



Taking the Pulse of Senior Leaders

(European Market Survey 2008)

Thursday, October 16, 2008
Brussels

McKinsey&Company

Survey background

- Evolving market landscape in Europe
- Understand perspectives of senior executives, how you see
 - Industry dynamics
 - Opportunities
 - Challenges
- 80 respondents
- Use as input for today's sessions



What were the main messages from the survey?



1 Many positives

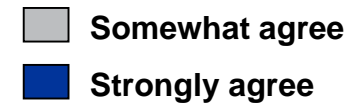
- Unmet needs
- Innovation
- Growth markets and channels

2 External environment challenges

- Clinical, regulatory and reimbursement requirements
- Tendering and buying groups
- Diversity of 'customer'

3 As an industry, need to do more

1. Overall landscape: Many positives



Percent

Significant unmet needs in awareness and treatment in my business areas



Demand for my products will rise strongly over the next 3–5 years



Markets remain receptive to innovation

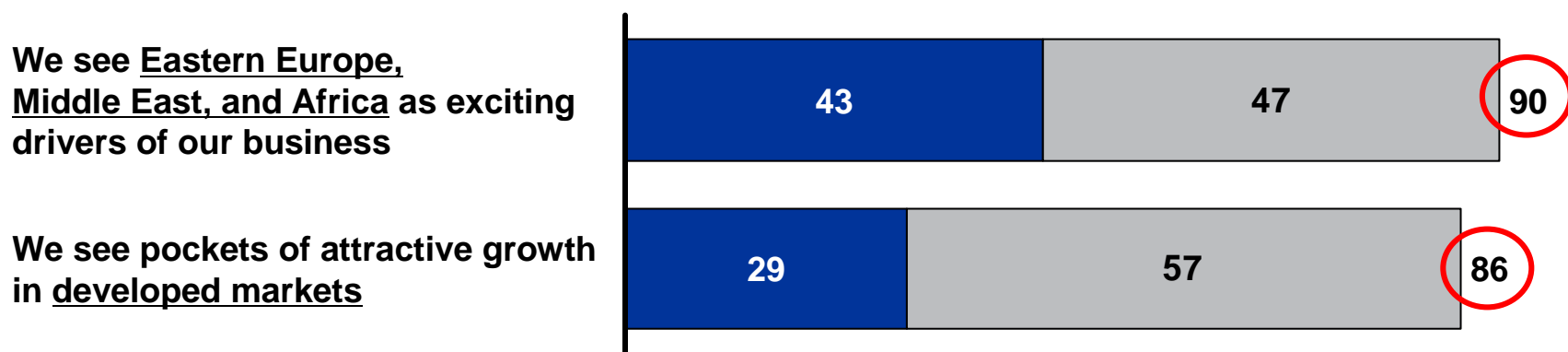
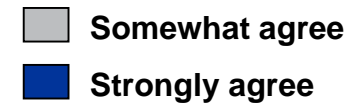


Generic devices represent a credible threat



1. Geographic expansion : Many positives

Percent



Emerging market focus also includes Asia and LatAm for EU-based companies

1. Biggest opportunities in the next 3-5 years?

**Availability of new
medical modalities;
value of innovation**

**Patient awareness /
compliance**

**New businesses :
Services & Drug-
device combinations**

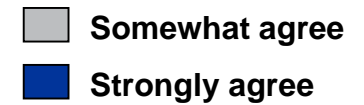
**Community care /
home care**

**Emerging markets –
EE, ME, Russia**

**Surgeon / physician
skill development**

2. External environment : Areas to address

Percent



We expect to see increased regional tendering / buying groups



Clinical evidence and safety requirements will rise sharply



Patients are becoming significantly more involved in their treatment & specific products used

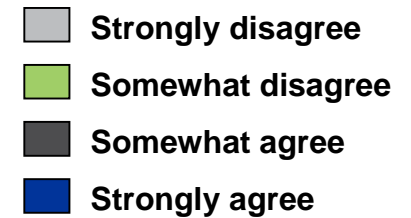


Clinicians will be secondary decision makers vs economic customers

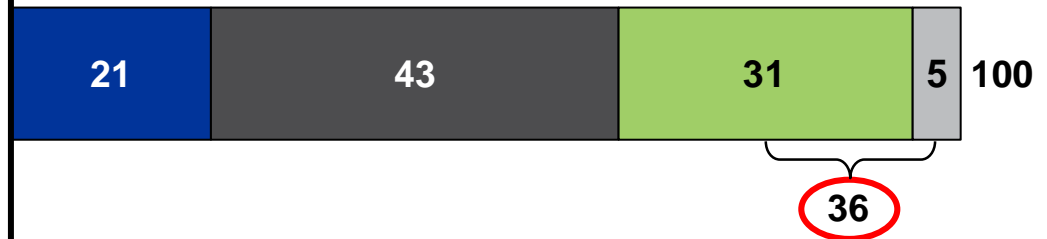


2. External environment : Readiness to address

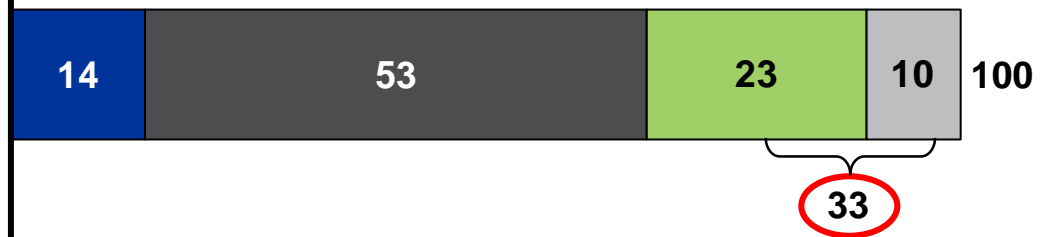
Percent



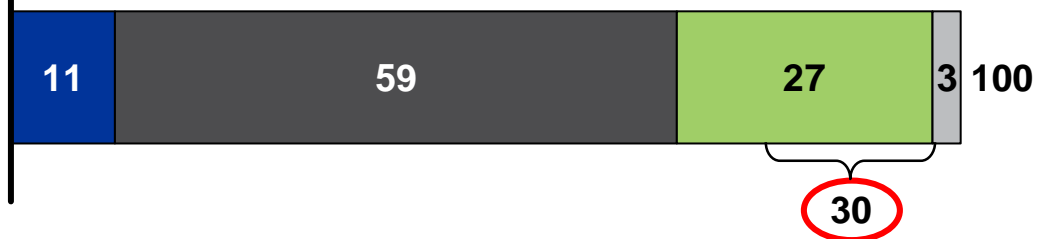
We feel prepared to address convergence in regulation across markets



We feel well prepared to manage the increased rigor of health technology assessment



I believe my company is well placed to address changing face of the purchasing decision maker



2. Biggest challenges in the next 3-5 years?

Regulatory environment

Multiple stakeholders

Evidence gathering requirements

Economic Recession

Health care budgets

Price based purchasing & new procurement models

Local manufacturers / low cost competition

Limitations on educational / promotional activities

War for talent

3. As an industry we need to do more

■ Somewhat agree
■ Strongly agree

Percent

We will need to do more at an industry level to shape our external environment (e.g., advocacy)



“More proactive shaping of our industry”

“Take initiatives to develop standards & criteria actively”

“We are far from where we should be as an industry”

“Need to think more boldly as an industry about medical technology”

Summary messages from EUCOMED survey



1 Many positives

- Unmet needs
- Innovation
- Growth markets and channels

2 External environment challenges

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- Diversity of 'customer'

3 As an industry, need to do more



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