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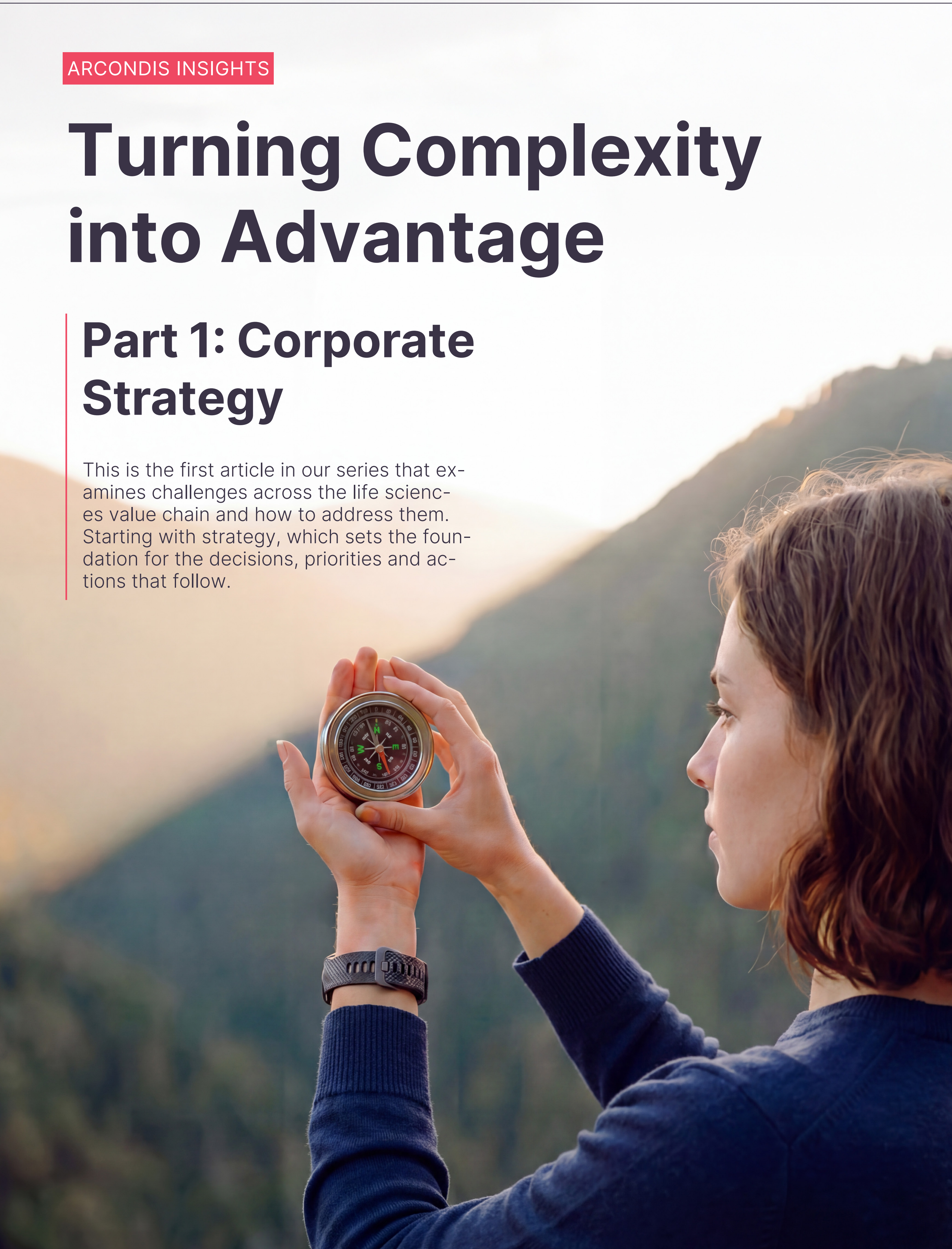
ARCONDIS INSIGHTS

Turning Complexity into Advantage

Part 1: Corporate Strategy

This is the first article in our series that examines challenges across the life sciences value chain and how to address them. Starting with strategy, which sets the foundation for the decisions, priorities and actions that follow.



Strategy Without Stability

The global life sciences industry continues to grow at an unprecedented scale. **We expect it has passed a total value of $2 trillion in 2025[1] – with the pharmaceutical industry accounting for roughly 70% of this figure.**

Yet the strategic environment in which life sciences organisations operate is becoming significantly more complex.

The industry is approaching one of the largest patent cliffs in its history, with more than $350–400 billion in annual revenues expected to lose patent protection by 2030.[2] At the same time, geopolitical tensions, diverging regulatory frameworks and evolving pricing policies are fragmenting global markets and increasing uncertainty for long-term strategic planning.

Scientific and technological progress is accelerating at the same time. Artificial intelligence and advanced analytics are expected to influence up to 30% of new drug discoveries in the coming years, while partnerships, licensing and acquisitions have become critical drivers of innovation – with **around 60% of blockbuster drugs now originating from external collaborations.[3]**

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Industry observers increasingly note that geopolitical volatility and supply chain disruption have become a permanent operating condition for the pharmaceutical sector, forcing organisations to rethink how they design strategy, manage risk and allocate resources.

As a result, life sciences leaders are required to make long-term strategic decisions in an environment that is continuously shifting.

What This Means for Life Sciences Organisations

As a result, many life sciences organisations are experiencing a common set of strategic and operational challenges as they attempt to navigate increasing complexity across their value chains.

Strategic priorities are often clear at a high level, but difficult to translate into coordinated execution across functions, regions and systems. Organisations find themselves managing multiple transformation initiatives in parallel yet struggle to achieve consistent and measurable impact.

In this environment, digital and AI programmes frequently evolve in isolation from business priorities, ownership remains unclear, and value creation is difficult to track. At the same time, inefficient processes, complex governance structures and excessive organisational bureaucracy slow down decision-making and hinder execution. Fragmented processes, siloed organisational structures and limited transparency further reduce alignment across functions and regions.

These challenges are further amplified by the need to balance global scale with local responsiveness, accelerate innovation while controlling costs, and make increasingly complex portfolio decisions under constrained resources.

As a result, organisations risk operating in a state of continuous activity without corresponding progress — where strategy becomes a collection of disconnected initiatives rather than a coherent direction for the enterprise.

Key Strategic Tensions

Against this backdrop, life sciences organisations must manage several competing strategic pressures simultaneously.

Global Strategy vs. Market Fragmentation (Refined)

Life sciences companies are increasingly challenged to execute global strategies in an environment where regulatory frameworks, reimbursement models and policy landscapes are diverging across regions. Market access requirements, approval timelines and pricing mechanisms vary significantly between countries, requiring organisations to adapt their strategies locally while maintaining global consistency. For organisations that already struggle with cross-functional collaboration, global alignment and effective communication across regions, this growing fragmentation adds another layer of operational complexity.

At the same time, geopolitical tensions and shifting trade dynamics are adding further complexity to supply chains, partnerships and market entry decisions. As a result, organisations must balance global scale with local responsiveness, often leading to fragmented processes, duplicated efforts and inconsistencies across markets. Many companies struggle to manage this complexity effectively, as organisational silos, limited transparency and a lack of harmonised frameworks hinder the alignment between global strategy and local execution.

Digital Ambition vs. Organisational Readiness

Life sciences companies are investing heavily in digital and AI initiatives to increase productivity and enable faster, data-driven decision-making. However, many of these programmes struggle to deliver tangible impact, as they lack clear ownership, governance structures and measurable value frameworks. At the same time, organisations are under growing pressure to adapt to increasingly dynamic market conditions, requiring frequent restructuring and continuous

transformation efforts. Yet large-scale organisational changes often take years to fully mature, creating friction, uncertainty and change fatigue before meaningful value can be realised. As a result, digital and AI initiatives frequently remain fragmented, disconnected from business priorities and difficult to scale across the organisation.

Innovation vs. Profitability

Life sciences companies are facing rapidly increasing R&D and drug development costs as scientific complexity grows and bringing new therapies to market becomes more resource-intensive. At the same time, patent expirations, pricing controls and reimbursement pressures are reducing margins and shortening the window to realise return on investment. This creates significant pressure to accelerate development timelines, improve R&D productivity and maximise the value of existing assets.

In response, many organisations increasingly rely on external innovation through partnerships, licensing and acquisitions to strengthen their pipelines and offset internal development challenges. However, fragmented processes, siloed data and complex regulatory requirements continue to slow down development and delay market entry, limiting the ability to fully realise the value of innovation investments.

Portfolio Growth vs. Constrained Resources

Life sciences companies are under increasing pressure to expand and diversify their portfolios across therapies, modalities and markets while operating under constraints in capital, talent and manufacturing capacity. At the same time, rising demands from payers and regulators require robust, evidence-based value communication, making portfolio prioritisation increasingly dependent on the ability to translate clinical and economic data into clear, decision-relevant insights. However, many organisations struggle to operationalise these capabilities, as health-economic insights remain fragmented, tools lack scalability, and commercial teams are not equipped with accessible formats to consistently communicate product value across markets.

These tensions make it increasingly difficult to translate corporate strategy into coordinated execution across the organisation.

How Arcondis Helps

Arcondis supports life sciences organisations in turning strategic ambition into measurable outcomes across the enterprise.

Translating Global Strategy into Scalable Execution

Arcondis supports life sciences organisations in translating global strategy into consistent, locally adaptable execution. Through our Transformation Services, we help leadership teams define clear execution frameworks, governance structures and transformation roadmaps that align strategic priorities across functions and regions. We establish harmonised operating models, decision-making structures and transparency mechanisms that reduce fragmentation and duplication while enabling coordinated execution at scale. At the same time, we ensure that these frameworks allow for the flexibility required to address local regulatory, market access and commercial requirements.

Beyond strategy definition, Arcondis also supports organisations throughout the execution phase: helping implement governance models, operational changes and transformation activities in practice to ensure that strategic priorities translate into measurable and sustainable outcomes. This enables organisations to maintain global consistency while responding effectively to regional market dynamics.

Turning Digital Ambition into Measurable Impact

Arcondis enables life sciences organisations to translate digital ambition into measurable business impact by embedding digital and AI initiatives directly into corporate and functional priorities. Through our Strategy Excellence capabilities, we ensure that digitalisation, automation and AI use cases across the value chain are designed, prioritised and governed with a clear focus on value creation. We establish structured ownership models, define measurable KPIs and implement governance frameworks that

provide transparency and enable consistent value tracking. This ensures that digital initiatives are not only executed effectively but are also scaled across the organisation and aligned with strategic objectives.

Accelerating R&D Efficiency and Maximising Innovation Value

Arcondis supports life sciences organisations in improving the efficiency and output of their R&D operations while maximising the value of their innovation pipelines. We help streamline development processes by identifying optimisation potential across clinical, regulatory and operational workflows, reducing complexity and accelerating time-to-market. At the same time, we support organisations in making the most of the patent-protected lifecycle of their products by aligning development, regulatory and commercial strategies to ensure faster approvals, earlier market access and more effective value realisation. By combining deep life sciences expertise with a strong focus on execution, Arcondis enables organisations to bring therapies to patients more efficiently while maximising return on innovation.

Driving Value Through Evidence-Based Decisions

Arcondis supports life sciences organisations in strengthening evidence-based decision-making across the portfolio lifecycle by connecting clinical, economic and commercial perspectives. Through our Medical Office capabilities, we ensure that value evidence is not only generated but translated into actionable insights that inform portfolio prioritisation, pricing and market access decisions.

A key element of this approach is our Health Economics and Outcomes Research (HEOR) expertise, which we operationalise by developing scalable, user-friendly tools such as dashboards and value calculators that make complex data accessible for commercial teams. By combining standardised solutions, sustainable delivery models and targeted adoption support, we enable organisations to consistently communicate product value, improve decision quality and scale HEOR capabilities across markets.

From Insight to Impact

Selected case studies and perspectives on how life sciences organisations turn complexity into advantage:

From Fragmentation to Strategic Alignment

Global organisations face increasing complexity in managing financial and supplier processes across regions, systems and stakeholders. For a leading medical technology company operating in over 60 countries, fragmented Invoice-to-Pay processes, limited transparency and inconsistent practices made reliable payment performance increasingly difficult to achieve.

Arcondis supported the development of a strategic blueprint that redefined Invoice-to-Pay as a cross-functional ecosystem — aligning procurement, finance and operations through clear governance, standardised processes and a shared understanding of responsibilities.

Scan the QR code to explore the full case study and learn how strategic alignment can turn complexity into operational reliability.

Breaking the Transformation Treadmill

Many organisations launch transformation after transformation — yet see little real progress. Misaligned priorities, unclear strategy and a lack of integration between change initiatives often result in activity without impact, leaving organisations stuck in a continuous cycle of change.

This opinion piece explores why transformations fail before they even begin and highlights the importance of clear strategic direction, focused prioritisation and effective organisational change management to create lasting impact.

Scan the QR code to explore the full perspective and learn how to turn transformation into real progres

References:

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We make healthcare better globally!

Arcondis is a global professional services company exclusively focused on the life sciences and healthcare sector. Owned by a Foundation and committed to healthcare improvement, we accelerate value creation for our clients in R&D, Manufacturing & Supply Chain, Marketing, Sales & Services, to ultimately benefit patients.

Our solutions and services include Digitalisation, Data, IT & Infrastructure; Product Lifecycle Management; Industry Compliance & Managed Services and People & Culture. As an independent solutions and Managed Service provider, we have the flexibility to prioritise our clients' best interests without being constrained by exclusive partnerships. We follow an outcomes-based approach – from strategy to hands-on delivery and beyond.

With a well-established reputation built over two decades, we have earned the trust of leading companies in Pharma, MedTech, Healthcare and Start-ups. Headquartered in Switzerland, we employ more than 250 specialists and professionals, with offices in North America, Europe and APAC.

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