

# Japan's most-admired pharmaceutical companies in 2008 - by P Reed Maurer

International Alliances Limited has conducted annual surveys since 1999 to determine Japan's most-admired pharmaceutical companies. The latest (the 10th that has been published) was conducted in November of 2008. The full report, available from IAL for 30,000 yen (about \$333), analyzes responses by each category of responders, overall replies, and trends over time.

30 companies, 15 Japanese and 15 foreign affiliates of multinationals were evaluated. They included:

| <b>Japanese</b>    | <b>Foreign</b>        |
|--------------------|-----------------------|
| Asahi Kasei        | Abbott Labs           |
| ASKA               | AstraZeneca           |
| Astellas           | Banyu                 |
| Daiichi Sankyo     | Bayer Yakuhin         |
| Dainippon Sumitomo | Bristol-Myers Squibb  |
| Eisai              | Chugai                |
| Kissei             | GlaxoSmithKline       |
| Kyorin             | Nippon Boehringer Ing |
| Kyowa Hakko Kirin  | Novartis              |
| Mitsubishi Tanabe  | Novo Nordisk          |
| Mochida            | Pfizer                |
| Shionogi           | Sanofi-Aventis        |
| Taiho              | Schering-Plough       |
| Takeda             | UCB                   |
| Torii              | Wyeth                 |

Each company was evaluated on eight categories of performance: Quality of Management; Quality of Products; Potential for Growth; New Drug Discovery Potential; Quality of Development; Quality of Medical representatives; Profitability in the Future; Overall Opinion.

It is important to note this survey solicits the opinions of people working in or with the pharmaceutical industry. They include employees of drug companies, wholesaler personnel and service providers. IAL believes these industry insiders are best positioned to objectively evaluate the eight categories of performance mentioned above. How these three groups of responders rank companies is an important aspect of the full report.

Also important is the trend over time in individual company rankings. 10 years is a good measure of improving or deteriorating performance, says IAL.

**Summary**

It probably comes as no surprise that Takeda was the most admired pharmaceutical company in 2008. However, unlike in previous years, it did not dominate the rankings in every category of performance. In Potential for Growth it shared the top position with Novartis and, in New Drug Discovery Potential, it was outranked by

GlaxoSmithKline and Novartis. Takeda's highest score was in Quality of MRs. Erosion was most noticed in the category Profitability in the Future.

Astellas, Eisai and Novartis came in second place, thus Novartis was the most-admired foreign company. Pfizer made the top 10 but was last in this elite group. AstraZeneca made the most improvement among the top 10 drug companies.

**Impact of mergers**

Merged company performance is of interest since none existed when we began this survey 10 years ago. Astellas, Chugai, Daiichi Sankyo and Sanofi-Aventis come among the top 10. Kyowa Hakko Kirin is ranked significantly higher, just out of the top rankings, than Kirin or Kyowa Hakko alone. Bayer and Schering-Plough also improved because of their mergers, as did Dainippon Sumitomo, Mitsubishi Tanabe and ASKA.

Mochida, ASKA and Torii were ranked at the bottom of the survey. Asahi Kasei, Kyorin and UCB came in just ahead of the lowest ranked companies.

A large number of companies improved their Quality of Management scores over 2007. Most notable in this regard were Schering-Plough, Sanofi-Aventis, AstraZeneca, Abbott, Shionogi, Novo Nordisk, Mitsubishi Tanabe, Bristol-Myers Squibb and Pfizer.

In the Quality of Products, AstraZeneca, Sanofi-Aventis, Bayer, Novo Nordisk, Bristol-Myers Squibb, Torii, GlaxoSmithKline, Schering-Plough, Kyorin, and Asahi Kasei improved their scores. Nine of the 13 companies evaluated as good were non-Japanese companies.

In Potential for Growth, Kyowa Hakko Kirin and Asahi Kasei improved, while Banyu continued a three-year decline. Torii ranked lowest in this category.

GlaxoSmithKline and Novartis topped the New Drug Discovery Potential category, and Kyowa Hakko Kirin was a newcomer in the top 10. Abbott, Novo Nordisk, Kyorin and Shionogi improved while Banyu, Mitsubishi Tanabe and Taiho declined among the average.

Takeda dominated the Quality of Development category. Schering-Plough, Kissei and Kyorin improved while ASKA, its first time to be evaluated in the survey, came in below average.

In Quality of MRs, eight companies were ranked "good," five of which were Japanese pharmaceutical companies.

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Pfizer improved its score over 2007, as did Novartis. Shionogi, ranked 19 in total average score, once again made the top 10 but its rating continues on a downward trend, the survey showed.

Pfizer dropped out of the top rank in the Profitability in the Future category. Takeda's score remained on a downward trend but ranked number one as none of the other close contenders improved their standing.

This brief summary reflects the scores by all responders. The complete report shows scores by each of the three groups of responders, thus possibly of greater interest because of their different experiences with pharmaceutical companies.

"Finally, a big 'domo arigato' to all the people who took time to respond to our survey. Your responses prove that company performance does evolve and can be improved over time," said P Reed Maurer, president of IAL.

To order a copy of the report, contact IAL as follows: by telephone: 03 3401 4375; fax: 03 3401 5715; e-mail; [nppial@gol.com](mailto:nppial@gol.com). IAL will donate 10% of the sales price to the Children's Cancer Association of Japan.