

Global Survey

Key Insights on Compliance & Transparency Management for the Life Science industry



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**Preview of the preliminary results of
the European survey which is open
until November 16th**

**Continuously evaluate industry
trends and best practices for
operational Compliance**

Survey Highlights



- **Compliance will grow as a strategic challenge for the Life Science Industry within the next 3 years and is expected to significantly impact industry's image**

- **The U.S. Transparency and Aggregate Spend model is likely to spread across Europe leading to an increase of company's investment**

- **European Compliance function is mostly focused on high level Compliance Governance design and validation – as opposed to the U.S. in which compliance is being implemented at an operational level**

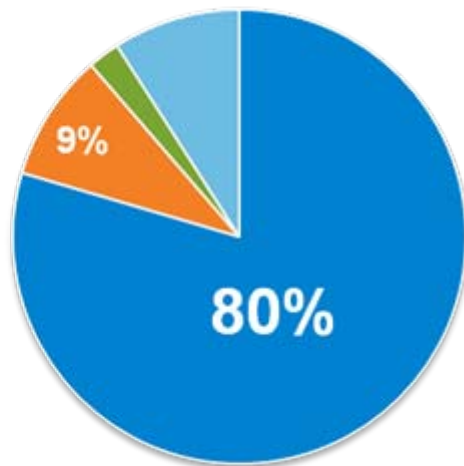
- **Data identification, consistency and quality are the major challenges in project implementations and Compliance governance processes**

1st Cegedim Annual Compliance Survey



Europe

- Pharmaceutical company
- Medical Device company
- Biotechnology company
- Other



Public/Government Affairs

Other 23%

Medical 4%

R&D 4%

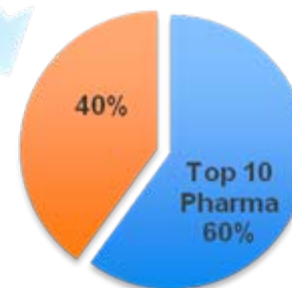
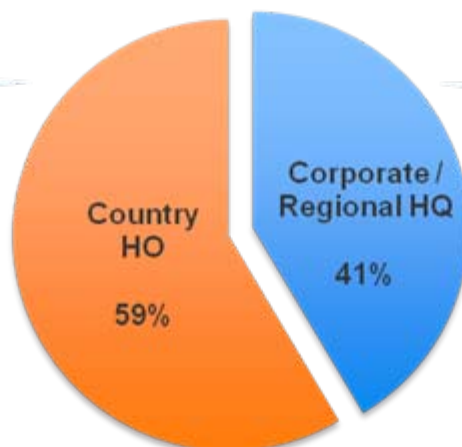
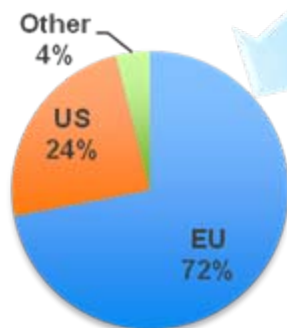
Marketing 6%

Legal 8%

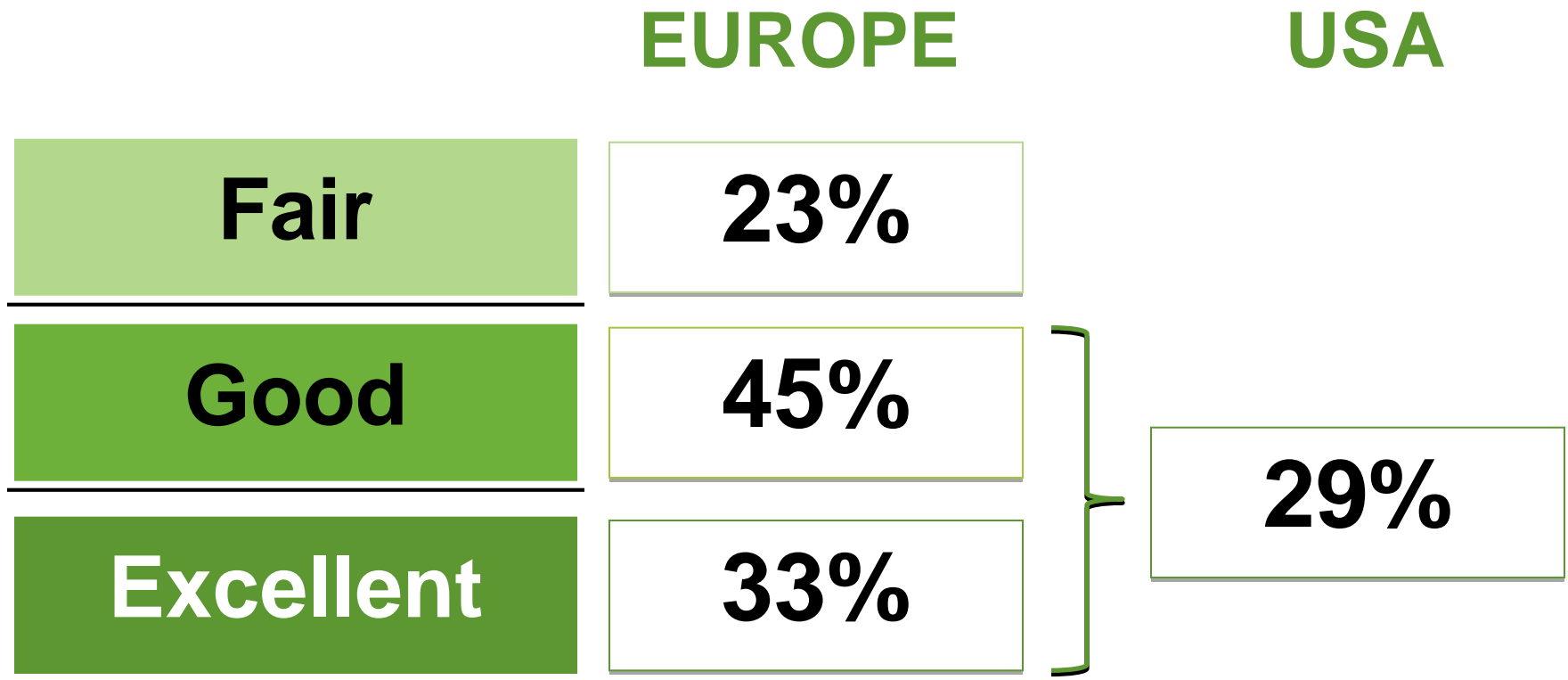
Sales 10%

Compliance 40%

0% 10% 20% 30% 40% 50%



Ability to comply with transparency regulations today?

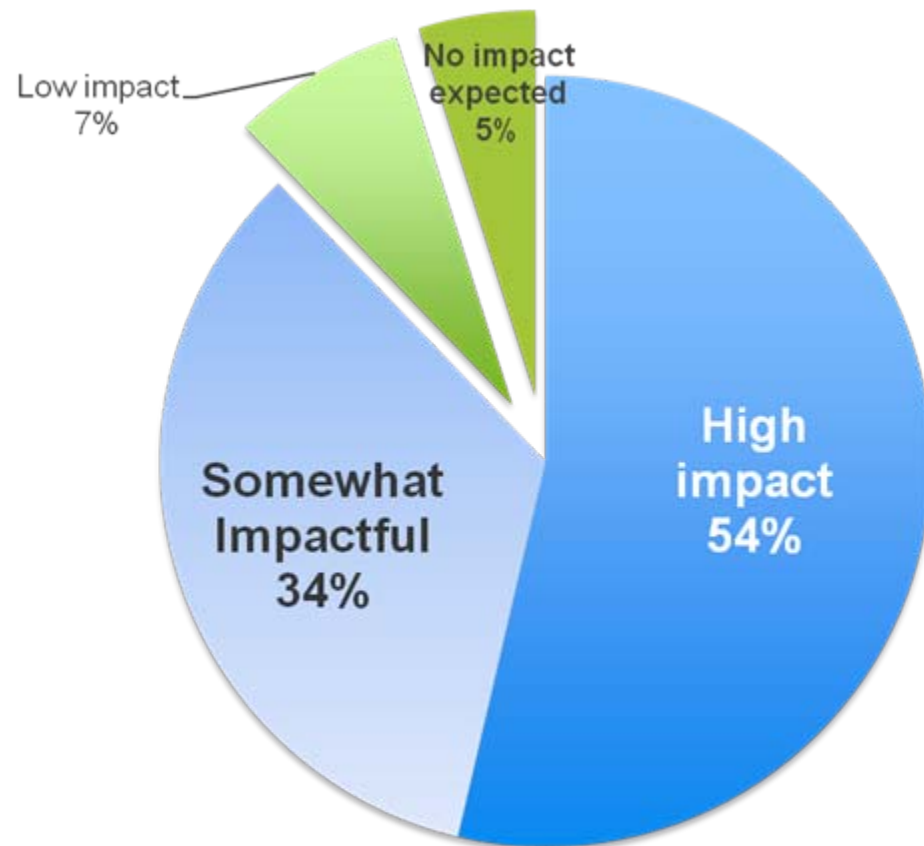


Difference may be accounted for due to level of requirements and / or enforcement in the US vs EU

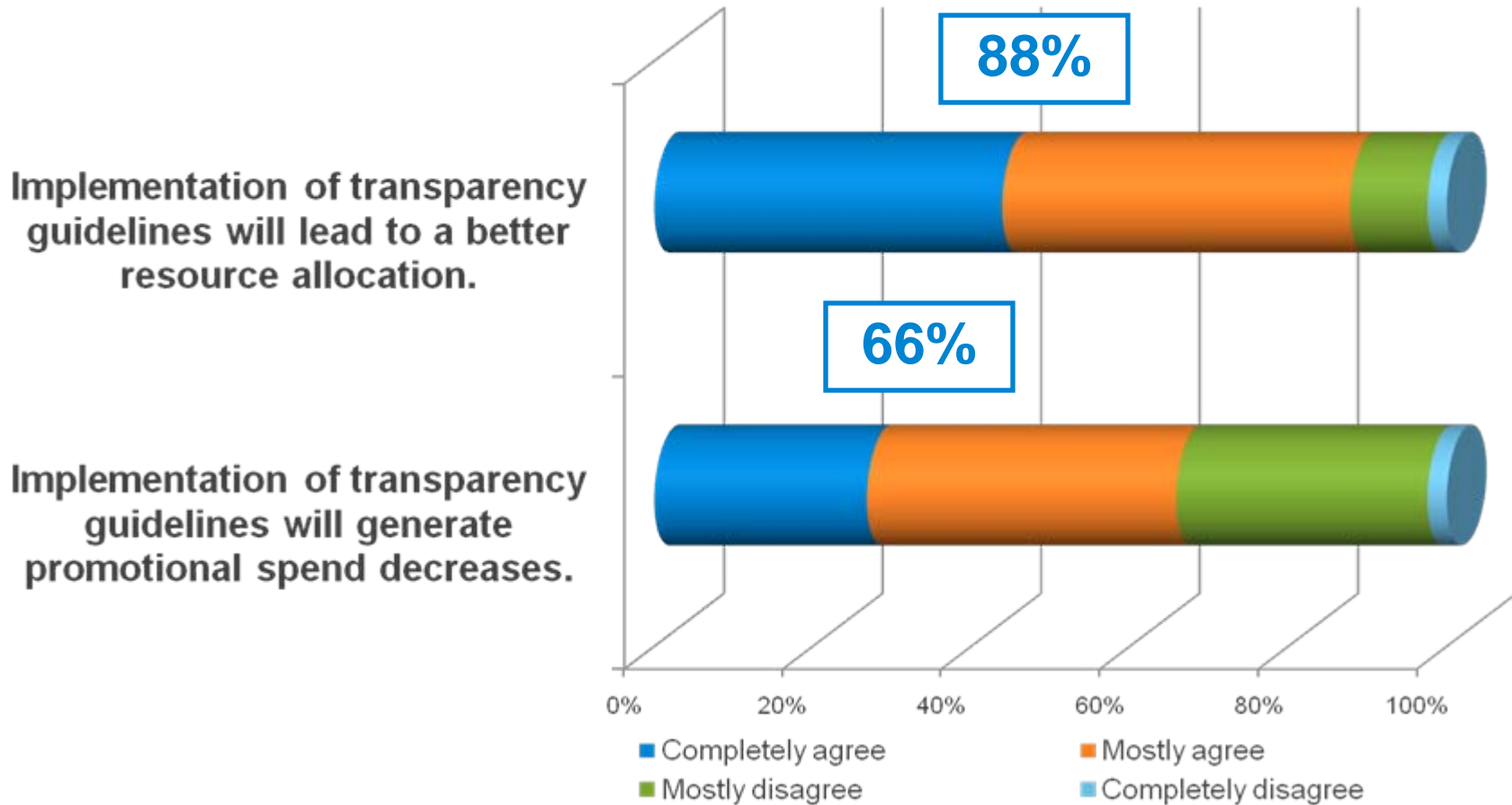
Impact of anti-corruptions regulations on transparency requirements (FCPA)



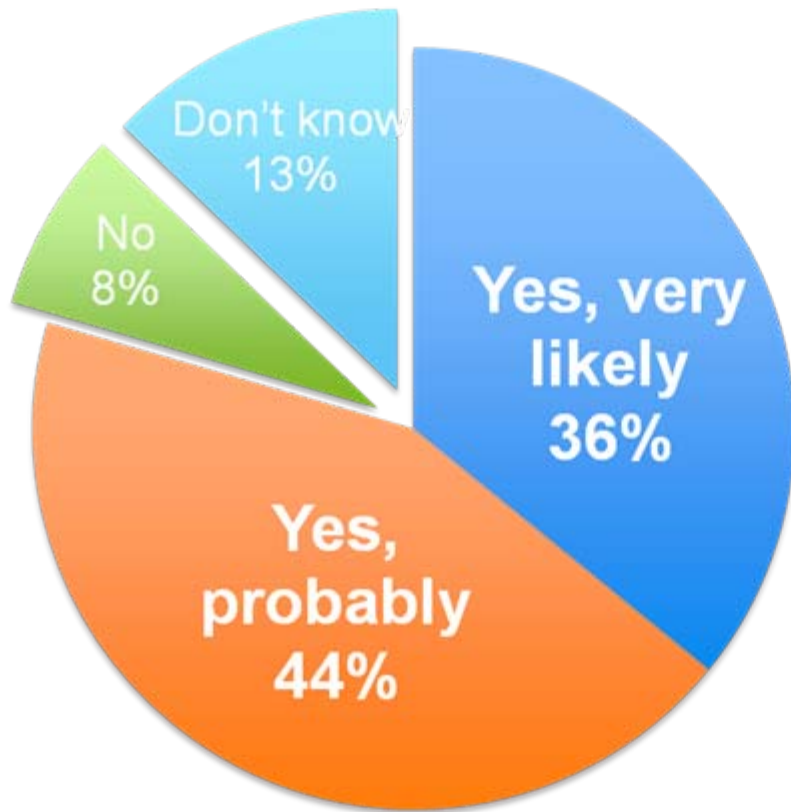
88%
of respondents
anticipate impact



Impact of regulatory compliance on operations

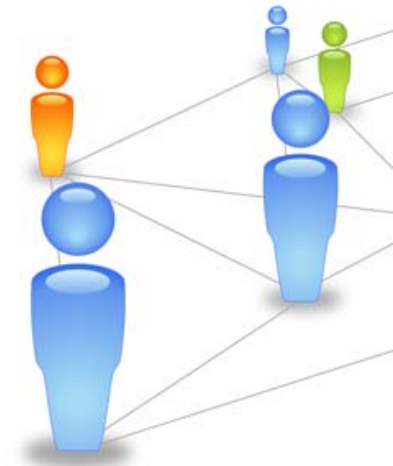


Influence of the US regulation in Europe



80%
respondents
agreed that U.S.
will influence
Europe

Europe regulators are highly influenced by the U.S. landscape – which may lead to increased Compliance standards



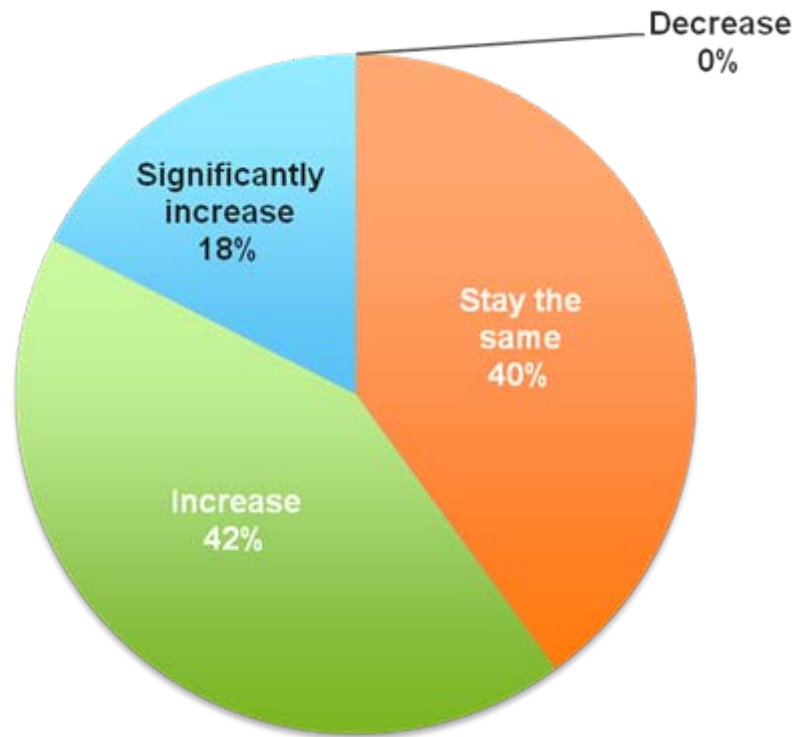
Takeaways

OPERATIONAL COMPLIANCE

Expected change in investment (solution and resources) in aggregate spend transparency



60%
respondents
anticipate their
investment to
grow



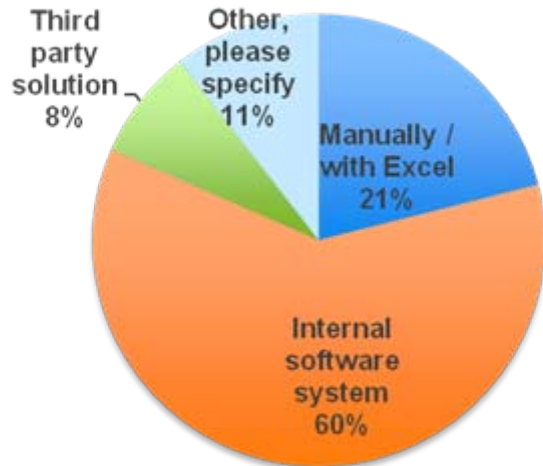
The awareness of Compliance risk is still spreading across the industry and across Europe

Country based respondents mostly answered conservatively

Company expenditure monitoring in Europe

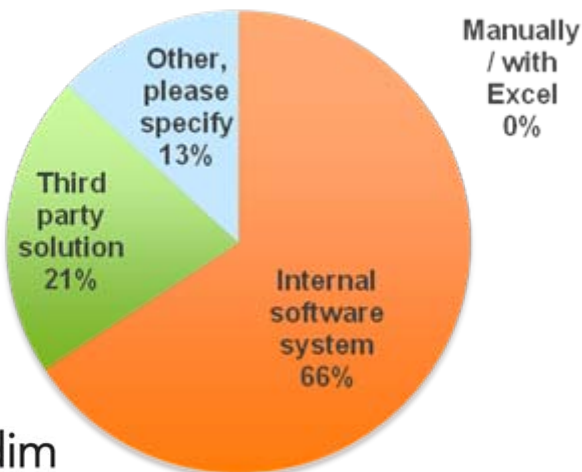


How companies monitor expenditure today?



**Excel Becomes
Obsolete**

And how will you satisfy spend transparency requirements tomorrow ?



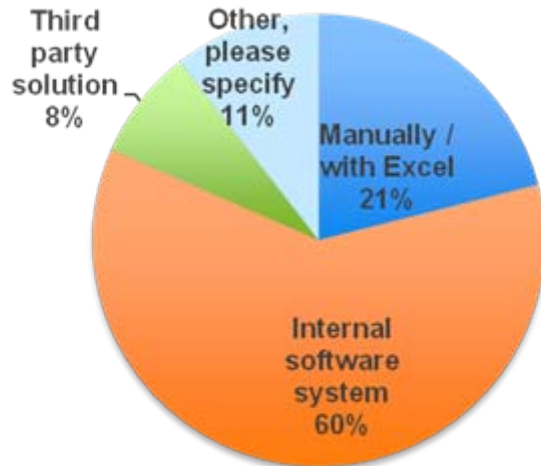
**Increase
Dependencies on
Third party
solutions**

Company expenditure monitoring in Europe & US

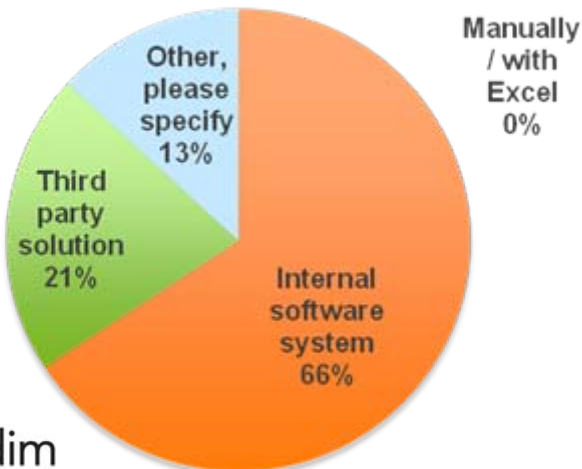


Europe

How companies monitor expenditure today?

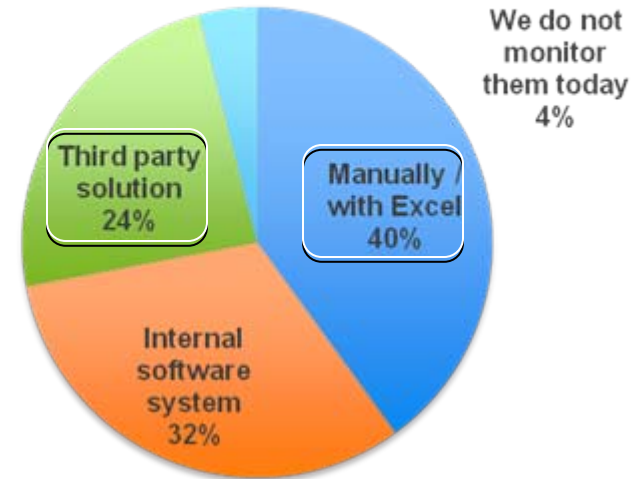


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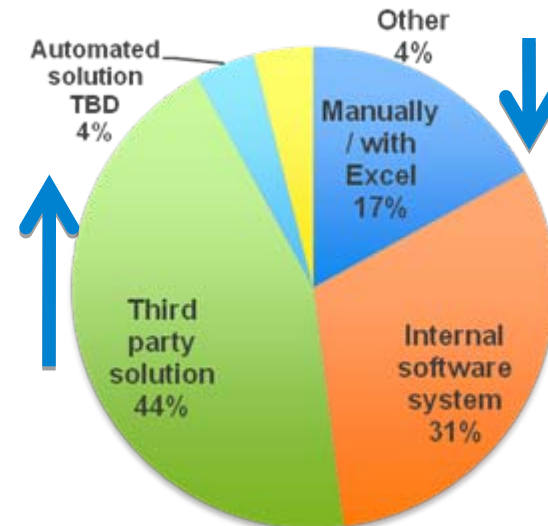


U.S.

How companies report today?



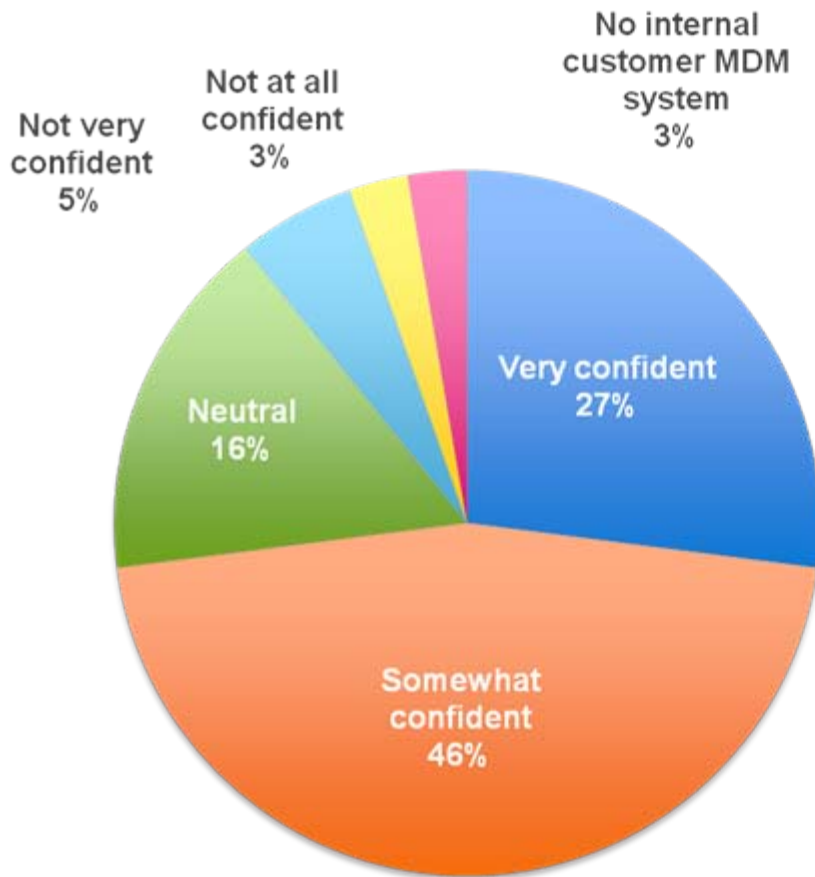
How companies will report as more legislation passes ?



Confidence of internal Customer MDM systems



What is your level of confidence in the ability of your internal systems to define the unique recipient (customer) record across all spend sources or across countries (KOL, speaker)?



only 27%
respondents very
confident on
unique customer
identification

Top 3 Concerns to Comply to Regulations



66%

**Data Integrity and
Quality**

64%

**Collecting all
Spend Data**

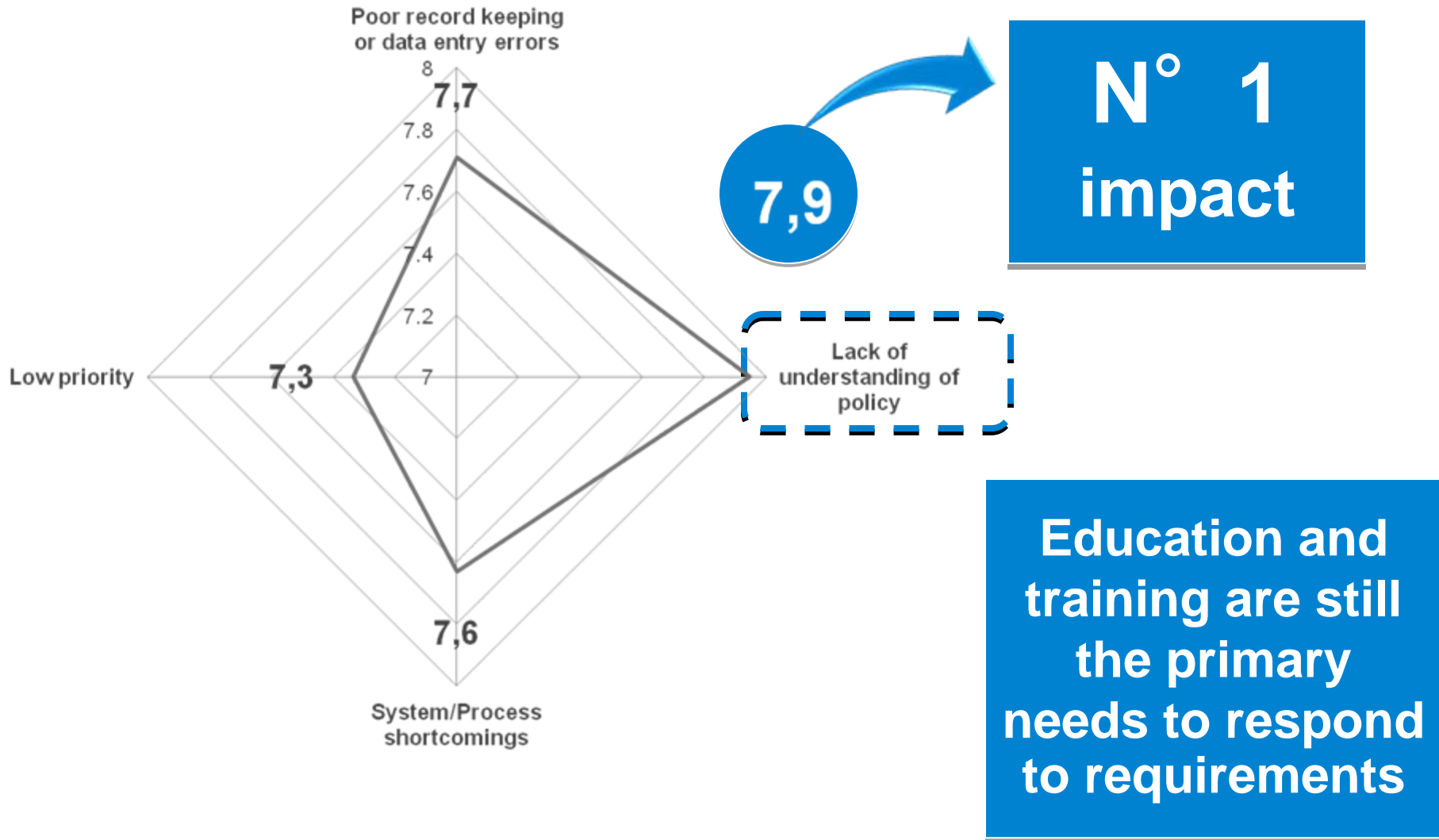
54%

**Identification of
Spend Recipients**

Data management is a high concern

Initial phase will be most probably in enhancing Data Management Governance

Impact on the level of compliance



Impact on the level of compliance



7.7

Poor record
keeping or data
entry errors

8

7.8

7.6

7.4

7.2

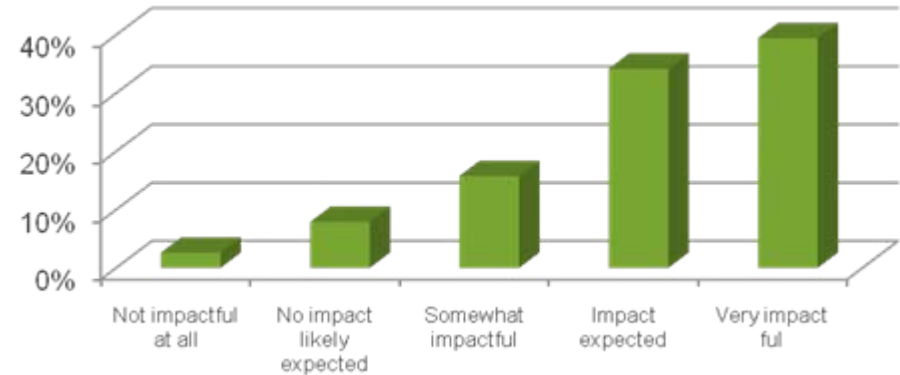
7

Low priority

Lack of
understanding
of policy

System/Process
shortcomings

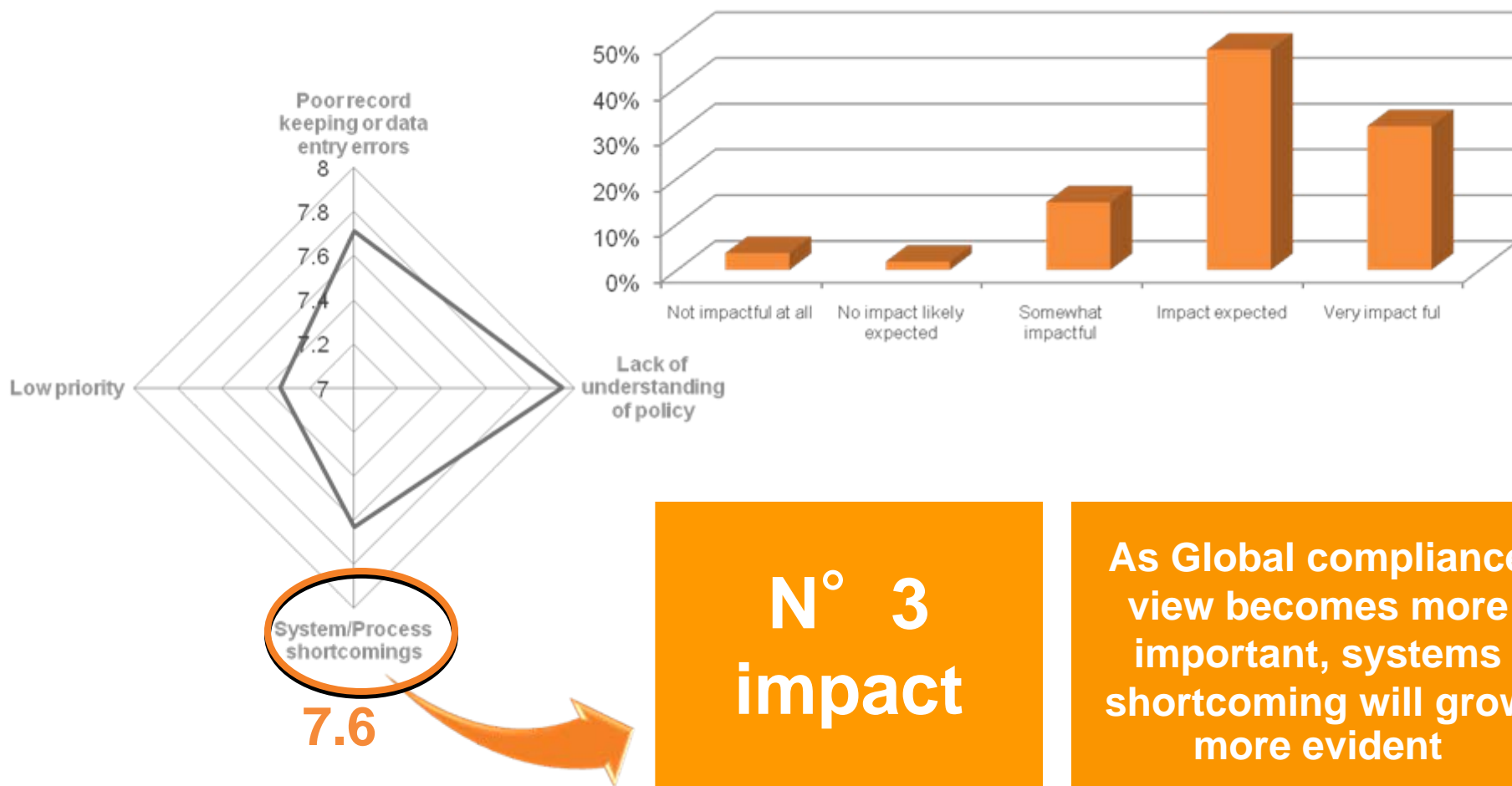
N° 2
impact



**Lack of policy
knowledge leads
to errors in data**

**Compliance is
very dependent
on high quality
data**

Impact on the level of compliance



Existence of corporate standards for HCP and spend data capture



Does your company enforce corporate standards for Healthcare Professionals and spend data capture ?

Europe 79%

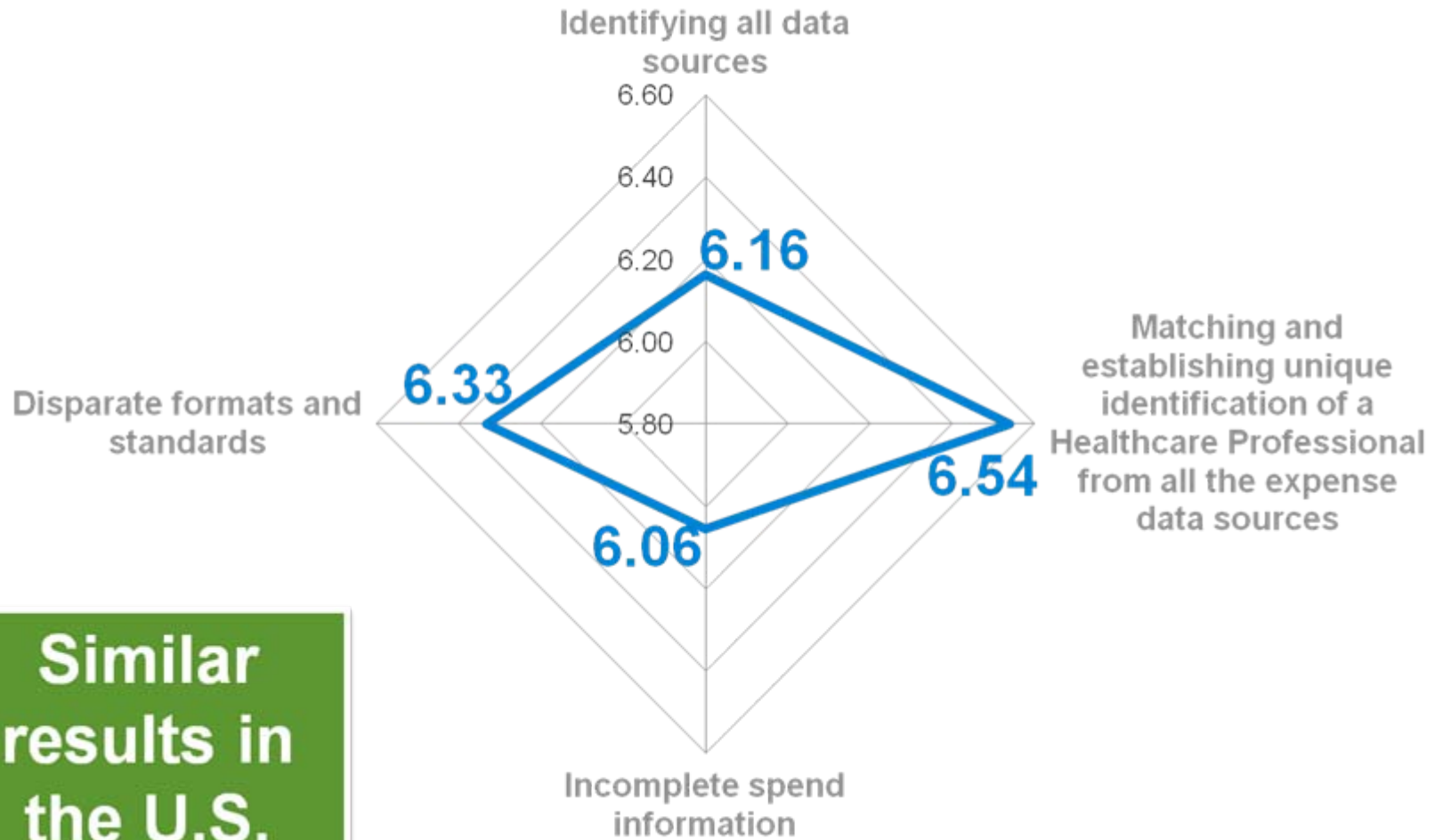
Less regulated

USA 37%

Highly regulated

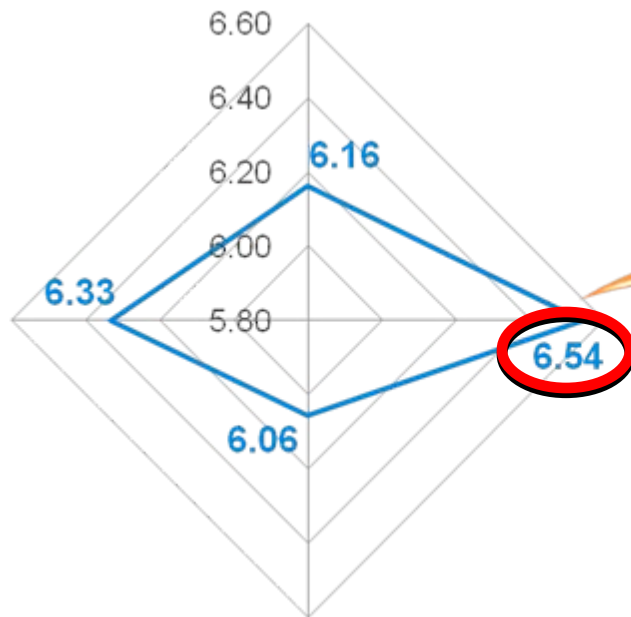
The Definition of 'Enforcement' May Differ Between EU and US

Process Challenges



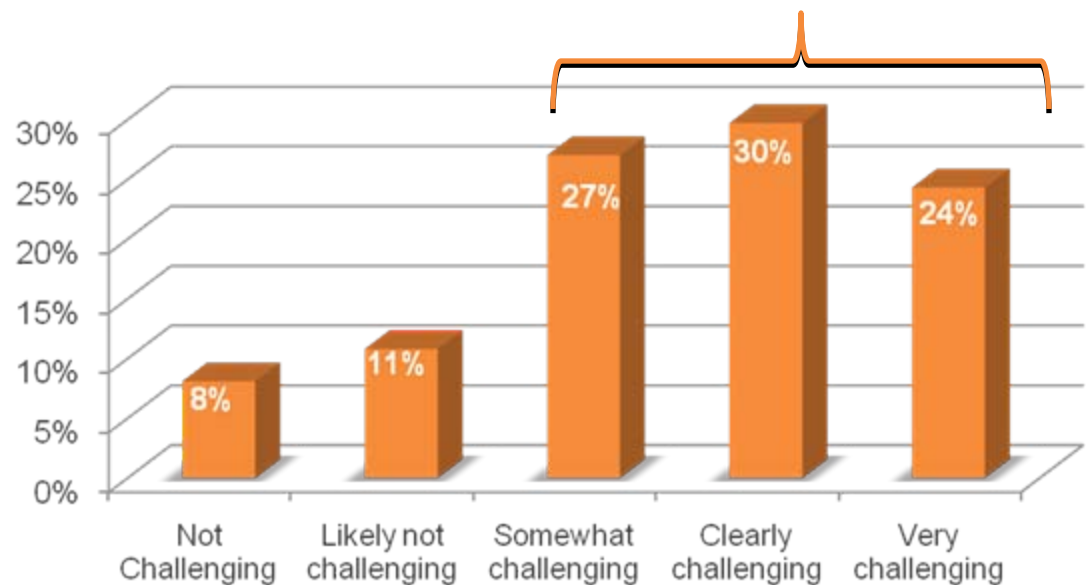
**Similar
results in
the U.S.**

Challenge : Unique identification of a Healthcare Professional from all the expense data sources

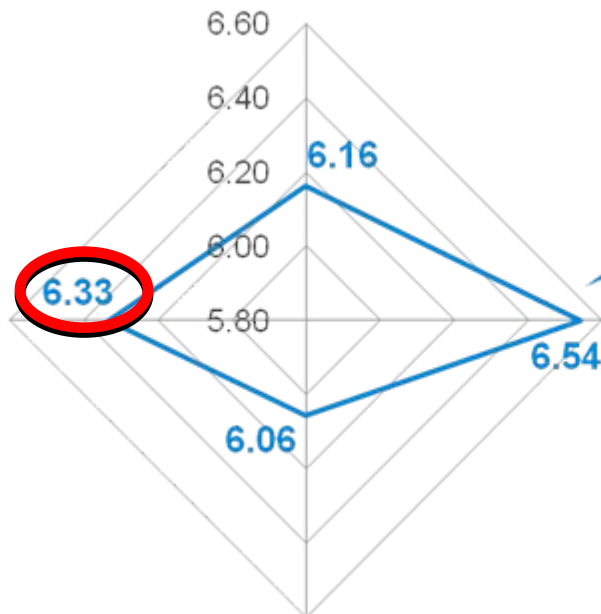


81%
**Unique HCP
identification as a
challenge**

**Lack of
Consolidated
Customer View
leads to inaccurate
monitoring and
reporting**

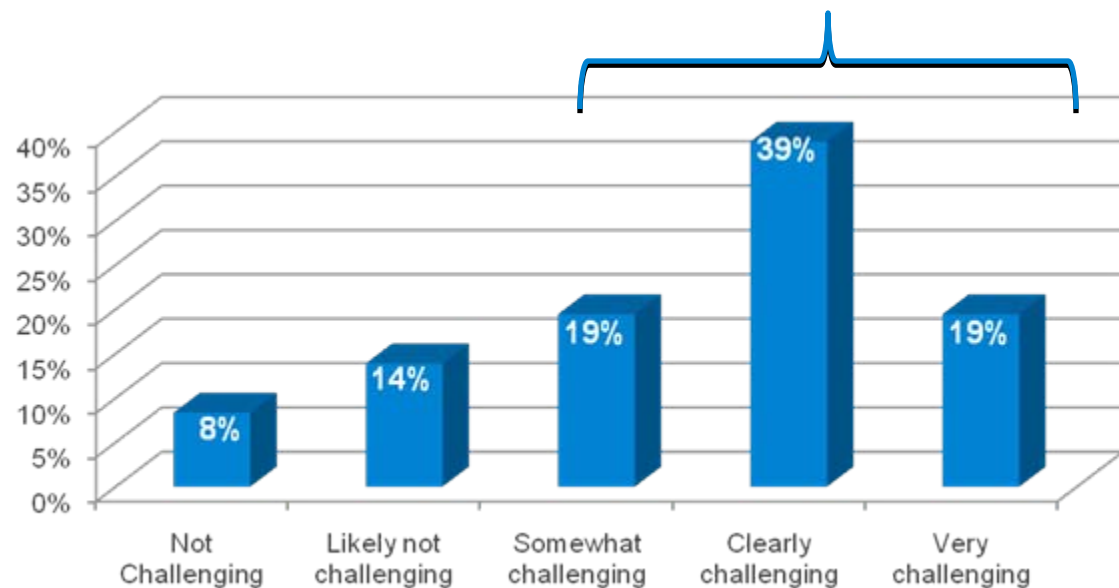


Challenge : Disparate formats and standards

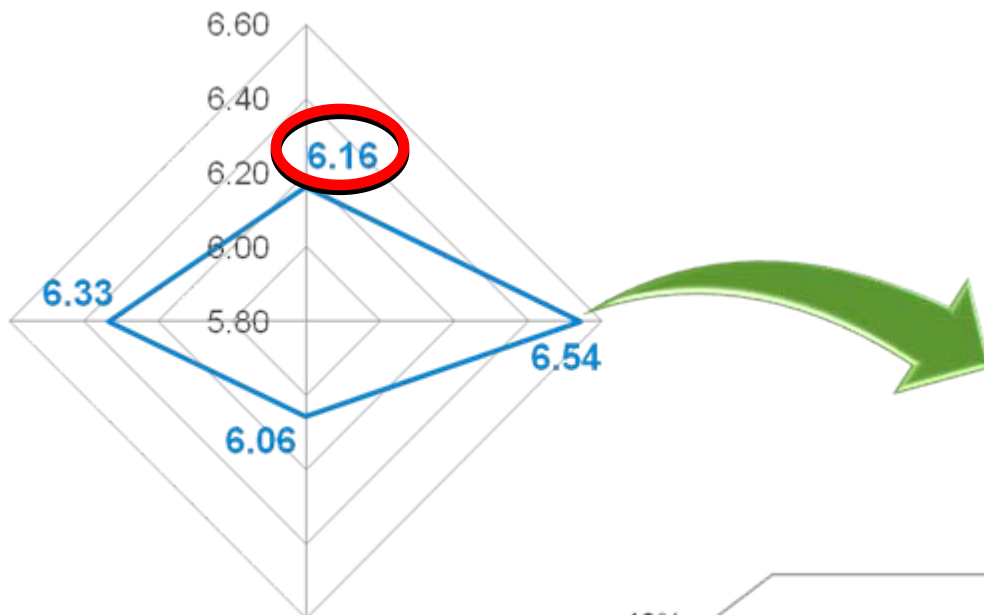


77%
**Disparate formats
and standards as a
challenge**

**Global
Compliance will
increase the level
of complexity**

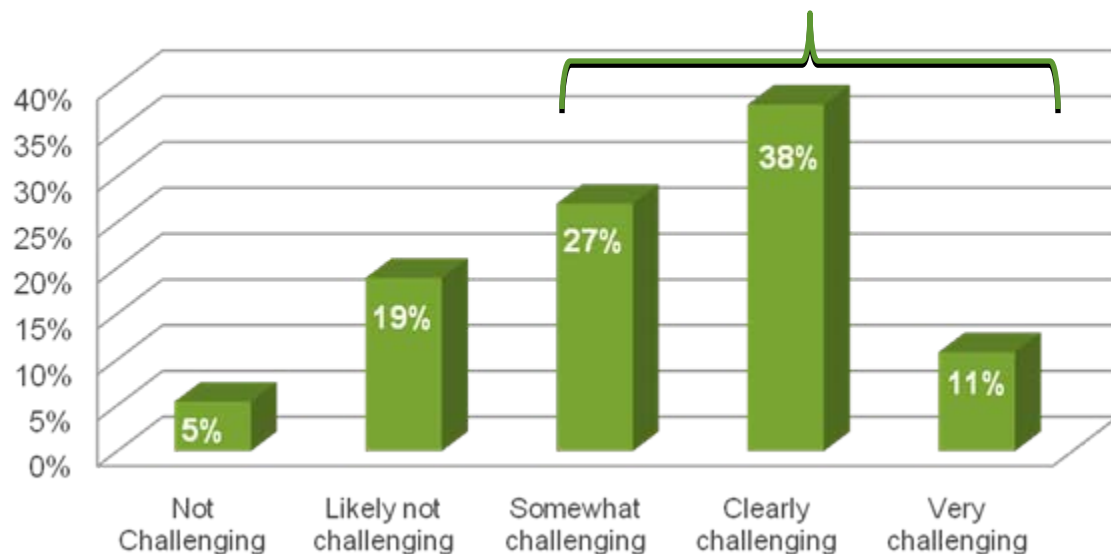


Challenge : Identifying all data spend sources



76%
spend data
sources
identification as a
challenge

**Obstacles include
multiple source
systems and owners,
file format differences
and numerous third
party sources**



Next Steps



- Final results will be consolidated after survey closes on November 16th
- White paper available end of 2010