

Divided we shall conquer

In April 2009, Cambridge Consultants held two events on either side of the Atlantic, bringing together leaders from the drug delivery industry to look ahead at future trends. While many impassioned views were shared - such as healthcare reform and the pace of adoption of new technology - it was the differences in approach between the US and the EU that really surprised us.

In many ways, the US drives the evolution of the industry. In the super-heated furnaces of US innovation, many of the instruments of our modern world have been forged. However, as the costs of healthcare continue to spiral unsustainably upwards, many in the US recognise the need for urgent action to re-balance healthcare costs and provision. So, despite its advanced standard, and the fact that it has defined the modern healthcare market, the US market now needs to adopt strategies being defined by other nations. The new administration's sharp focus on outcomes to drive down treatment costs, for example, will have a significant impact on many areas of healthcare.

The economic situation will also have an impact. Our US delegates pointed out that investment in young businesses has all but dried up, reducing the innovation potential of such firms and leading to fewer advances in medical device technologies. As such competition recedes, large pharmaceutical companies will dominate drug delivery innovation. As many of these companies are based in Europe, the US lead in this area may narrow.

This is important. Innovation remains a necessary driver for progress in this industry, and so it needs to be nurtured by organisations that understand how to do it effectively. While this has previously been the domain of the smaller, faster companies, the large pharmaceutical companies are increasingly raising their game. Some early movers are looking to supply chain innovation to maintain their market position, and where they compete with generic products, they are entering into partnership deals with high street brands in order to protect their market share. A good example of this is GSK's partnership with Walmart (US) to provide a \$9 private label brand Ventolin inhaler.

Another important *US-effect* is Obama's stimulus package, setting aside \$42bn for the implementation of Electronic Medical Records (EMRs), a strategy which is already driving the development of electronic prescriptions. National adoption is far from certain and questions of patient confidentiality remain, but with online initiatives like Google Health already doing well, the US may start a global adoption.

Europe continues to dominate thinking on environmental issues, with our European delegates prioritising issues like design for recycling ahead of US delegates who, while they recognised the appropriate regulations, looked first to the potential of new technology. This was exemplified by the suggestion of refillable or recyclable drug delivery devices in the EU, while the US delegates were comfortable to integrate maturing electronic systems to enhance the devices.

Of course though, delegates at both events recognised that the drug delivery industry is global. High technology innovation will almost definitely have a role in future computerised healthcare systems, while environmental concerns will almost definitely drive many product developers towards environmental design and waste management. Perhaps the differing viewpoints held on either side of the Atlantic are a necessary part of the industry's dynamism.