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Contents

1. Introduction	3
2. Industry Overview: UK Pharmaceutical Industry	3
2.1 Historical Development and Industry Evolution	3
2.2 Size and Economic Impact of the Industry.	4
2.3 Industry Structure and Competitors.	5
2.4 Vision, Mission and Strategic Direction of the Industry.	6
2.5 Major Trends and Developments.	7
2.6 Competitive Characteristics	7
3. Porter's Diamond Model: UK Pharmaceutical Industry.....	8
3.1 Introduction to Porter's Diamond Model.....	8
3.2 Factor Conditions.....	8
3.3 Demand Conditions	10
3.4 Supporting and Related Industry.....	12
3.5 Firm Strategy, Structure and Rivalry.	13
3.6 Role of Government.....	15
3.7 Chance Factors.....	17
3.8 Critical Assessment of the Diamond Model.....	18
4.1 Company Overview	19
4.2 UK Market Entry Strategy.	19
4.3 Strategic Positioning	21
4.4 Pfizer Value Chain Analysis	22
4.5 Integration with Porter's Diamond	24
4.6 Critical Assessment of Pfizer in UK.....	27
5. Conclusion	30
Part 2: Reflective Account based on Gibbs Reflective Cycle	31
Introduction to Reflection and Framework.....	31
Description	32
Feelings	33
Evaluation	34
Analysis.....	34
Conclusion	35
Action Plan.....	36
References.....	38

1. Introduction

This report analyses the pharmaceutical sector in the United Kingdom that was chosen due to its leadership in the world in life sciences, good research base and significant role in drug development. UK is an extremely developed and research based market, and it is an appropriate market to study competitiveness and multinational strategy. The pharmaceutical industry is a very important part of the global economy, which is characterized by the high level of R&D spending, stringent regulation, and fast technological advancement. The UK is a prominent centre of innovation with the best universities, highly qualified scientists and good relationship between the government and the corporations. It is also associated with a major contribution to the economic performance in terms of exports, employment, and investment in innovations. The Association of the British Pharmaceutical Industry states that the industry contributes significantly to business research and development expenditure, which is why it is significant to the country (ABPI, 2025). Also, the publicly funded NHS generates stable demand with a cost-effectiveness imposed, which determines the prices and competition (NHS England, 2024). This report is an evaluation of the UK competitiveness and the strategy of a multinational firm.

2. Industry Overview: UK Pharmaceutical Industry

The pharmaceutical industry in the United Kingdom is a globally significant, research-intensive sector that has evolved over more than a century into a key driver of healthcare innovation and economic growth. Its development has been shaped by scientific advancement, regulatory frameworks, and increasing global demand for effective medical treatments.

2.1 Historical Development and Industry Evolution

The pharmaceutical industry in the United Kingdom is a research-driven and economically important industry, which is at the core of healthcare innovation and economic development. The development of it indicates the changes in the science, regulation, and the increase of the global need of effective therapies.

The industry has historically developed in the late 19th and early 20th centuries as specializing in the production of drugs through chemistry, and subsequently transitioned to a science-based model with the aid of developments in biomedical research and universities. With the formation of the National Health Service in 1948, a centralised buyer was formed, demand became stable, but price pressures and regulatory controls were also introduced that still influence the behaviour of firms. Over the last few decades, the industry has shifted to models of innovation, especially in biotechnology and personalised medicine. This is consistent with larger shifts towards knowledge based economies (Mazzucato and Roy, 2019), but increases competition and cost risks and reliance on long term R&D investment to drive global competitiveness.

2.2 Size and Economic Impact of the Industry.

The pharmaceutical industry in UK contributes significantly to the economic performance of the nation in form of Gross Value Added (GVA), employment and export. The Association of the British Pharmaceutical Industry states that the industry is contributing over 17 billion to the UK economy and spends above 9 billion every year in research and development (ABPI, 2025).

Such commitment shows how the industry relies on the sustained innovation as pharmaceutical companies have to come up with new medicines on a regular basis to replace those whose patent has expired. The academic literature also confirms that the pharmaceutical innovation is very resource-intensive and demands long-term investment (Mazzucato and Roy, 2019).

Table: Key Statistics – UK Pharmaceutical Industry

Indicator	Estimated Value	Strategic Implication
Gross Value Added (GVA)	£17+ billion	Strong economic impact
R&D Investment	£9+ billion	Innovation-driven growth
Employment	~70,000+	Skilled workforce
Export Orientation	High	Global competitiveness

Source: (ABPI, 2025)

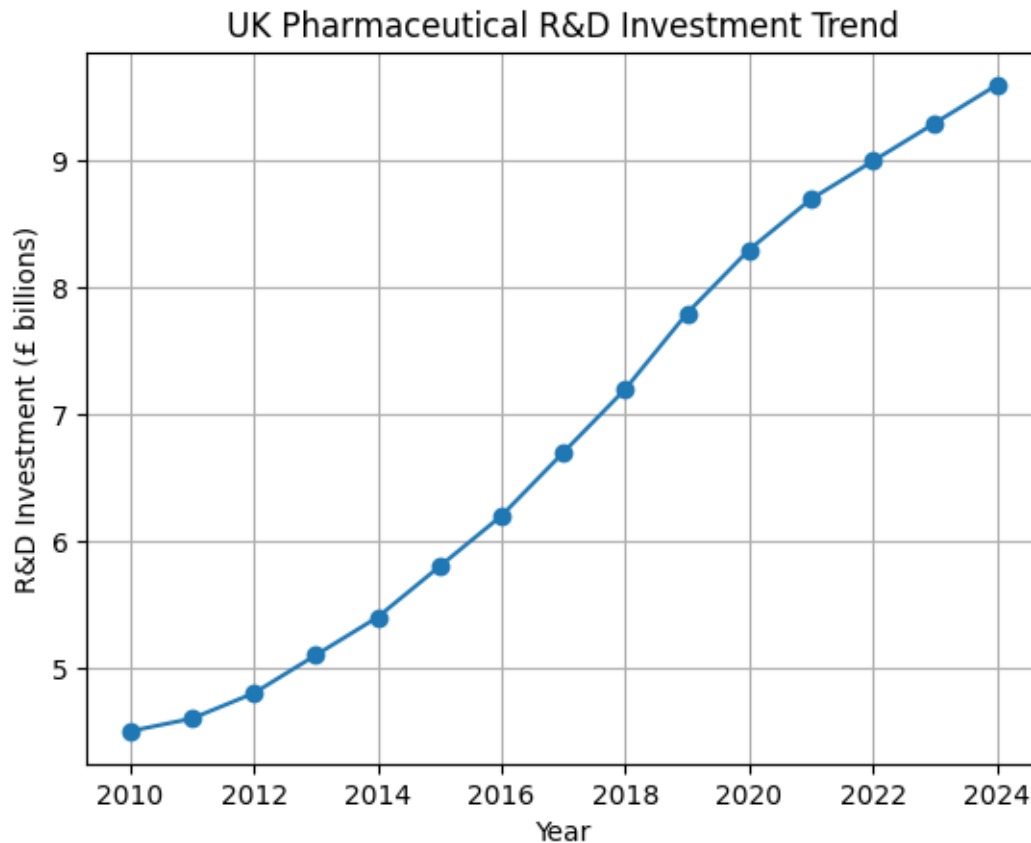


Figure: UK Pharmaceutical R&D Investment Trend

Source: (ABPI, 2025)

This value shows the increasing tendency toward the level of R&D investment, which proves the dependence of the sector on the constant innovations.

2.3 Industry Structure and Competitors.

The pharmaceutical sector in UK is a mixture of local companies and multinationals that are involved in the sector under a highly regulated environment. The domestic base is represented by major companies like AstraZeneca and GlaxoSmithKline, whereas the strong foreign investment is represented by companies like Pfizer.

This is because the existence of the NHS provides a well-organized demand landscape in which pharmaceutical companies are required to satisfy stringent cost-efficiency requirements (NHS England, 2024). This gives rise to a stable and highly regulated market.

UK Pharmaceutical Industry Structure

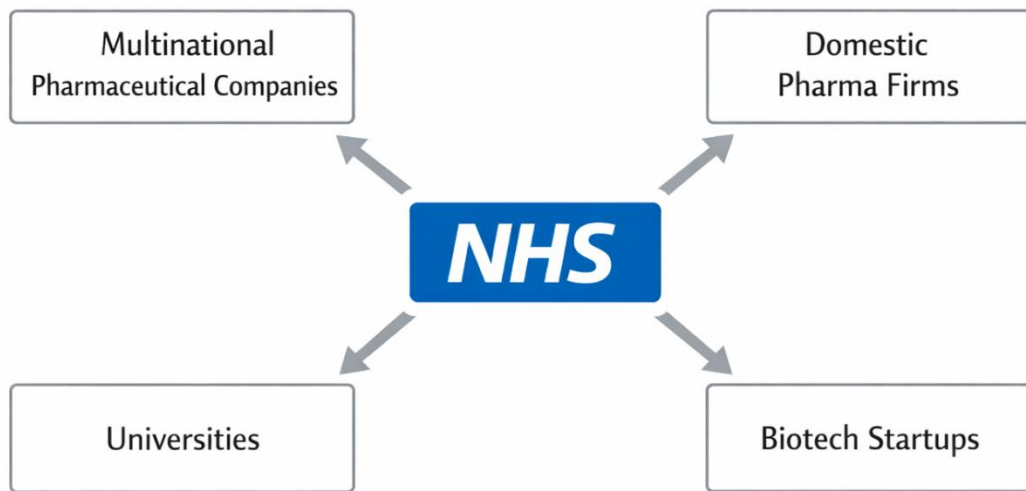


Figure: Structure of the UK Pharmaceutical Industry

Source: Developed by the author based on(NHS England, 2024).

This figure brings out the interrelated nature of the industry in terms of how various actors play their roles in innovation and distribution.

2.4 Vision, Mission and Strategic Direction of the Industry.

Although there is no single common mission of the pharmaceutical industry, the general direction of its strategies can be explained by the government policy and the industry-wide goals. The Life Sciences Vision developed by the UK government focuses on enhancing patient outcomes, boosting innovation, and enhancing the UK as a global leader in healthcare research (UK Government, 2023).

On the firm level, the pharmaceutical firms tend to concentrate on:

- Developing innovative medicines
- Enhancing health outcomes in the world.
- It is possible to gain sustainable growth via R&D.

The academic literature emphasizes that the current pharmaceutical innovation is becoming regarded as a joint venture in which both the state and the private sector play their roles (Mazzucato and Roy, 2019).

2.5 Major Trends and Developments.

Ageing Population

The ageing population in the UK is pushing the demand of pharmaceutical products especially in the treatment of chronic diseases (ONS, 2024).

Innovation Shift and Biotechnology.

The trend in the industry is towards biologics and personalised medicine which is more complex and more demanding of R&D.

Post-Brexit Environment

Brexit has created regulatory uncertainty as well as made it possible to develop policies independently.

Table: Key Trends and Strategic Impact

Trend	Strategic Impact
Ageing population	Increased demand
Biotechnology growth	Higher R&D intensity
Brexit	Regulatory challenges
Innovation focus	Competitive advantage

2.6 Competitive Characteristics

The pharmaceutical industry is a business with high barriers to entry, high regulation and competitive rivalry that is based on innovation in the UK. Technological advancement and intellectual property is the key competition method by firms instead of cost leadership.

Nevertheless, this model is also associated with such challenges as high development costs, as well as pricing limitations that the NHS has suggested.

Table: Strengths vs Challenges

Strengths	Challenges
-----------	------------

Advanced research base	High R&D costs
Skilled workforce	Pricing pressure
Global reputation	Regulatory complexity
Innovation leadership	Global competition

Source: ABPI, 2025

3. Porter's Diamond Model: UK Pharmaceutical Industry

3.1 Introduction to Porter's Diamond Model

Porter's Diamond model describes how national environments influence firm competitiveness in terms of factor conditions, demand, related industries, and rivalry with government and chance playing their roles (Michael Porter, 1990). It is applied to the UK pharmaceutical industry, where it emphasizes the use of sophisticated knowledge systems, regulation, and networks of innovations instead of simple inputs. This allows a critical determination of whether the UK environment continues to support global leadership, as the costs of R&D and the competitive pressures continue to increase (Pisano, 2006).

3.2 Factor Conditions

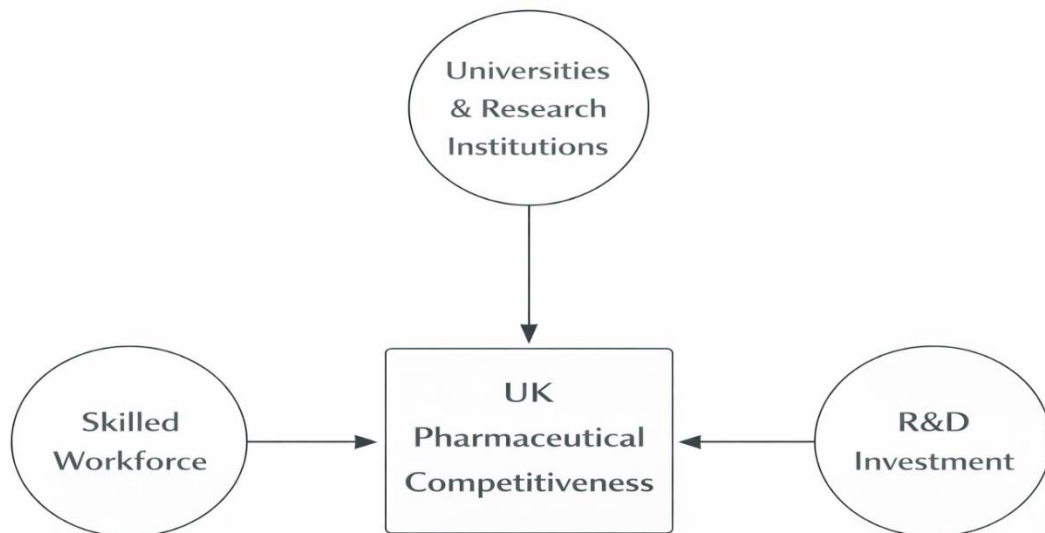
- Factor conditions are national endowments, but sustained advantage is based on specialised, advanced factors instead of simple inputs (Porter, 1990).
- It is noticeable especially in the UK pharmaceutical sector where the competitiveness depends on the scientific capability at the highest level.
- The UK boasts of a highly qualified workforce through the best universities and research centres that allow it to be innovative in complex fields like oncology and biotechnology.
- The high level of R&D (more than 9 billion a year) supports its status as a global innovation centre (ABPI, 2025).
- This is in line with innovation systems theory, in which knowledge generation and institutional reinforcement can improve competitiveness (Mazzucato and Roy, 2019).
- Nevertheless, these advantages entail structural expenses, such as high wages, infrastructure and regulatory expenses.

- Increased financial pressures are affecting knowledge-intensive industries because the cost of drug development is increasing (Pisano, 2006).
- The movement of talent also poses a threat of undermining the long term competitive advantage of the UK.

Table 3.1: Evaluation of Factor Conditions in the UK Pharmaceutical Industry

Factor	Competitive Advantage	Limitation
Skilled workforce	High-level scientific expertise supports innovation	High labour costs
Universities & research institutions	Strong knowledge generation and collaboration	Potential brain drain
R&D infrastructure	Advanced facilities enable cutting-edge research	High capital investment
Innovation funding	Sustains long-term competitiveness	Financial risk and uncertainty

Source: Author constructed based on Porter (1990), Pisano (2006), ABPI (2025), Mazzucato and Roy (2019)



Visual -Advanced Factor Conditions Supporting UK Pharmaceutical Competitiveness

Source: Author constructed

This figure shows the interrelationship between various advanced factors and how they all lead to the pharmaceutical innovation potential in the UK.

Although the UK has developed factor conditions that give it a good platform to innovate in the pharmaceutical industry, they are becoming vulnerable to cost pressures and the international competition. This implies that factor-based advantage is not sufficient, and needs to be supported by favourable demand conditions and institutional support, and emphasises the interdependent nature of the Diamond of Porter.

3.3 Demand Conditions

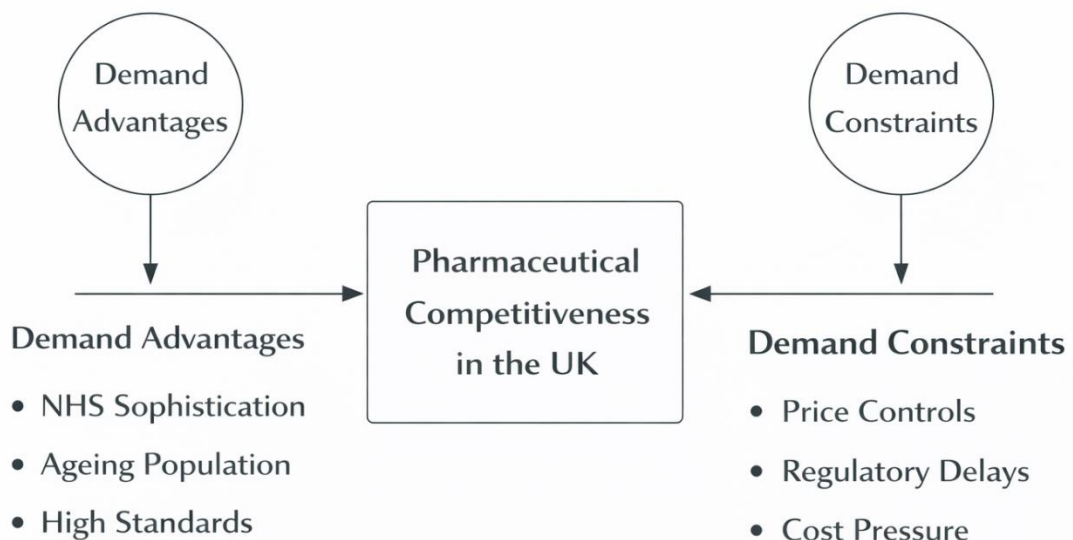
- Demand conditions are the character and the advanced stages of the domestic demand, which have the potential to spur innovation and international competitiveness (Porter, 1990).
- The National Health Service (NHS) is a powerful and centralised purchaser in the UK that determines the demand in the pharmaceutical market.
- The NHS is also imposing a high level of clinical effectiveness and cost-efficiency, compelling companies to create therapies that have quantifiable health outcomes instead of marginal ones (NHS England, 2024).
- This is an indication that Porter believed that home markets that are demanding are best at achieving competitive advantage in high performance expectations.
- Also, the ageing population raises the demand of specialized treatment, especially of chronic illnesses and special care (ONS, 2024).
- This will provide long-term opportunities and incentives to invest in high-value therapeutic areas.
- Nonetheless, cost-control measures and price pressure by NHS restrict profitability.
- Institutional demand thus not only drives innovation but also limits the financial returns, which generates a conflict between the objectives of the public health and the business (Mazzucato and Roy, 2019)

Table: Evaluation of Demand Conditions in the UK Pharmaceutical Industry

Demand Feature	Competitive Advantage	Limitation
NHS as dominant buyer	Drives efficiency and innovation	Strong price pressure

High clinical standards	Encourages high-quality drug development	Slower market access
Ageing population	Sustained long-term demand	Increased healthcare burden
Regulatory scrutiny	Improves safety and effectiveness	Increases compliance cost

Source: Author constructed based on Porter (1990), NHS England (2024), ONS (2024), Mazzucato and Roy (2019)



Visual- Dual Impact of UK Demand Conditions on Pharmaceutical Firms

Source: Author constructed

This chart illustrates the two-sidedness of the conditions of demand whereby the NHS needs and demographic alterations expose opportunities and constraints to businesses.

The demand conditions in the UK represent a paradox of Porters framework: on the one hand, the demand is sophisticated and is highly centralised, which leads to greater

innovation and competitiveness in the global market; on the other hand, over-pricing can lead to the deterrence of investments and decrease the appeal of the industry in the long term. This implies that the effectiveness of the demand conditions does not only rely on the sophistication of the conditions but also on their equilibrium between the incentives of innovation and commerciality.

3.4 Supporting and Related Industry.

Related and supporting industries are competitive suppliers and complementary sectors that increase innovation and efficiency (Porter, 1990).

Pharmaceuticals in the UK are integrated into a robust life sciences ecosystem, comprising of biotechnology companies, academic organisations and contract research organisations (CROs).

The main contributors to biomedical research are the leading universities like the University of Oxford and University of Cambridge, which are frequently commercialised with the help of industries (UK Government, 2023).

Clustering effects are beneficial to the sector, especially in the so-called Golden Triangle (London–Oxford–Cambridge) that facilitates knowledge spillovers and fast innovation (UK Government, 2023).

This confirms the fact that geographical proximity reinforces productivity and competitive advantage as suggested by Porter.

Nevertheless, greater dependence on external innovation makes coordination difficult.

Collaborative networks can speed up the innovation process but decrease firm-level control knowledge.

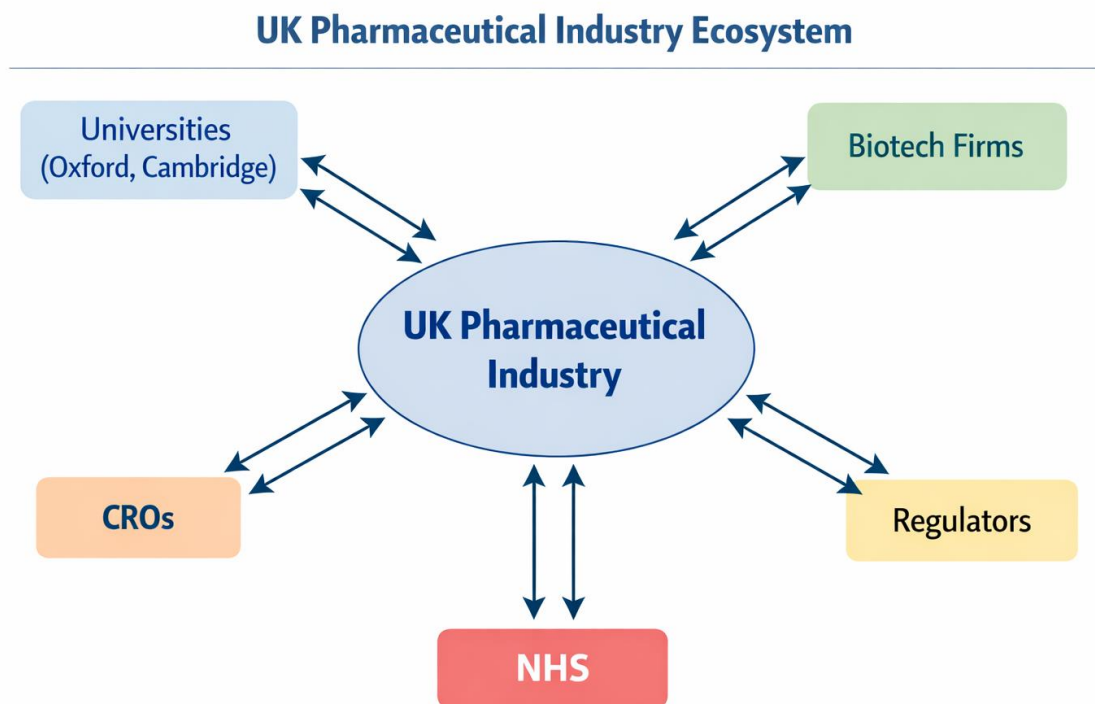
It is also interdependent and thus increases the complexity of transactions and strategic risks, and may undermine sustainable competitive positioning (Pisano, 2006).

Table: Evaluation of Related and Supporting Industries

Component		Competitive Advantage	Limitation
Universities (Oxford, Cambridge)		World-class research output	High competition for talent

Biotech firms	Flexible innovation support	Financial instability
CROs	Cost-efficient trials	Quality variability
Industry clusters	Knowledge spillovers	Coordination complexity

Source: Author constructed based on Porter (1990), Pisano (2006), UK Government (2023)



The competitive advantage of UK is becoming more and more cluster-based than firm-based and this implies that the success in the long term is determined by the ability to keep the strength and alignment of its innovation ecosystem.

3.5 Firm Strategy, Structure and Rivalry.

Firm strategy, structure and rivalry refers to the organisation and competition of firms in a country. Porter believes that stiff competition at home compels companies to be more innovative and efficient, making them more competitive in the global market (Porter, 1990). This is also evident in the UK pharmaceutical sector where there is a very high level of competition between the local players such as AstraZeneca and

GlaxoSmithKline and the multinationals such as Pfizer. The competition is mainly differentiation-based and not cost leadership-based. AstraZeneca is specializing in therapeutic areas with high value such as oncology whereas GlaxoSmithKline is diversified in both vaccines and pharmaceuticals. Pfizer uses its financial resources and global presence to maintain a wide product portfolio and presence in the market. Such heterogeneity of strategies increases the innovation and proves the point of Porter. The industry is however characterized by much uncertainty as it has long development cycles, stringent regulations and high failure rates. According to Pisano (2006), the percentage of research investments that lead to marketable pharmaceutical products is very low.

Table: Firm Strategy and Rivalry in the UK Pharmaceutical Industry

Firm	Strategy Type	Competitive Approach	Impact
AstraZeneca	Innovation-focused	Oncology leadership	High-value differentiation
GSK	Diversified	Vaccines + pharma	Risk reduction
Pfizer	Global scale	Broad portfolio	Market power

Source: Author constructed based on Porter (1990), Pisano (2006)



Visual – Firm Rivalry

Author constructed based on Porter (1990), Pisano (2006)

Although intense competition is good in promoting innovation, high R&D expenditure coupled with international competition implies that companies are under intense financial and strategic stress. This implies that competition is a source of instability as well as competitiveness in the industry.

3.6 Role of Government

The government is one of the major factors that determine national competitive advantage and it has an effect on all the Porters Diamond facets. State intervention is particularly high in the UK pharmaceutical industry as it is related to state health and regulation. The government of the United Kingdom is an active advocate of the sector by providing such initiatives as the Life Sciences Vision, which encourages investment, speeds up clinical trials, and enhances cooperation between industry and research institutions (UK Government, 2023). This corroborates the argument by Porter that the government can boost competitiveness through bettering the conditions of factors and promoting innovation. Nevertheless, other organisations like NHS England have stringent pricing and cost-management regulations that make them

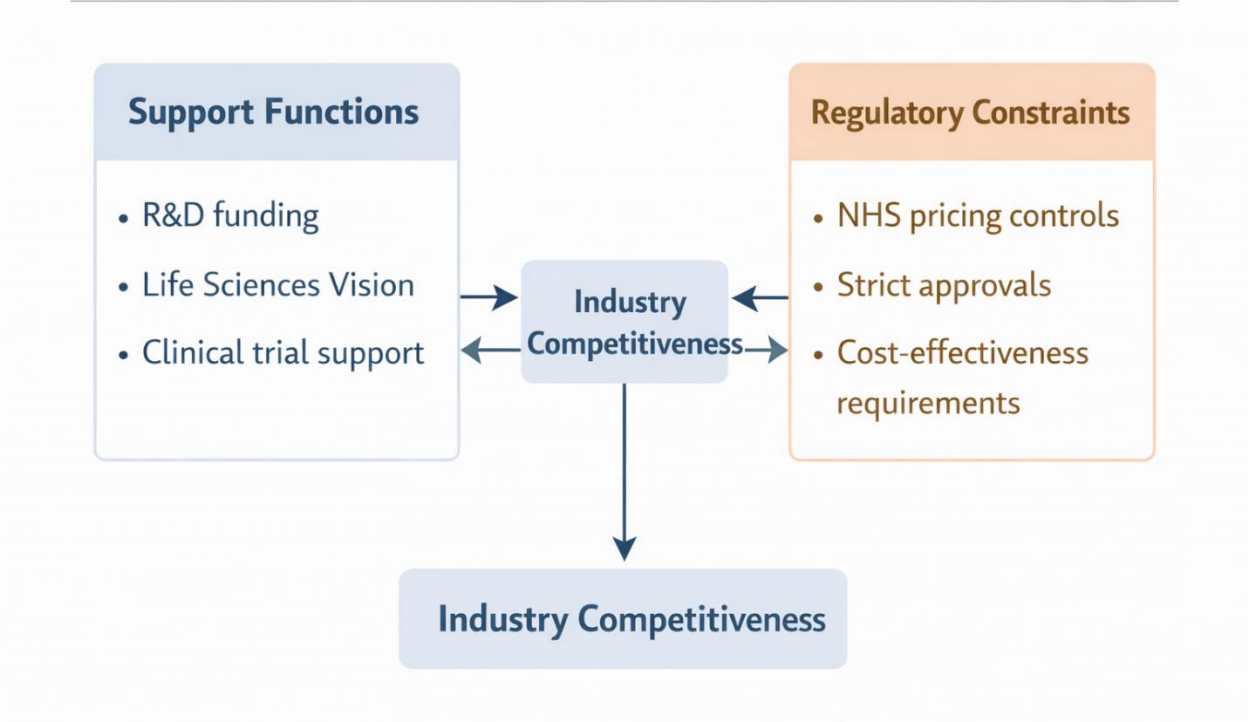
affordable but not very profitable (NHS England, 2024). This has a two-fold impact in that support leads to innovation, but regulation limits returns. The state is both a market shaper and a regulator, as Mazzucato and Roy (2019) state, which also affects the value creation and distribution.

Table: Government Impact on UK Pharmaceutical Competitiveness

Government Role	Positive Impact	Negative Impact
R&D support & policy	Encourages innovation	Resource dependency
NHS regulation	Ensures market stability	Price constraints
Clinical trial policies	Faster innovation cycles	Regulatory complexity
Industrial strategy	Attracts investment	Policy uncertainty (post-Brexit)

Source: Author constructed based on Porter (1990), UK Government (2023), NHS England (2024), Mazzucato and Roy (2019)

Role of Government in UK Pharmaceutical Industry



Visual- Dual Role of Government in the UK Pharmaceutical Industry

Source: Author constructed based on Porter (1990), Pisano (2006)

The pharmaceutical industry is not simply supported by the UK government; it actually influences the market conditions, designing the system in which the innovation is encouraged and controlled. This is a balance that is vital and yet hard to achieve especially in a global competitive world.

3.7 Chance Factors

Chance factors are external factors outside the control of firms and governments that could greatly affect the competitiveness in the industry. Michael Porter argues that these events may destroy the existing benefits or generate new opportunities (Porter, 1990).

The COVID-19 pandemic and Brexit are two significant chance factors that have made an enormous impact in the pharmaceutical industry in the UK.

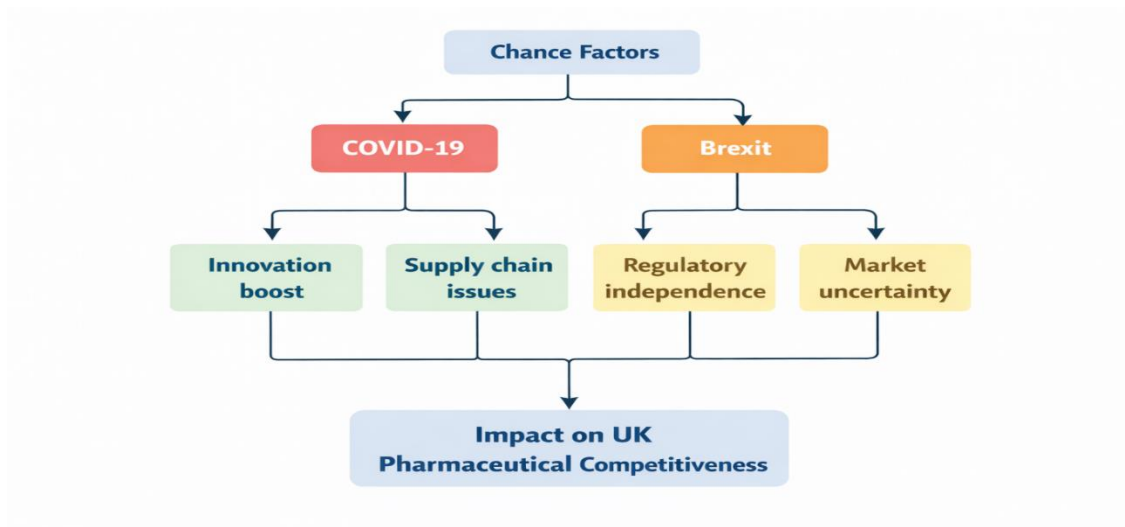
The COVID-19 pandemic greatly boosted the pace of pharmaceutical innovation and demonstrated the UK capabilities in the development of vaccines, especially through partnerships with such institutions as the University of Oxford. This incident supported the significance of powerful research infrastructure and partnerships between the government and the business world. Nevertheless, it also revealed the weakness in the global supply chains and the pressure on the healthcare systems.

Another significant external shock is Brexit that has changed the regulatory and trade environment. Although it has brought about uncertainty as to access to the market and alignment of regulations to the European Union, it also offers the UK chances to formulate independent regulatory frameworks that can make it more flexible and innovative (UK Government, 2023).

Table: Impact of Chance Factors

Event	Positive Impact	Negative Impact
COVID-19	Accelerated innovation	Supply chain disruption
Brexit	Regulatory independence	Market uncertainty

Source: Author constructed based on Porter (1990), UK Government (2023)



Visual- Impact of External Shocks on UK Pharmaceutical Industry

Source: Author constructed based on Porter (1990), UK Government (2023)

The chance factors prove that the competitiveness is not only predetermined by the structural conditions but also influenced by the unpredictable external shocks that can redefine the industry dynamics quite quickly.

3.8 Critical Assessment of the Diamond Model

The UK pharmaceutical sector is highly competitive in the global market with the high level of factor conditions, developed demand, and innovation ecosystem based on the Porters Diamond Model. It is supported by its top competitors like AstraZeneca.

- R&D and a good knowledge base facilitate long term innovation.
- National Health Service develops advanced and demand-sensitive conditions that are cost-sensitive.
- The thick networks of innovation improve knowledge spillovers and collaboration.
- Long-term advantage is, however, constrained by structure:
- There is high cost of R&D and regulatory pressures which limit profitability.
- Market leadership is challenged by the growing competition across the world.
- System-level dependence decreases autonomy of firms and control.

The analysis brings out the interdependence of determinants (Porter, 1990) in which innovation is promoted but there are limits to profits, and institutional support is present together with regulation. In general, the UK industry is still competitive in the world but

structurally confined, where the balance should be between the innovation, cost-efficiency, and adaptability.

4.1 Company Overview

Pfizer is a multinational drug company that is one of the largest in the world, having its head office in the United States. It was established in 1849 and it is involved in the discovery of innovative medicines and vaccines, their development, and distribution (Pfizer, 2024). Its science-based model also spends a lot of money on biopharmaceutical such as oncology, vaccines and rare diseases. Pfizer has been in the spotlight of the world and its mRNA vaccine with BioNTech during the COVID-19 (Pfizer, 2024). It also has good operations in the UK and works closely with NHS England (2024).

Table: Overview of Pfizer

Aspect	Details
Founded	1849
Headquarters	United States
Industry	Pharmaceuticals
Key Areas	Vaccines, Oncology, Rare Diseases
UK Presence	R&D, manufacturing, clinical trials

Source: Author constructed based on Pfizer (2024)

The global nature of Pfizer offers competitive advantages, but as the company continues to rely more on global operations, it is becoming more reliant on the ability to incorporate global operations with robust national systems including the UK life sciences ecosystem.

4.2 UK Market Entry Strategy.

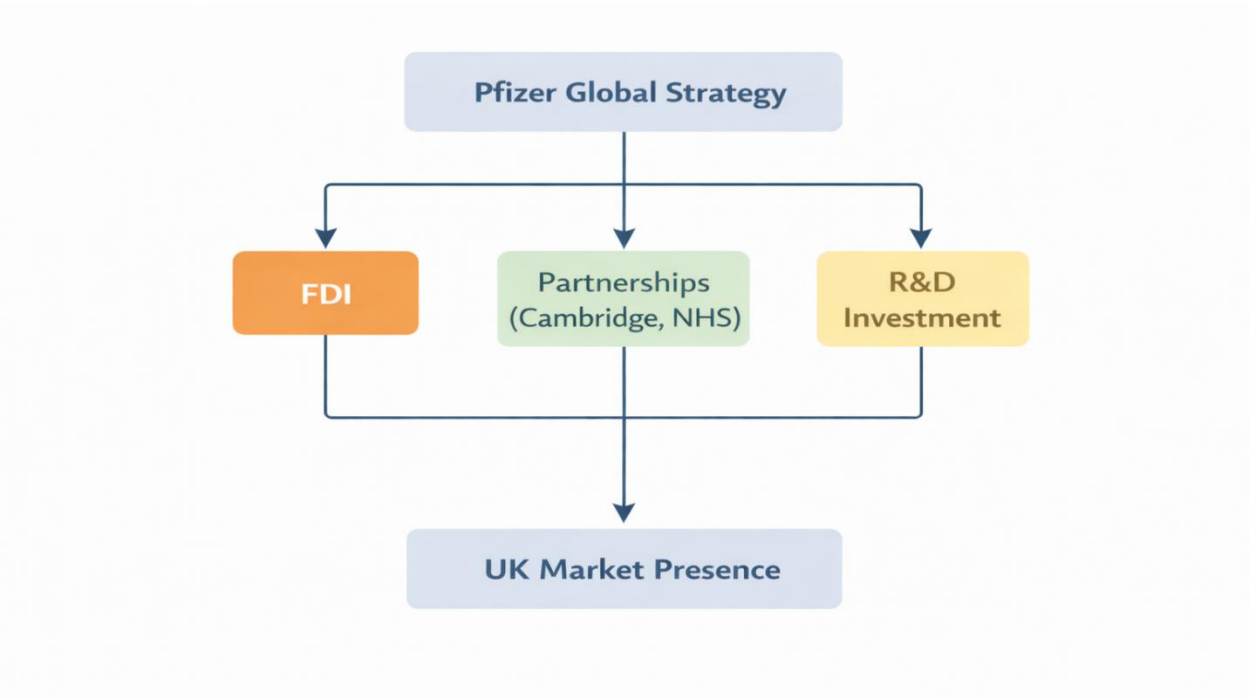
The United Kingdom is a major target of Pfizer expansion primarily through foreign direct investment (FDI) which has allowed it to set up research and manufacturing facility. This is in line with the Eclectic Paradigm (OLI) by John Dunning which explains the international expansion in terms of ownership, location and internalisation advantages (Dunning, 1988). UK has good location advantages that comprise skilled

labour, best universities, and research facilities. Pfizer works with such institutions as the University of Cambridge, which improves access to scientific research (UK Government, 2023). NHS England collaborates with partners to conduct large-scale clinical trials and real-world data collection (NHS England, 2024). Nevertheless, there are strict regulations and pricing restrictions that restrain profitability (UK Government, 2023).

Table: Pfizer’s Entry Strategy

Strategy Element	Approach	Impact
Market entry mode	FDI	Strong local presence
Partnerships	Universities, NHS	Innovation access
Location advantage	Skilled labour, research base	Competitive positioning
Challenges	Regulation, pricing	Profit constraints

Source: Author constructed based on Dunning (1988), UK Government (2023), Pfizer (2024)



Visual - Pfizer’s Entry Strategy into the UK

Source: Author constructed based on Dunning (1988)

This figure presents the combination of FDI and partnerships that Pfizer uses to boost its presence in the UK.

The entry strategy of Pfizer emphasizes the significance of location-based benefits, showing that pharmaceuticals can be a successful business only when it is integrated in the innovation systems, but not when it is just exporting the products.

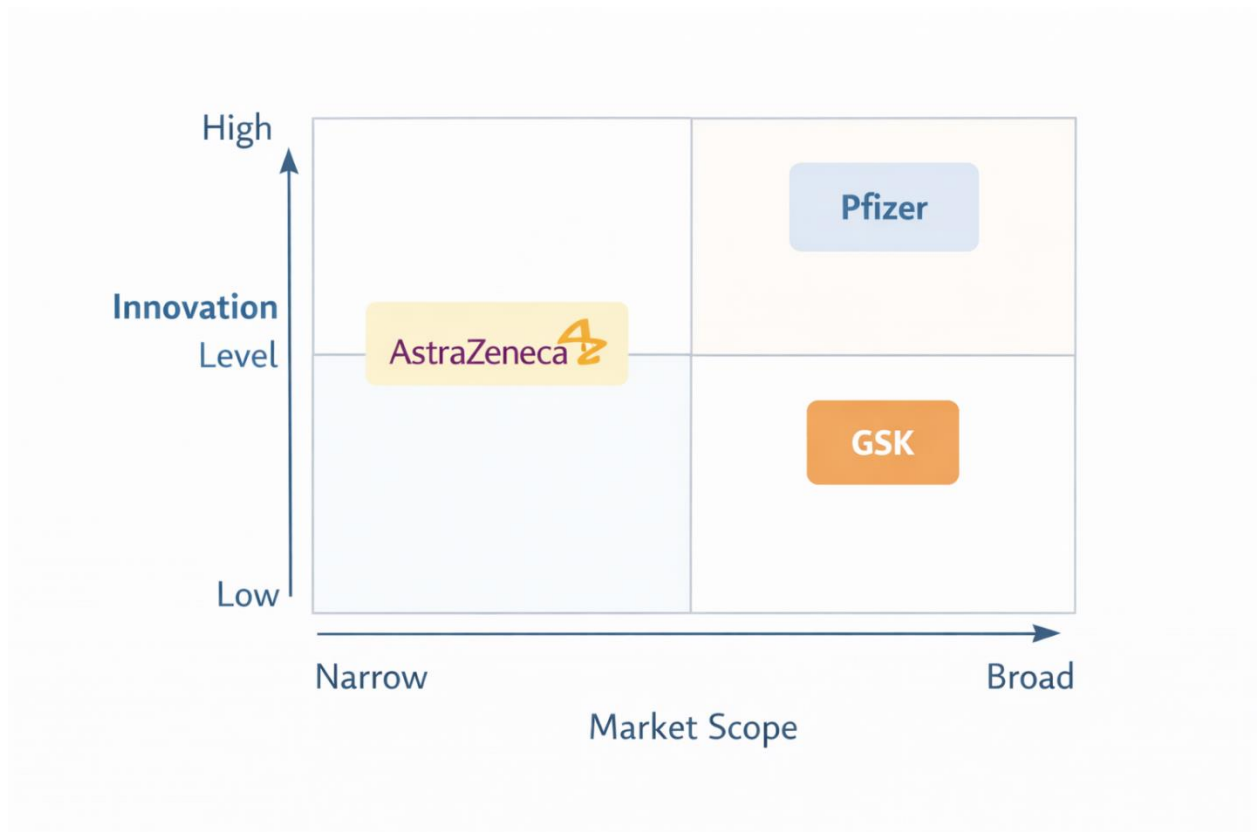
4.3 Strategic Positioning

Pfizer uses a differentiation approach in the UK market, focusing on innovation, quality products and a good brand image. Michael Porter argues that differentiation helps firms to gain a competitive advantage through the provision of unique value (Porter, 1990). This strategy is evidenced by Pfizer concentration on high-technology therapeutic fields, including vaccines and oncology. Its partnership with BioNTech in the case of COVID-19 enhanced its image of innovation (Pfizer, 2024). Pfizer has a high level of R&D investment and a wide range of products compared to its competitors such as AstraZeneca and GlaxoSmithKline because it can use its global size and financial resources to maintain the high level of investment (Porter, 1990). Nevertheless, the process of pharmaceutical innovation is still expensive, lengthy and risky and the failure rate is high (Pisano, 2006).

Table: Strategic Positioning of Pfizer

Dimension	Pfizer Approach	Outcome
Strategy type	Differentiation	Premium positioning
Competitive focus	Innovation	Strong brand value
Market scope	Global	Economies of scale
Risk	High R&D costs	Financial uncertainty

Source: Author constructed based on Porter (1990), Pisano (2006), Pfizer (2024)



Visual- Strategic Positioning Matrix

Source: Author constructed based on Porter (1990), Pisano (2006), Pfizer (2024)

Placing Pfizer in comparison with the competitors in terms of innovation and market coverage.

This matrix indicates that Pfizer is in a good place in terms of high innovation and extensive coverage of the market.

4.4 Pfizer Value Chain Analysis

The value chain model is the theory that was created by Michael Porter to study the way in which companies can develop value by a sequence of interlinked activities (Porter, 1985). Value creation in the pharmaceutical industry is so much focused on research and development (R&D), regulatory approval, and commercialization.

In the case of Pfizer in the United Kingdom, the value chain is well integrated in the national system of innovation.

Primary Activities

1. Research & Development (R&D)

R&D is the value-creating activity that is of the utmost importance in Pfizer. The UK offers a high level of scientific foundation with such institutions as the University of Cambridge, which allows obtaining access to advanced biomedical research (UK Government, 2023).

This phase creates value, maximum cost, and maximum risk.

2. Clinical Trials & Testing

By working with the National Health Service, Pfizer can efficiently carry out massive clinical trials by having access to various patient information (NHS England, 2024).

This gives a rare competitive edge that can hardly be duplicated in other places.

3. Manufacturing

Pfizer has manufacturing plants in UK which guarantee its quality and supply chain efficiency. Nevertheless, the manufacturing value added is lower than in the case of pharmaceuticals, R&D.

4. Marketing & Distribution

The NHS has stringent laws that curb intense marketing. Rather, Pfizer concentrates on value-based health care and promotion that is evidence-based.

Support Activities

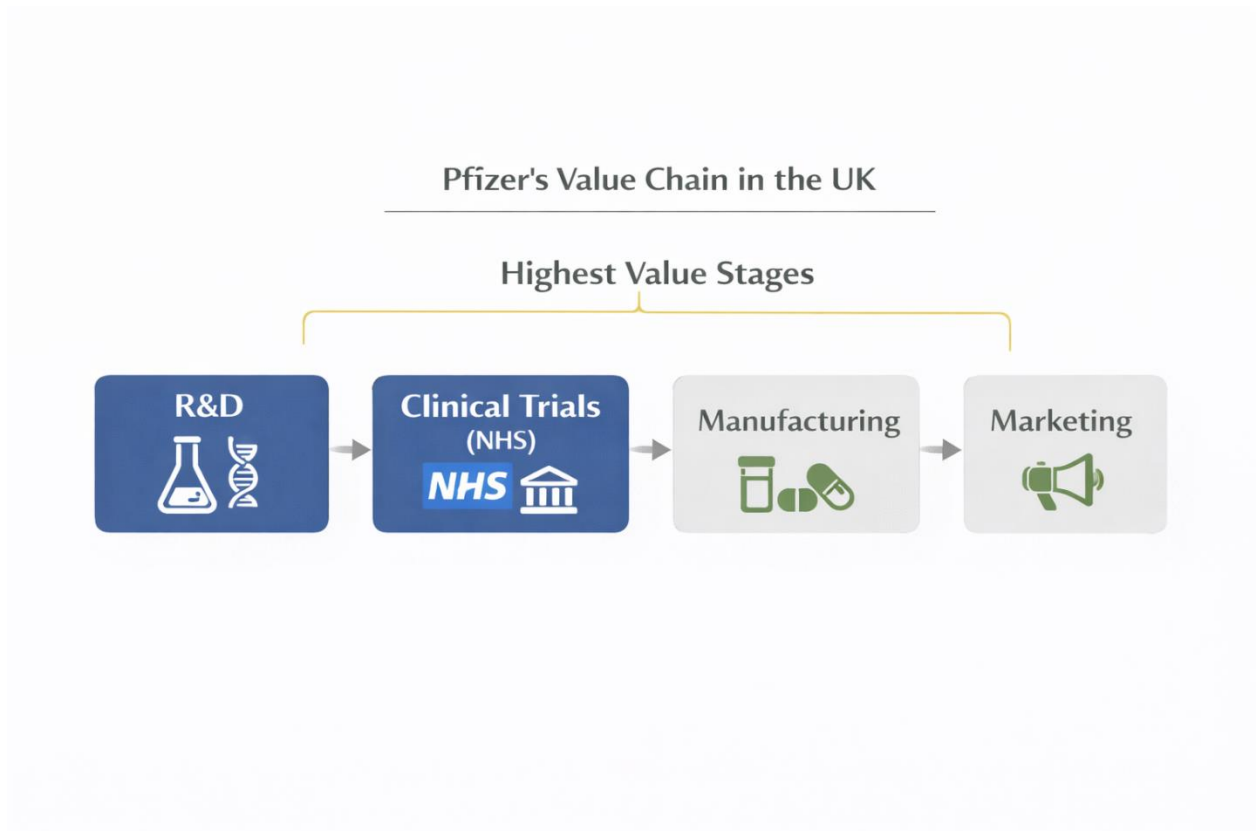
Activity	Role in Value Creation
Human Resources	Access to highly skilled scientists
Technology Development	Advanced biotech and data analytics
Procurement	Global sourcing of raw materials
Firm Infrastructure	Strong regulatory compliance systems

Table: Pfizer Value Chain Evaluation

Stage	Value Contribution	Key Advantage	Limitation
R&D	Very High	Innovation capability	High cost & risk

Clinical Trials	High	NHS collaboration	Regulatory complexity
Manufacturing	Medium	Quality control	Lower differentiation
Marketing	Medium	Strong brand	NHS restrictions

Source: Author constructed based on Porter (1985), UK Government (2023), NHS England (2024)



Visual- Pfizer Value Chain in the UK

Source: Author constructed based on Porter (1985)

The diagram above emphasizes the highest value that is created by R&D and clinical trials and underpinned by manufacturing and marketing functions.

The value chain of Pfizer demonstrates that the competitive advantage is very front-loaded in the area of innovation which implies that the success is more reliant on scientific capability rather than operational efficiency.

4.5 Integration with Porter's Diamond

The concept of integrating with the Porters Diamond is following:

1. Factor Conditions

UK offers superior conditions of factors such as a highly skilled labor force, and good research institutions like the University of Cambridge.

Impact on Pfizer:

Improves the R&D capability and output in innovation.

2. Demand Conditions

The National Health Service develops advanced demand that involves the need to have cost-effective and high-quality medicines.

Impact on Pfizer:

Promotes innovation but does not allow pricing elasticity.

3. Related and Supporting Industries.

The academic networks and biotech clusters of the UK are very supportive to the pharmaceutical innovation.

Impact on Pfizer:

Helps in partnership and sharing of knowledge.

4. Strategy, structure, Rivalry Firm.

There is a high level of competition among the companies such as AstraZeneca and GlaxoSmithKline, which is an incentive to constant innovation.

Impact on Pfizer:

Promotes differentiation and heavy investment on R&D.

5. Government

The UK policies are favourable to innovation and have stringent pricing policies.

Impact on Pfizer:

Develops opportunities and constraints.

6. Chance Factors

COVID-19 and Brexit are some of the events that are transforming the competitive environment.

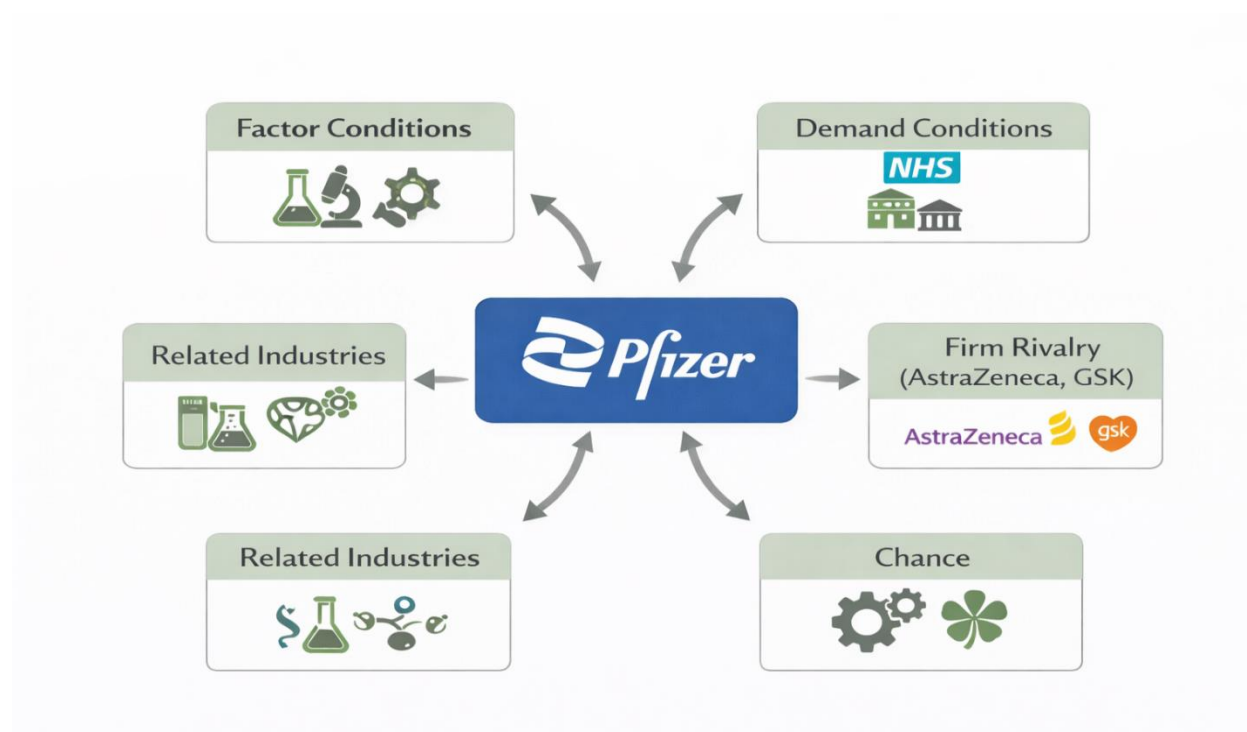
Impact on Pfizer:

Brings in fresh possibilities but brings about doubt.

Table 4.5: Integration Summary

Diamond Factor	Effect on Pfizer	Overall Impact
Factor Conditions	Strong R&D base	Positive
Demand Conditions	High standards	Mixed
Supporting Industries	Innovation network	Positive
Rivalry	Intense competition	Positive
Government	Support + regulation	Mixed
Chance	External shocks	Uncertain

Source: Author constructed based on Porter (1990), UK Government (2023), NHS England (2024)



Visual 4.5: Pfizer within Porter's Diamond

Source: Author constructed based on Porter (1990)

This discussion shows that Pfizer has not achieved success in the UK because of its internal capabilities, but because it has been able to make its global strategy consistent with the national competitive landscape in the UK.

In other words: The creation of competitive advantage between firm and country is a co-creation and none of the two can claim ownership.

4.6 Critical Assessment of Pfizer in UK.

Although Pfizer has a good integration into the United Kingdom pharmaceutical ecosystem, the long-term success of the company is predetermined by the complicated system of strategic advantages and structural limitations.

Strengths

1. Strong Innovation Capability

The high investment in research and development by Pfizer allows it to keep producing high value medicines especially in the more advanced therapeutic fields. It has access to research institutions in the UK including the University of Cambridge which enhances its innovation pipeline (UK Government, 2023).

Evaluation:

This offers a sustainable competitive advantage since innovation is the main source of success in the pharmaceuticals (Pisano, 2006).

2. The system is to be integrated with NHS System.

Cooperation with the National Health Service allows conducting the clinical trials and the access to the real-life data efficiently.

Evaluation:

This gives rise to a location specific advantage that cannot easily be copied by the competitors.

3. Scale and Financial Strength on a Global Level.

Pfizer functions across the world and hence is able to distribute the cost of R&D and enjoy economies of scale.

Evaluation:

This will minimize exposure to risk as compared to smaller companies and it will enable long-term investment.

Weaknesses

1.The reliance on the success of R&D is high.

The innovation in pharmaceutical is not reliable with high failure rates and lengthy development process.

Evaluation:

Despite the capabilities, Pfizer has a high financial risk since failure of drugs can result in huge losses (Pisano, 2006).

2. Pricing Constraints in UK.

National Health Service is very strict in terms of cost-effectiveness. Evaluation:

This constrains profitability and diminishes returns on innovation and puts a strain between value creation and value capture.

3. Regulatory Complexity

Regulatory environment in UK and, in particular, after the Brexit, provides ambiguity in the approval processes and market access.

Evaluation:

This makes the operation more complicated and can postpone the introduction of products (UK Government, 2023).

Opportunities

1.Growth in Biotechnology and Personalised Medicine:

This is an e-commerce company specialising in biotechnology and personalised medicine.

New innovations can be achieved through the developments in the field of genomics and data analytics.

Evaluation:

Pfizer is in a good position to take advantage of such trends as it has a solid R&D foundation.

2. Public- Private Partnerships.

More cooperation with the institutions in the UK increases the potential of innovation.

Evaluation:

Enhances the competitiveness on the long term basis by integrating the eco system.

Threats

1. Intense Competition

The firms like AstraZeneca and GlaxoSmithKline generate a high level of competition.

Evaluation:

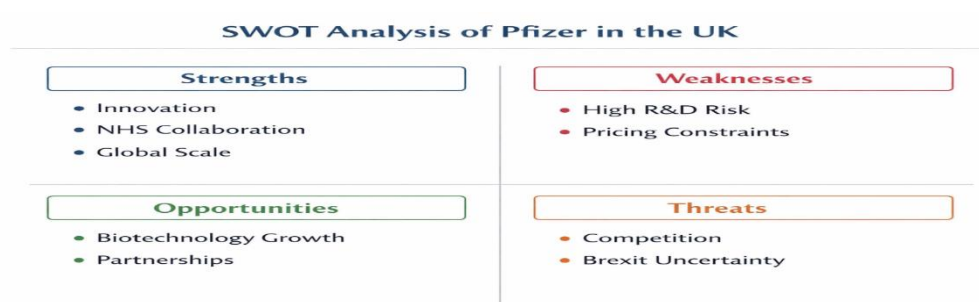
Continuous innovation is driven by forces, which are rising costs and risks.

2. Exogenous Uncertainty (Brexit, Global Shocks)

The trade, regulation and supply chains are impacted by political and economical changes.

Evaluation:

Minimizes predictability and stability of long term planning.



SWOT Analysis of Pfizer in the UK

Source: Author constructed

This visual provides a structured evaluation of Pfizer's strategic position in the UK pharmaceutical market.

Pfizer is a strong competitor in the UK whose position is not unrestrained. The innovation and integration into the ecosystem are the factors that make it successful but the structural position of pricing regulation and the risk of high R&D prevents its complete value capture.

5. Conclusion

This report has discussed the pharmaceutical industry in the United Kingdom, in terms of global competitiveness and Pfizer position in the industry. The discussion reveals that the UK pharmaceutical market is an important contributor to the national economy with powerful research capacity, advanced demand environment, and highly developed innovation system. Nevertheless, the industry is characterized by the following problems: high cost of research and development, regulatory limitations and growing international competition.

The UK has high competitive advantages, especially in terms of factor conditions and supporting industries, which is partly constrained by institutional factors such as price controls and regulatory pressures, as explained using the Porters Diamond Model. The Pfizer case demonstrates that it is necessary to align the strategies of a firm with the national competitiveness. Its performance is supported by its innovation-driven approach and integration with the UK ecosystem, however, profitability is influenced by regulatory and market forces.

All in all, the UK pharmaceutical industry is globally competitive, but its future development will be based on the effective balance of innovation, regulation, and long-term economic sustainability.

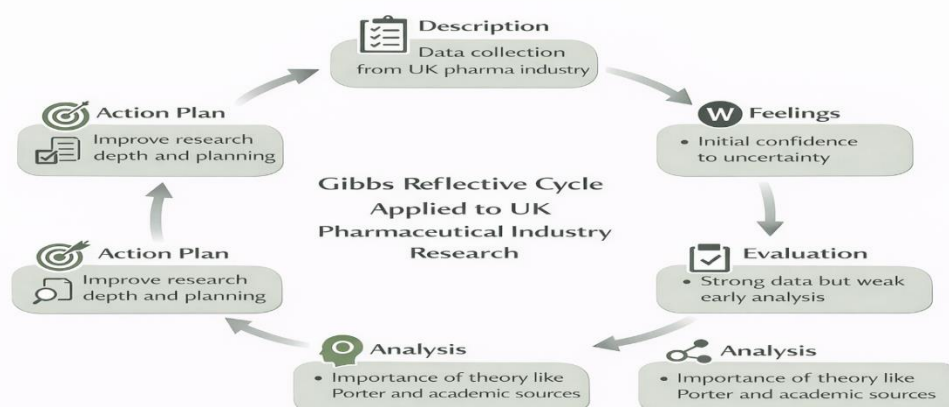
Part 2: Reflective Account based on Gibbs Reflective Cycle

Introduction to Reflection and Framework

The process of reflective practice is an essential part of academic learning that allows assessing the results and the ways of their attainment. The Gibbs Reflective Cycle has been used to conduct reflection in this report and it is a structured and cyclical model of reflection that involves six stages, which are Description, Feelings, Evaluation, Analysis, Conclusion, and Action Plan.

It is also suitable to use Gibbs model because it goes beyond the mere description and promotes systematic critical assessment and learning that is necessary to academic performance at higher levels (Gibbs, 1988; Moon, 2004). Moreover, the reflective cycles are compatible with the experiential learning theory, in which the knowledge is elaborated by means of the repeated examination of experience (Kolb, 1984).

This part is a critical assessment of the research and development process of the pharmaceutical industry analysis in the United Kingdom where the strengths, weaknesses, and research and analytical practice areas are identified.



Gibbs Reflective Cycle Applied to Research Process

Source: Adapted from Gibbs (1988)

The diagram introduces the six steps of Gibbs Reflective Cycle and demonstrates how the process of research developed starting with the initial data gathering to critical analysis and further plans on how to improve the research.

Description

The first stage by Gibbs aims at outlining the experience in a non-interpretive way (Gibbs, 1988).

Key activities:

- The secondary data gathered about the UK pharmaceutical industry:
- Institutional (e.g. National Health Service) and governmental sources.
- Firm-specific information (e.g. AstraZeneca).

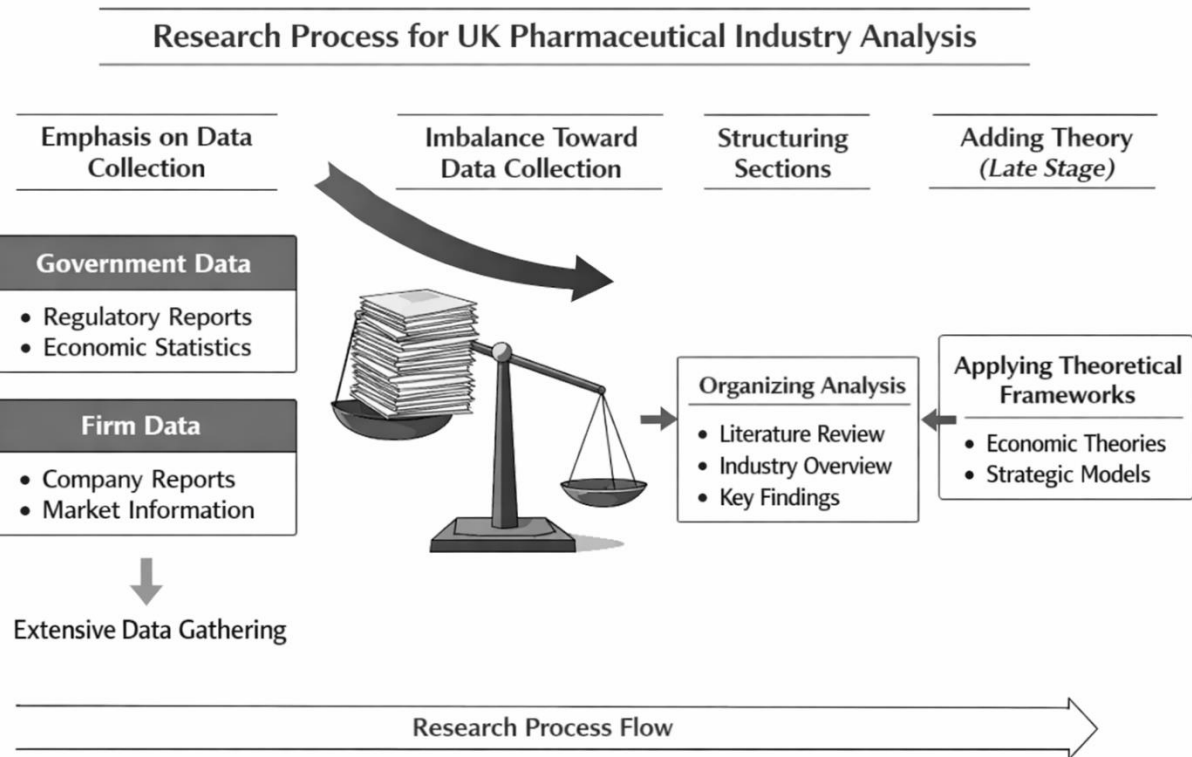
Structured Section 1 into:

- Industry overview
- Competitive landscape
- Strategic positioning

Later stage Integrated theoretical frameworks (later stage), such as those of Michael Porter.

Critical note:

The research strategy was weak as the process was data-driven and not analysis-driven (Saunders et al., 2019).



Feelings

This stage considers cognitive and emotional responses influencing the process (Gibbs, 1988).

Critical reflection:

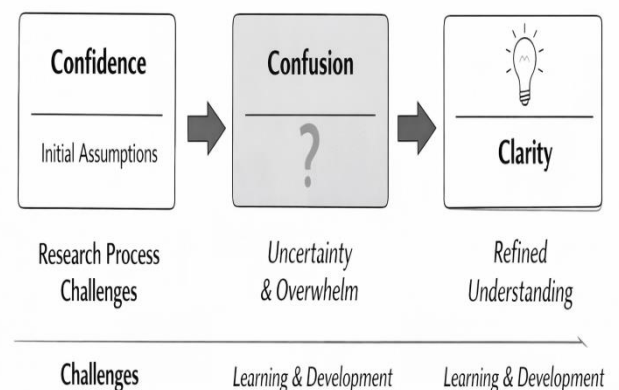
The first confidence because of the previous familiarity with the subject.

Development of uncertainty when:

- Was obliged to show critical analysis and not description.
- Greater clarity upon implementation of the structured frameworks.

Interpretation:

- Indicates a change in the surface learning to the deeper learning (Kolb, 1984)



- Granted, the fact that higher-order cognitive development involves uncertainty (Moon, 2004) is confirmed.

Evaluation

This phase is very important in the evaluation of weaknesses and strengths (Gibbs, 1988).

Strengths

- Application of various sources of data.
- Improved contextual understanding
- More validity (Saunders et al., 2019)
- Theory was subsequently integrated.
- Enhanced analytical structure
- Better rational flow (Porter, 1990)
- Use of visuals
- Favoured better expression of complicated concepts.

Weaknesses

- Too descriptive preliminary writing.
- Lack of interpretation
- Shallow academic background (Moon, 2004)
- Late theory implementation.
- Reduced analytical coherence
- Imbalanced effort allocation
- Too much attention on data collection and not evaluation.

Critical judgement:

Failure to critically engage with that knowledge was the main limitation rather than knowledge.

Analysis

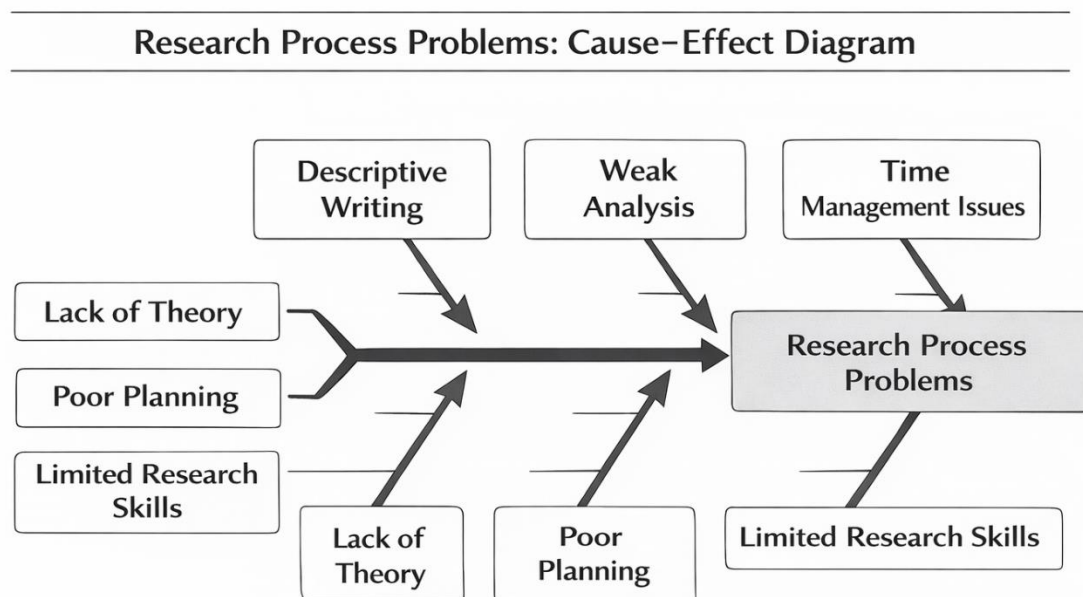
This step gives more theoretical clarification (Gibbs, 1988).

Key analytical insights:

- Inadequate skills in filtering research.
- Disposition to amass data as opposed to appraising it.
- Signifies the ability to conduct research at a very early stage (Saunders et al., 2019).
- Lack of theoretical foundation.

- Conducted to disjointed analysis.
- Such models as that of Porter give structure (Porter, 1990).
- Linear approach as opposed to cyclical approach.
- Failed to reconsider and update previous work.
- Goes against the experiential learning theory (Kolb, 1984).

Theory, iteration and critical questioning should be incorporated in effective analysis rather than information gathering.



Conclusion

This phase is a summary of the major learning outcomes (Gibbs, 1988).

Core learning points:

The academic success is based on:

Not description, but critical evaluation (Moon, 2004).

Theory must:

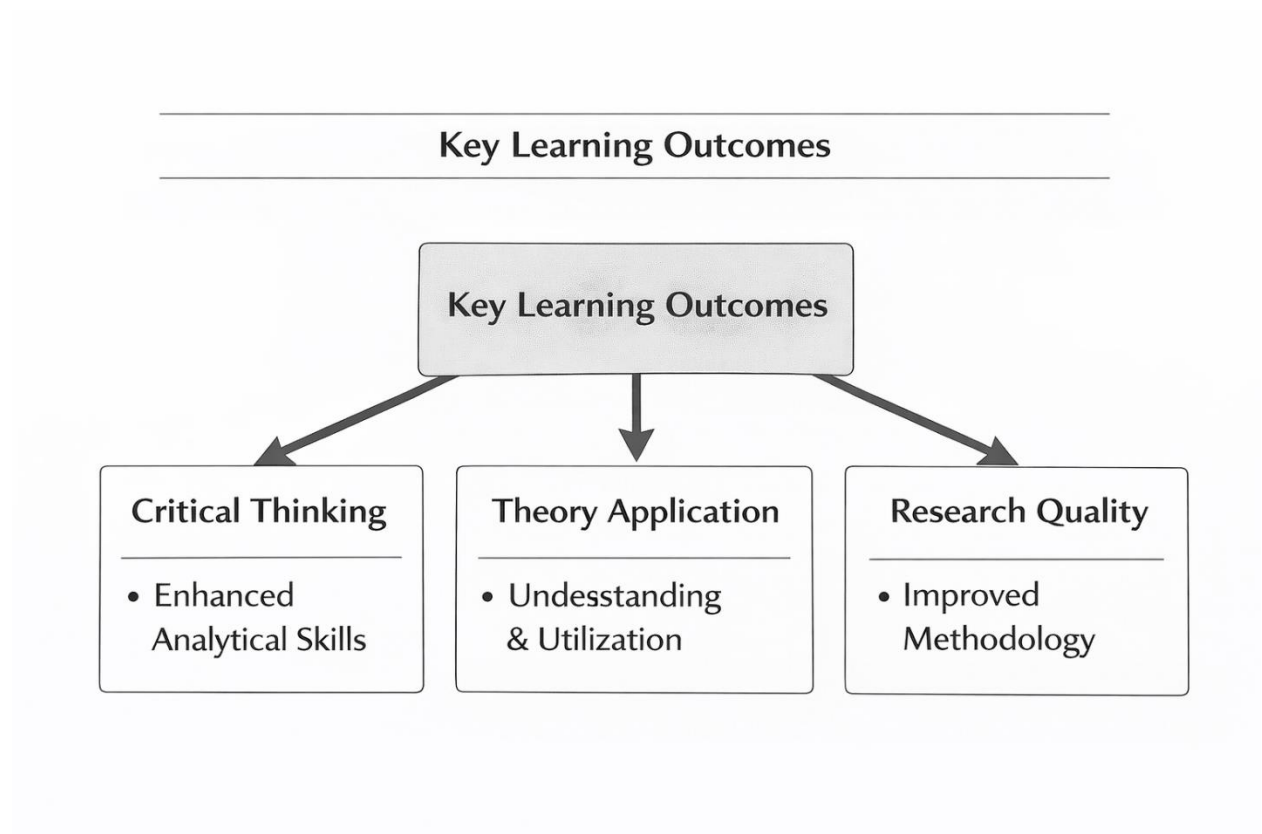
Lead people, not manage them (Porter, 1990)

The quality of the research would be based on:

Credibility of the source and the use of analysis (Saunders et al., 2019)

Key insight:

An analysis of quality of the report is not based on the amount of information, but rather depth of analysis.



Action Plan

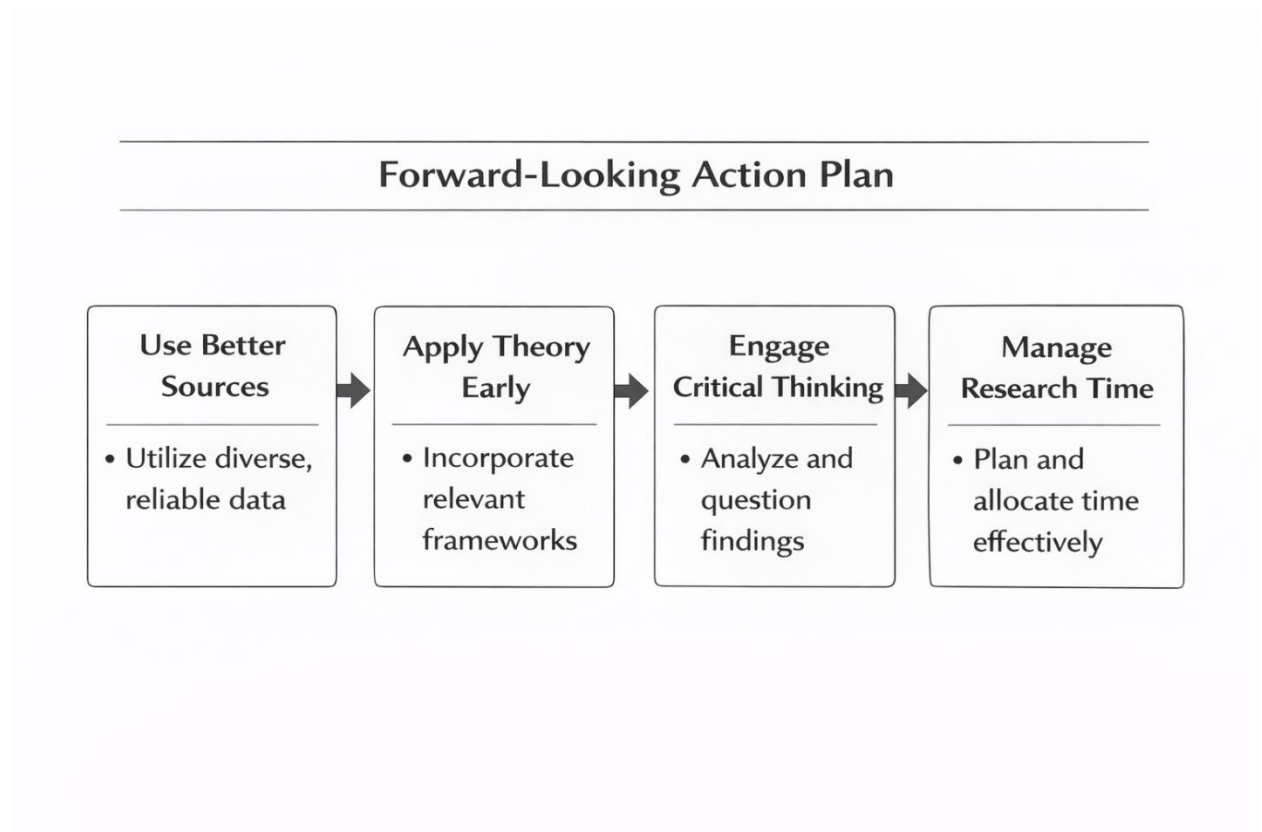
Makes an emphasis on improvement in the future (Gibbs, 1988).

Planned improvements:

- Embrace research strategy of academic first.
- Focus on peer-reviewed materials and journals.
- Practice theory in the first place.
- Organize analysis by using structures.
- Strengthen critical writing
- On-going testing of data significance.
- Improve time management
- Give oneself time to think and rethink.

Goal:

Descriptive reporting to critical academic analysis.



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