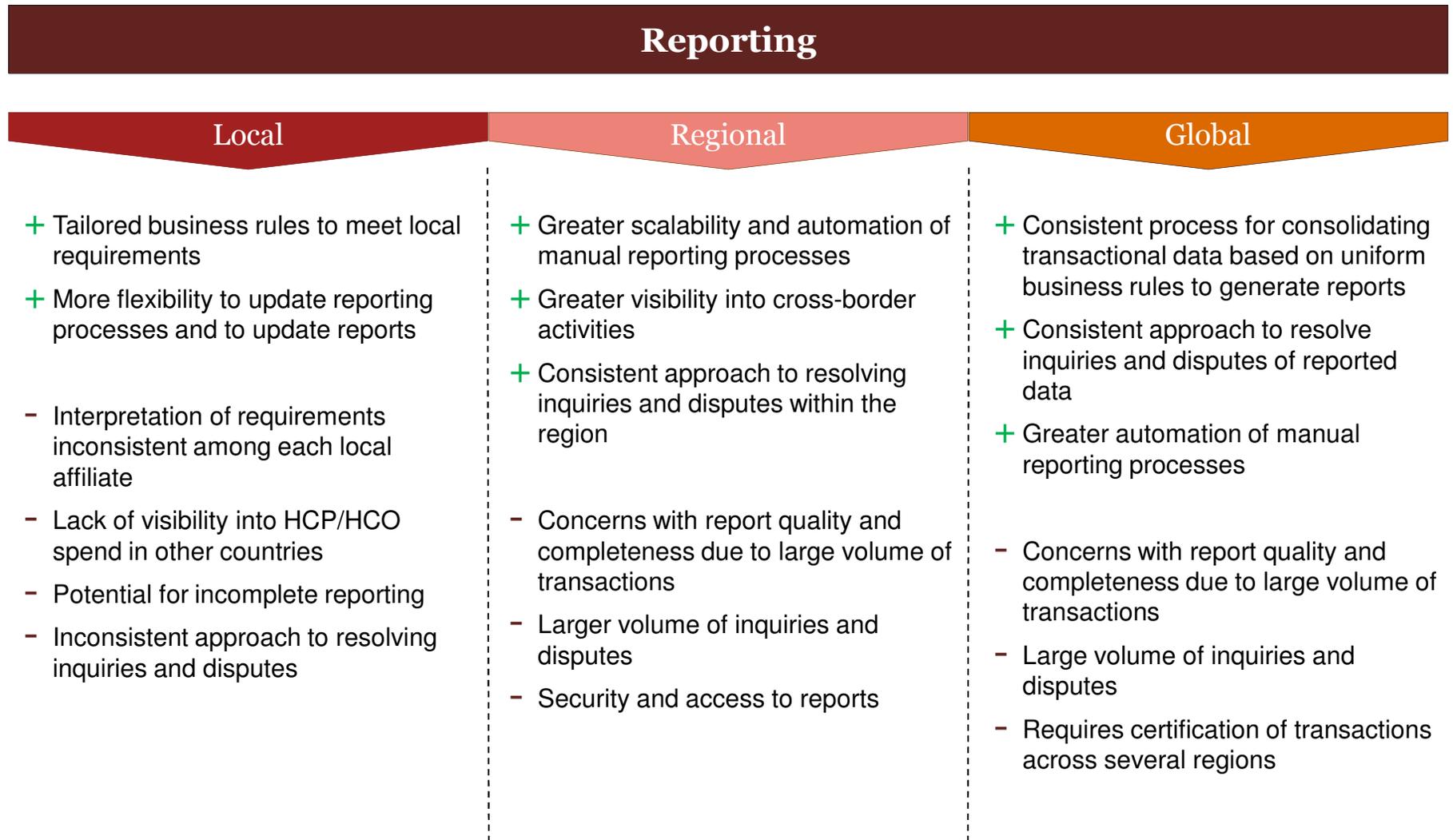
Regional

- + Regional unique customer master identifier
- + Ability to identify cross-border spend within the region
- Data processing across the region is difficult
- Recipient identifying information varies among countries in a region
- Differing unique identifiers across countries
- Potential for duplicative entries
- Limited ability to identify cross-border spend outside of the region

Global

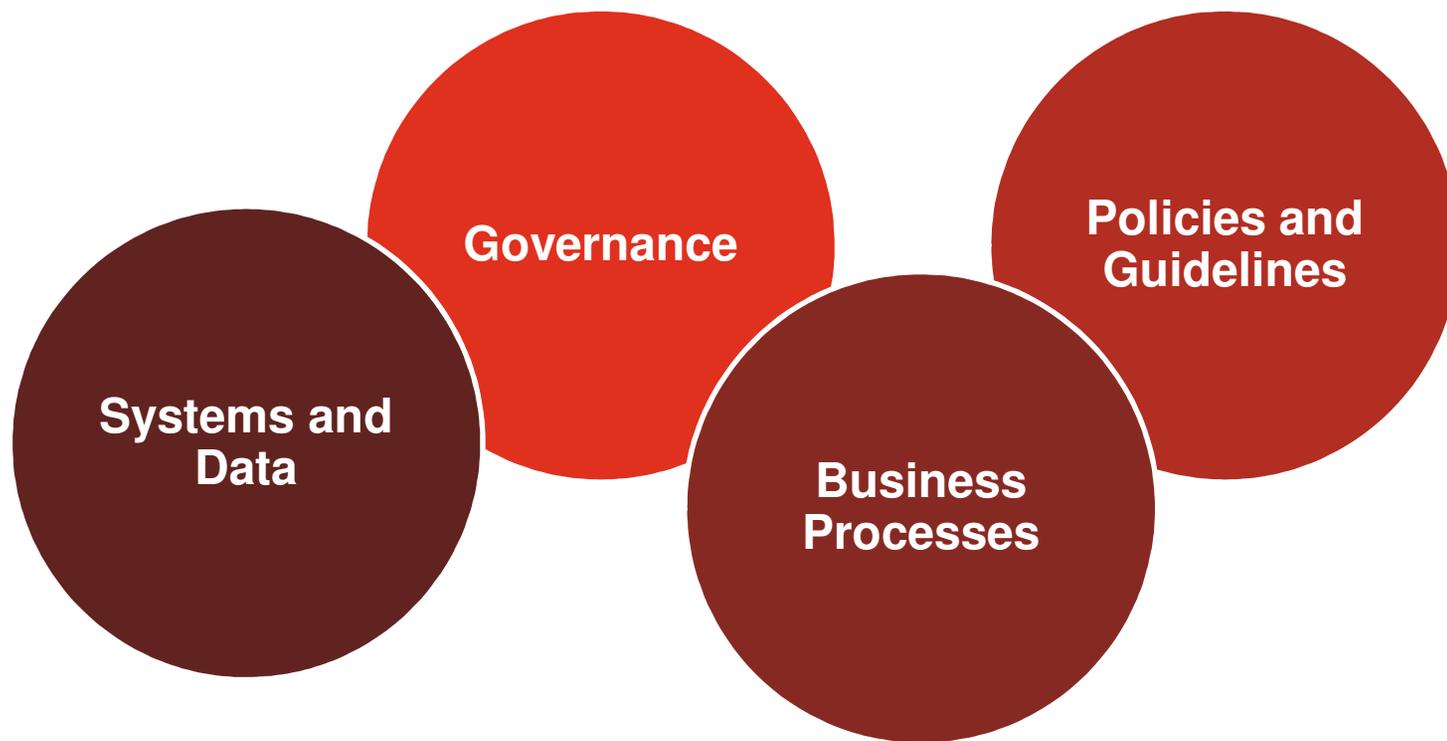
- + Unique HCP/HCO profile across the organization
- + Uniform information available for all HCPs/HCOs
- + Complete list of global HCPs/HCOs
- + Updates to customer master list available to entire organization
- Potential for duplicative entries for those customers located in several countries
- Recipient identifying information varies among countries

3. Define your optimal framework - Reporting



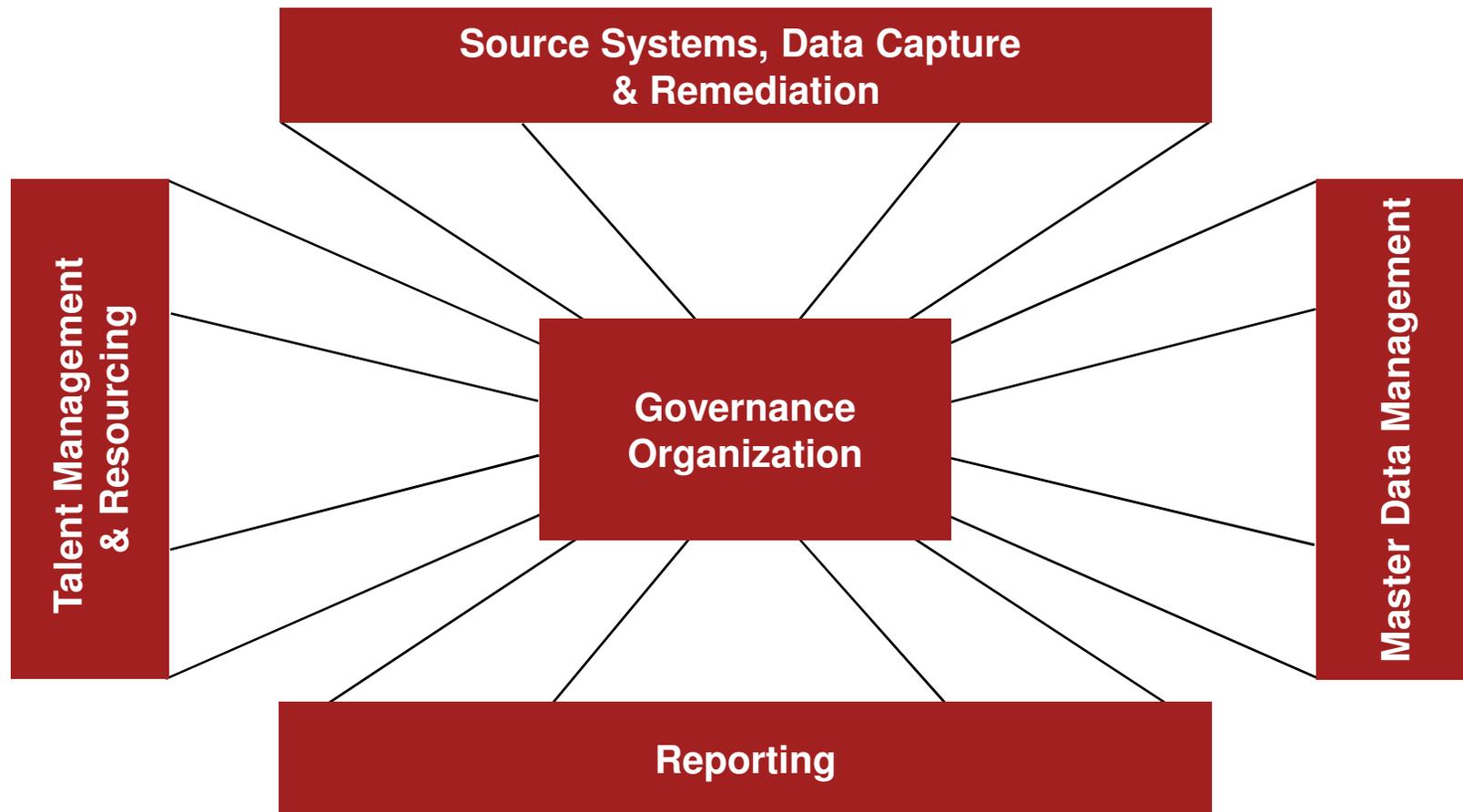
3. Leveraging lessons learned

As companies adjust to the evolving global transparency landscape, they should reach out to their counterparts in other countries and leverage the lessons those counterparts have learned as they created their own transparency programs. Companies should incorporate these lessons learned when determining their overall transparency strategy.



4. Evaluate your assets

Once a company has identified its transparency program options, it should next determine which key drivers impact its ability to implement the program.



5. Define the operational model that fits your organization

Individual companies should define a global strategy and operational model to support their transparency program. Considerations can include:

- Define the program's governance, roles, and responsibilities across the organization
- Detail the resources, activities, timing, budget, and deliverables necessary to operate and manage the day-to-day operations of the program
- Develop data and process standards, focusing on the creation, update, approval, implementation, and enforcement of requirements to provide consistency and preserve data quality

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