



How to do Business with Pharmaceutical Manufacturers

December 03, 2020

Lilly

Agenda

- Intro on Lilly
- How to become a supplier to Lilly
- Best Practices to sustain the business with Lilly

Introduction

Eli Lilly and Company



1876:

- Founded by Colonel Eli Lilly
- Indianapolis, Indiana



Today:

- 11th largest pharma company
- 2019 revenue \$22 Bn
- 38,000 employees worldwide
- Manufacturing in 13 countries
- Clinical R&D in 55 countries
- Products sold in 120 countries

Key Lilly Products

Targeted Therapeutic Areas:

Endocrinology

Oncology

Immunology

Cardiovascular

Neuroscience

Bone Muscle Joint

adcirca[®]
tadalafil

ALIMTA[®]
pemetrexed

AMYVID[®]

Axiron[®]
(testosterone)
topical solution @

basaglar[®] abasaglar[®]
insulin degludec (U-100) injection
insulin degludec (U-300) injection

Cialis[®]
tadalafil

Cymbalta[®]
duloxetine HCl

CYRAMZA[®]
ramucirumab injection

Effient[®]

ERBITUX[®]
CETUXIMAB

EVISTA[®]
raloxifene HCl

FORTEO[®]
teriparatide (rDNA origin) injection

GEMZAR[®]
gemcitabine HCl

Glyxambi[®]

Humalog[®]

Humatrope[®]
somatropin (rDNA origin)
injection

Humulin[®] 70/30

**Humulin R
U-500[®]**
insulin human injection

Jardiance[®]
(empagliflozin) tablets
10 mg/25 mg

Jentadueto[®]
(linagliptin / metformin HCl) tablets

Portrazza[®]
nectumumab injection
300 mg/100 mL vial

PROZAC[®]
fluoxetine hydrochloride

REOPRO[®]
abciximab

strattera[®]
atomoxetine HCl

taltz[®]
(tekinumab)

Tradjenta[®]
(linagliptin) tablets 5 mg

trulicity[®]

ZYPREXA[®]
Olanzapine

Pharma's NJ Impact

New Jersey Department of Labor :

- Pharmaceutical & Life Sciences industry is the largest driver of the NJ economy
- Largest concentration of scientists and engineers per square mile in the U.S.
- Pharma third-party spend in NJ = billions of dollars!
- Eli Lilly has a manufacturing site in NJ located in Branchburg

Lilly Spend Impact

48% of Revenue is Spent with Third Parties



Global third party spend: \$11 billion / 70,000 suppliers

New Jersey third party spend: ~\$800 million / 450 suppliers



Top NJ Spend Categories:

- Direct Materials
- Engineering Services
- Medical Services
- Consulting
- Office Space
- Contract Maintenance
- MRO items
- IT Services and Equipment
- Advertising
- Temporary Labor
- Facilities & Infrastructure
- Analytical Services
- Patents & Royalties
- Lab Supplies & Consumables

Big Pharma and Small Business

Facilities Management Provider ←

- Maintenance
- Small Capital Projects
- Security
- Cafeteria Services
- Guest Restaurant
- IT Services
- Landscaping
- Janitorial Services
- Employee Conveniences
 - Convenience store
 - Coffee Bars
 - Vending
 - Banking
 - Dry Cleaning
 - Dentist
 - Optometry



Global Mobility Provider

- Relocation Services
- Home Real Estate
- Temporary Housing
- Household Goods Moving
- School Enrollment Services
- Banking



Health and Wellness Provider

- Employee Health Services
- On-site Health Facilities Mgmt.
- Fitness Training
- Health Club Memberships
- Dietician Services
- Ergonomic Assessments
- Physical Therapy
- Claim Services
- Disability Management



Travel & Meeting Service Provider

- Air Travel
- Accommodations
- Car Rental
- Rail Travel
- Livery Service
- Meeting Space & Ammenities
- Parking
- Passport / Visa Services

How to become a Supplier to Lilly

Our Mission

- Encourage diverse and small businesses to grow as they work with Lilly and to attract new business to our communities – creating a greater quality of life
- Utilize smaller niche suppliers to provide competitive opportunities over larger, well-known companies – giving Lilly an advantage when achieving business objectives
- Access additional expertise from diverse businesses to bring fresh perspectives and cutting-edge opportunities from an often-untapped source of talented suppliers

Supplier Diversity = Competitive Advantage

Variety spurs innovation and creativity.

Small and Diverse Classifications:

- Small Business Enterprise
- Small Disadvantaged Business
- Women Owned Small Business
- Veteran Owned Business
- HUBZone Business
- Women Owned Business
- Minority Owned Business
- LGBTQ Owned Business
- Service Disabled Veteran Owned Business

Desired Characteristics:

- Diversity of Thought
- Different Perspective
- Innovation
- Market Disruptors
- Unique Technology
- Niche Players
- Competitive Advantage

Our Program

Government (SBA) Requirements	SBE	Small Business Enterprise
	SDB	Small Disadvantaged Business
	WOSB	Women-Owned Small Business
	VOSB	Veteran-Owned Business
	SD-VOSB	Service Disabled Veteran-Owned Small Business
	HUB	HUBZone Business
	MBE	Minority-Owned Business
	WBE	Woman-Owned Business
	LGBT	Lesbian, Gay, Bisexual or Transgender

Corporate Goal

Required Certifications

SBE	Small Business Enterprise	Self Certification.
SDB	Small Disadvantaged Business	SBA 8(a) Certification or Self Certification.
WOSB	Women-Owned Small Business	Self Certification.
VOSB	Veteran-Owned Business	Self Certification / VA Registration.
SD-VOSB	Service Disabled Veteran-Owned Small Business	Self Certification / VA Registration.
HUB	<u>HUBZone</u> Business	SBA <u>HUBZone</u> Certification.
MBE	Minority-Owned Business	By affiliates of National Minority Supplier Development Council, or by City/State.
WBE	Woman-Owned Business	By Women's Business Enterprise National Council (WBENC), or by City/State.
LGBT	Lesbian, Gay, Bisexual or Transgender	By National Gay and Lesbian Chamber of Commerce (NGLCC)

How we identify Diverse Suppliers

- Advocacy Groups/Conferences
- Helix Supplier Diversity Forum
- Lilly Supplier Portal

Primary access points

- Attend networking events organized by Advocacy Groups
 - New York & New Jersey Minority Supplier Development Council
 - NJAWBO – New Jersey Association of Women Business Owners
 - WBEC East
- Register at Lilly Supplier Portal
 - <https://prospectivesupplier.lilly.com/login>

What do we look for in a Supplier

Innovation Drivers



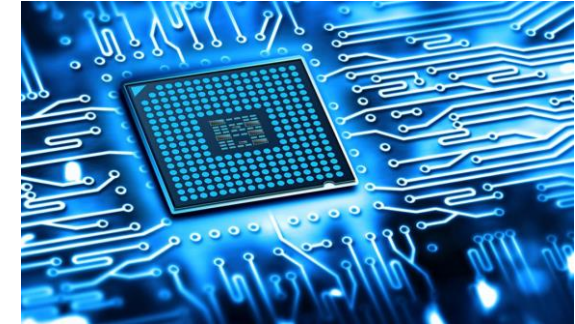
Information

Who
What
When
Where
Why
How



Scalability

Geography
People
Facilities
Equipment



Technology

Database
Apps
Device
Website

Your product isn't the problem...

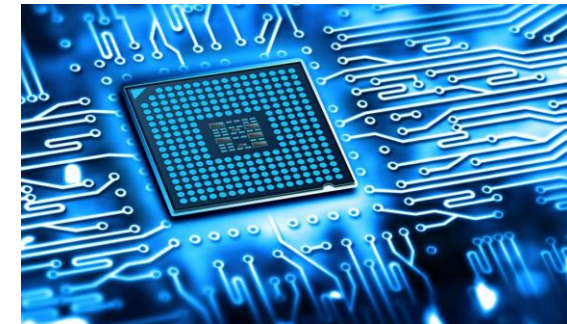


Information



Scalability

**YOUR
PRODUCT**



Technology

...it's the accessibility of your product's information.

Here, Take My Money!

How to make your product something people are excited to buy!



Money Takers: Disruptors

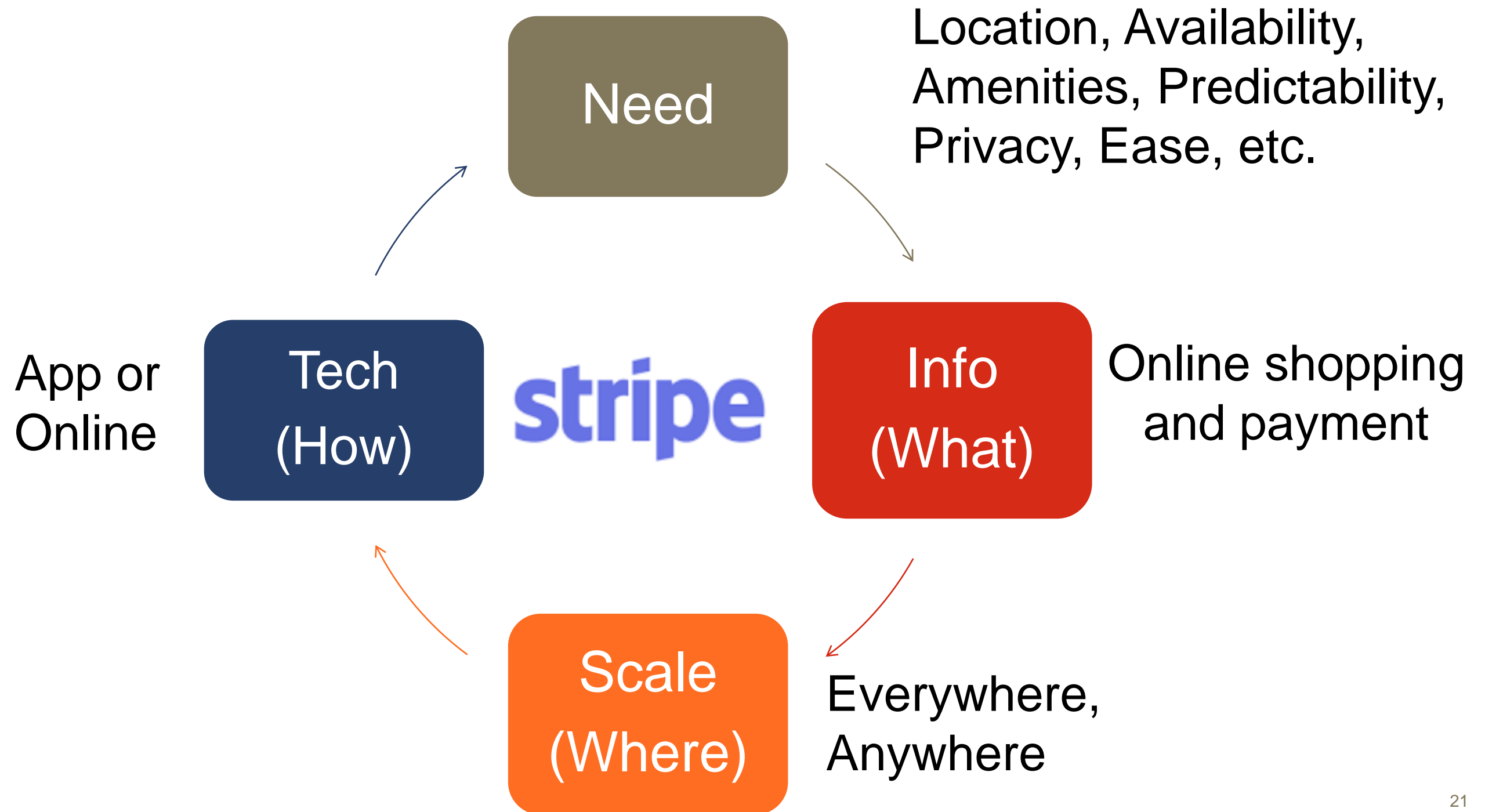
“Innovations that are changing the world....” More so than ever

2020 Top 3:

The logo for Stripe, featuring the word "stripe" in a bold, blue, lowercase sans-serif font.The logo for Coupang, featuring the word "coupang" in a lowercase sans-serif font where each letter is a different color: 'c' is brown, 'o' is red, 'u' is orange, 'p' is yellow, 'a' is green, and 'ng' is blue.The logo for Indigo, featuring the word "indigo" in a white lowercase sans-serif font inside a dark blue rectangular box. A small orange circle is positioned above the letter 'i'.

Source: CNBC Annual Disruptor 50 List

Cycle of Disruption



Pharma Needs:

Cost Reduction



Supply Chain Management



Better Employee Experience



Need: Less Supply Chain Risk



- Supplier Name
- Specifications
- Audit Results
- Address



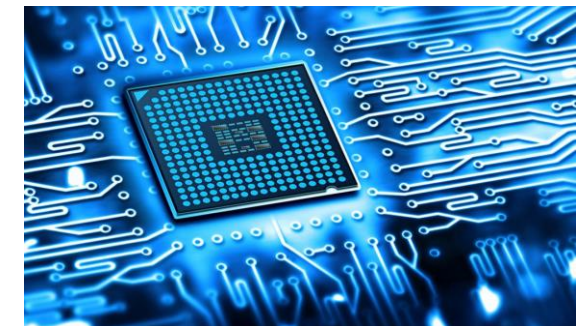
Solution:

- Create Chemical genealogy:
- Supplier's supplier?
- Supplier's supplier's supplier?
- Supply chain traceability
- **Supply risk mitigation**

- 1000's of raw materials
- Global supply chain



- Database of suppliers



Gap: Scalability

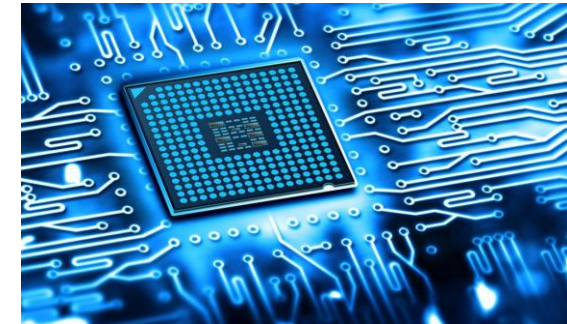


Information



Scalability

**Supply
Chain**



Technology



How to approach potential Clients

- Be Strategic and focused
 - Target several key corporations
 - Align your service offerings with their business needs
 - Ready to share existing experience with that industry
- Pitch the message
 - Have a concise and succinct message
 - Share your competitive advantage and unique offerings
 - Highlight your niche areas
 - It's not about what you want to sell; it's ***what the corporation wants to buy!***
 - Approach with potential solutions vs. asking for business
 - Highlight proven track record and pharma experience

Best Practices: RFI/RFQ/RFP Process

- Follow the directions!
 - Stay on point and address clients' concerns
 - Submit an alternative proposal for innovative solutions in addition to what is requested
- Understand the decision criteria
- Know your company's strength and understand your competition
- Address risk concerns proactively

If you do not win the project

- Always ask for feedback
- Incorporate the feedback into the next RFI/Q/P process
- Stay positive

How To Take Our Money

1. Solve a problem (info+scale+technology)
2. Tell us about ourselves using our data
3. Benchmark us with other customers
4. Keep our employees “here” and “happy”
5. Use aggregators to expand your market

Lilly Procurement Contacts

Local for NJ site



Kiran Muppalla
Manager
Procurement Branchburg, NJ
Muppalla_kiran@lilly.com
(908) 252-3866

Corporate



Shirley Tang-Audritsh
Supplier Diversity Program
Manager, Global Procurement
Indianapolis, IN
tang-audritsh_shirley@lilly.com
(317) 276-6152



Thank You!

Questions?

Lilly