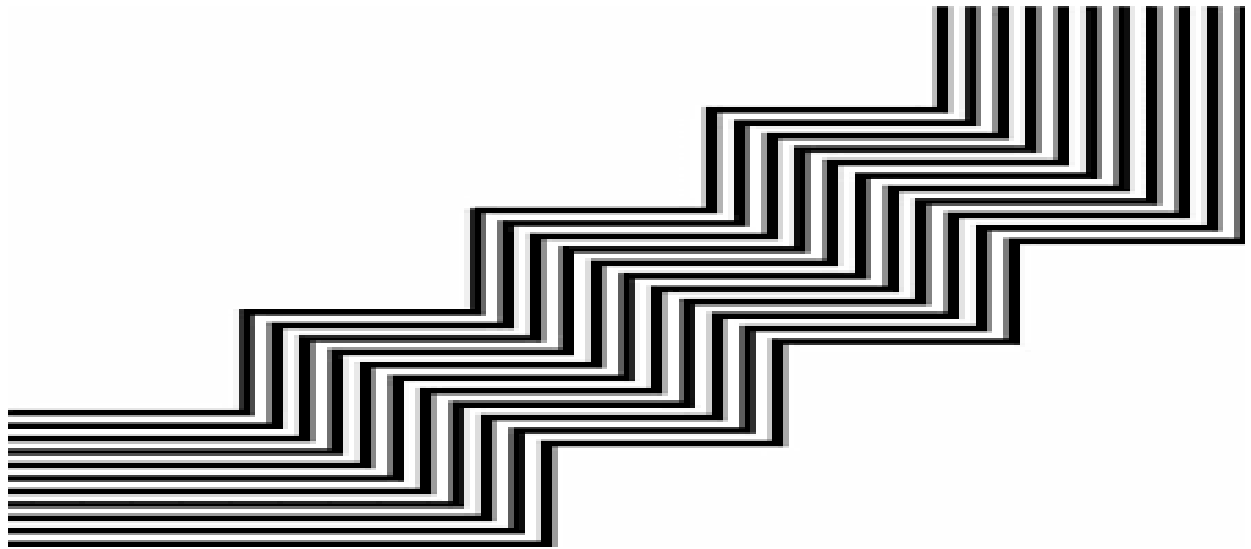


Does the Organisation have the Right Strategy for today's Challenging Environment



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Background of Pfizer

With a \$2,500 loan from Charles Pfizer's father, Charles Erhart and Charles Pfizer founded Pfizer in Brooklyn, New York, in 1849. 2 Pfizer Inc., founded 167 years ago, is the world's second-largest pharmaceutical maker today, with international revenues of \$49 billion. 3 But despite its success, Pfizer has had to deal with numerous difficulties in the last few decades. The pharmaceutical sector is significantly influenced by legal, political, and technological pressures, and all signs indicate that the industry will continue to experience tremendous changes.

FDA's regulatory responsibility over medications has been entrusted to it since the Food and Drugs Act was signed into law in 1906. President Roosevelt brought into law the Food, Medication, and Cosmetic Act (FD&C) in 1938, which greatly increased federal regulation of drug manufacturing and marketing. 4 As part of the FD&C, the FDA received authority to oversee drug labelling and advertising as well as pre-market drug screening. The Prescription Drug User Fee Act was passed by Congress in 1992 to help pay pre-market review of new drugs before they were put on the market. 5 Significant increases in both time and cost were imposed on drug makers as a result of these regulations. (Pfizer.com, 2012)

Studies have shown that the cost of bringing a new medicine to market ranges from \$802 million to \$2 billion, depending on the type of drug being produced and how many drugs were being developed at the same time in 2006. An estimated 60% of the entire cost of pharmaceuticals was attributable to FDA-mandated pre-market clinical trials, according to the research. It is estimated that the cost of a medicine manufactured by the world's leading pharmaceutical companies has risen to over \$5.5 billion as a result of rising inflation and more regulation. 7 Between 1997 and 2011, Pfizer spent \$7.7 billion on research and development (R&D) for each FDA-approved medicine. 8 Many prominent pharmaceutical companies, notably Pfizer, have had to reduce their R&D budgets in order to keep up with escalating expenses.

Development

In response to rising costs, many multinational pharmaceutical companies have reduced their R&D expenditure, which has hampered innovation and exposed a catastrophe that lies ahead for the sector as a whole. There has been a dramatic decrease in R&D funding over the past few years, which has resulted in drug pipelines that have failed to yield anything of major value for the pharmaceutical industry. 10 There has been a dramatic decrease in the number of new FDA-approved medications per billion dollars of R&D expenditures since 1950. 11 Many pharmaceutical industry experts believe that the current, fully integrated business model of large pharmaceutical companies is unsustainable because of the rapid rise in the cost of drug development and the decrease in the approval frequency of blockbuster-level 2 treatments. (and, 2020)

The recent news of Pfizer and BioNTech's COVID-19 vaccine gave the globe a sense of hope. Pfizer and BioNTech's vaccine garnered the most excitement because it was the first to provide promising efficacy data. The vaccination appears to be 90% effective as of November 9, 2020, according to interim studies. New data, published on November 18, 2020, revealed their vaccine now appeared to be 95% effective. This boosted confidence even further. As a result, stock markets rose and people all

around the world began to believe that things may get back to normal. Nonetheless, are these sentiments premature? Are we naive to believe that an effective vaccination is the answer to the pandemic? A vaccine has numerous hurdles, from ensuring its safety and efficacy to ensuring mass production and delivery to dealing with public messaging issues in high-income countries where vaccine reluctance is on the rise. (Badiani et al., 2020)

Corporate Responsibility Management

A core group of Pfizer employees representing each of the company's business units and other critical activities developed this review. A member of the Executive Leadership Team, the head of our Corporate Affairs department oversees and reports directly to the Chief Executive Officer. Social responsibility is a core value of Pfizer, and our commercial teams and functional groups are united in their commitment to making it a part of all we do. With the help of the Global Health & Patient Access team, we can better assist society's most vulnerable citizens. An ESG Steering Committee advises Pfizer on major ESG issues and guides the integration and implementation of Pfizer's non-financial reporting methods across the company's business units. Investors' interest in ESG performance and its influence on the firm is something we discuss frequently. The Corporate Governance Committee of Pfizer's Board of Directors, which has supervision of these matters, works to ensure that these principles permeate the company at all levels. As a result, the Committee is always up to date on our CSR, sustainability, and philanthropic endeavours. (Pfizer.com, 2019)

Pfizer Improving access to Medicine Offering

Annually, Availability to Medicine Index (ATMi) examines the top 20 pharmaceutical corporations on their plans for increasing access to important medicines, vaccines, and diagnostic tests in low- to middle income countries. Research and development, capacity building, regulatory compliance, and other factors go into the Index's calculations. (News, 2014)

Pfizer's overall ranking rose by three places in 2018, rising from 14th place in 2016 to 11th place in 2018. As a result of the implementation of our strategy to boost patient access to medicine as well as our ongoing commitment to improving the health care system, an improvement in performance has been observed. Efforts were made in the following areas:

- Market Influence & Compliance.
- Capacity Building.
- General Access to Medicine Management.
- Pricing, Manufacturing & Distribution.
- R&D.

An important tool to monitor access to medicine and vaccines is the ATMi, which Pfizer supports and understands the importance of Increasing its position from number 18 to number 11 on this list is a

testament to the significant efforts, pfizer make to increase access to its medicines and vaccines, including advancements in pipeline, development and implementation of fair pricing strategies, and advancement of our donation programmes.

It is Pfizer's goal to help the underserved while also investing in the health of our communities and our business through a variety of social investments. Pfizer's resources - people, products, and financing – are all put to good use in order to assist improve health care and increase access to medicines and vaccines.

Reporting Frameworks

Pfizer is always re-evaluating its approach to reporting, which makes use of a number of already widely accepted external frameworks. As part of this effort, the Task Force for Climate-Related Financial Disclosures and the International Integrated Reporting Council have been established. This year's Annual Review relied on some of the frameworks, but not all of them, in its development. The GRI Reference Tables were incorporated into this evaluation to make it easier for readers to find pertinent information both within this review and on the Pfizer website. The ATMi and the United Nations Sustainable Development Goals (SDGs) are also taken into account by Pfizer (also known as the Global Goals). For the purposes of highlighting the efforts being made by Pfizer to accomplish the Global Goals by 2030.

Future Oriented Information

According to Pfizer's annual review include statements about, among other things, its anticipated operating performance, financial outlooks, and business plans and prospects, as well as expectations for in-line products and product candidates, such as anticipated regulatory submission data readout study start-ups approvals revenue contribution growth performance timing exclusivity and potential benefits. This Annual Review contains forward-looking statements, and these statements are subject to a number of risks and uncertainties, which are described in Pfizer's Annual Report on Form 10-K for the year ended December 31, 2019, as well as Pfizer's subsequent reports on Form 10-Q, including

the sections entitled "Risk Factor" and "Forward-Looking Information and Factors That May Affect Future Results," as well as Pfizer's subsequent reports on Form 8-K. These documents can be seen on our website, www.pfizer.com, as well as on the SEC's website, www.sec.gov. It is Pfizer's policy not to update or alter these forward-looking statements unless as required by law or the rules and regulations of the Securities and Exchange Commission (SEC). (Pfizer.com, 2019)

Pfizer's new mission

CEO Albert Bourla defined Pfizer's aim as bringing new medicines to patients that improve their lives. It is part of our objective to evolve our organisation into one that is more patient-centered and scientifically driven. Almost every facet of how Pfizer plans to accomplish this transition is influenced by digital. However, its ultimate goal is to produce 25 new drugs by 2025, and this will be the yardstick by which it will be judged a success. (Drugwatch.com, 2013)

Pfizer's Strategic Theme as a Part of Digital formation

Starting with scaling new working methods such as using agile processes for better performance and speed, streamlining what we refer to as our mega processes, and transforming how employees learn and grow as members of our organisation, we also need to increase our data foundation and insight capabilities, all in an effort to improve our decision-making process. An additional priority of Pfizer is powering the core, which includes enhancing patient and healthcare provider interaction through digital companions such as its , driving excellence in the supply chain manufacturing, and leveraging real-world data and real-world evidence in the company's R&D pipeline. (Fernando et al., 2022)

Finally, our approach focuses on transforming the company. Improved outcomes can be achieved through the use of virtual clinical trials, a virtual go-to-market model, and patient engagement over the long term. Pfizer changed management programmes in place in all three of these towers to enable employees better comprehend the advantages we intend to accomplish through educational sessions and open discussion.

Engaging Employees to Changes

Before anything else, Pfizer makes sure that its employees are involved in the process. There will always be people who are afraid of change and those who are eager to jump in because they are worried about being left behind in any reform endeavour.

Pfizer has introduced tiny roadshows for people who are afraid of change, where it focuses on presenting the future vision: What does it look like? What is it about a shift that we require? What are the benefits to the company, the patients, and each of us? Pfizer lunch-and-learn sessions, Agile sprint retrospectives, and brainstorming meetings with team members on projects and work streams provide opportunities for change advocates to not only provide input but also to become a part of these initiatives. The key to a successful transition is addressing the concerns of the change-averse as well as the change-nimble, sharing success stories, and celebrating incremental triumphs. (Pfizer Annual Review 2017, 2017)

Pfizer using Digital Technologies to Transform the Business

To become a more patient-centred, science-driven company, Pfizer has been undergoing a transition. A new era of digital, data, and technology solutions has begun at Pfizer in 2019. These solutions will help us improve every aspect of our business, from drug discovery and development to improving patient and customer experiences to improving health outcomes. They will also help us automate processes to make our jobs easier and more efficient. Since the pandemic increased digital adoption by five years, we believe it's here to stay. (Pfizer.com, 2022)

Barriers Technology is rarely a stumbling block in achieving our business transformation goals nowadays. All of our employees must be brought on board with our transformational plan. Everyone should have a say in how things go, and they should be able to hold themselves accountable for the results. (Vara, 2021)

Response to COIVID - 19

When Pfizer first started using the internet for scientific research, it was because it provided access to a previously unobtainable degree of computational capacity. In just hours, rather than weeks, our chemists have been able to quickly search and evaluate billions of molecules worth of compounds from both within and outside our company. Hybrid clouds now account for the majority of our worldwide infrastructure, a transformation that has taken place over the last five years. Because of this cloud investment, Pfizer was able to respond quickly to the COVID 19 pandemic. (Pfizer.com, 2019)

In many ways, its decision to go to the cloud has been influenced by the fact that Pfizer works in a highly regulated business with strict standards for compliance. Because of this, Pfizer has had to think carefully about how to improve our security and operational controls while still preserving the key advantages of cloud computing, notably adaptability and speed. Company believe that current cloud deployments are just as secure, if not more secure, than its conventional data centre-based settings because of automation and policy-based administration. That status quo has been shaken to its core by the events of the past 18 months. In reality, it has shattered that existing quo. Since our successful pandemic response last year, Pfizer had an opportunity to create real changes, to take what we learned and apply it in scale to drive the future of Pfizer, and to drive 25 breakthroughs and get those into the hands of its patients by 2025. (GOV.UK, 2022)

