

Pharma

Strong in Advisory

Ernst & Young's Global Pharmaceutical Center in Basel is emblematic of Ernst & Young's special commitment to the pharmaceutical industry. The industry has rewarded this with a rapidly increasing number of engagements.

Biotech and pharmaceuticals are among the 14 Principal Sectors. Although Ernst & Young's services have been in demand within the pharmaceutical industry for many years now, it was in 2005 that we started to concentrate on it, marketing ourselves intensively and making massive investments. It was then that Ernst & Young decided to set up Global Pharmaceutical Centers, one each in New York and Basel; in New York, on the grounds that the US pharmaceuticals market is the biggest in the world, and in Basel because that city, being home to Novartis, Roche and other major groups, is of crucial importance to the industry in Europe. Although there is no Global Pharmaceutical Center in Asia, Special Pharmaceutical teams dedicated to the sector are operating in such vital markets as Japan, China and India, supported by one or the other of the existing Global Centers.

GLOBAL NETWORK



**3,500
PEOPLE**

The Global Pharmaceutical Center in Basel opened in 2007. It acts as a hub for the Client Service Partners and Ernst & Young's pharma specialists, who work around the world for key clients. Its primary task is to create and maintain a network, connecting these professionals while also looking after training and harmonizing approaches and solutions across the board. Its second task is to be pro-active in generating new solutions that meet pharmaceutical clients' specific needs and provide them with answers to the challenges they face. Thirdly, the Center also functions as a platform for high-level discussion, in line with the concept of Thought Leadership - a concept embracing studies, publications and contributions to debate that focus on the key issues and trends affecting the sector. These are then discussed with clients, but also help with the training and with the coordination of the firm's own pharmaceutical specialists, enabling them to offer the same up-to-date sector-specific expertise anywhere in the world. The Global Pharmaceutical Center in Basel is tasked with offering support to Ernst & Young teams throughout the world, in the shape either of its own infrastructure or of forward thinking. The Center's role as a logistical and intellectual hub means that it is staffed by specialists with

responsibility for business development that anticipate trends and devise client strategies and industry analysts who study the market in depth. The Center also manages communications, marketing and events, and coordinates its actions and has specialists from the Service Lines adapting sector-specific expertise.

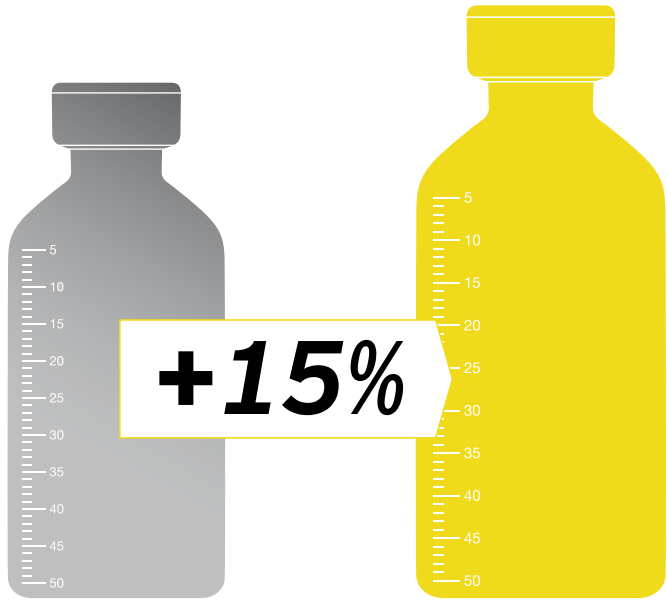
"Our clients value our investment in better understanding their needs and in being able to offer them more specific help with finding solutions to their problems. They can see that we are committed to them and to improving our services to their sector," explains Patrick Flochel, EMEA Life Sciences Sector Leader and Head of the Global Pharma Center in Basel. The industry is very keen to work with us; analysis and discussion of overall trends matters to it at a time when it has so many problems to contend with (patent protection, generic products, price pressure, innovation and the drug safety, tighter licensing requirements, reputation, and so on). The pharmaceutical industry is also revising its business model, moving it in the direction of network enterprise, working in partnership with many third parties in the fields of research, development, manufacture, distribution, logistics, and marketing - which raises the issue of what the right balance might be. That, too, calls for advisory services.

Although pharmaceuticals may well be relatively small when compared with the financial sector, and a field with a limited number of players in it, Ernst & Young still sees in it great potential for development, not least in the advisory field. "We are rapidly expanding, recruiting specialists, and going for significant growth," says Patrick Flochel. "Having the Global Pharmaceutical Center means we have access to experienced people who devote themselves to this industry and nothing else. This focus, the resulting quality and the commitment to the industry means that the Center is a very powerful instrument and much in demand."

Ernst & Young's turnover in the pharmaceutical sector is currently growing by some 15% a year; all the major Swiss pharmaceutical companies are on its client books, mainly using its advisory services.

GROWTH IN PHARMACEUTICALS REVENUE

from 2006/2007 to 2007/2008



2006/2007

2007/2008
