

# Tendering of Biosimilars

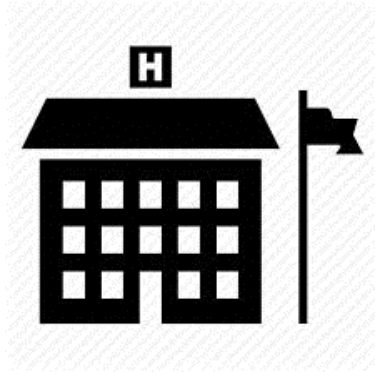
## Overview, Trends and capabilities to be successful

Barcelona, February 2023

Nico Bacharidis



# Terminology for Tendering & Contracting



## Institutional customers

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- Governments / Health Regions
- Group Purchasing Organizations
- Hospitals
- Health Insurers
- Pharmacy chains



## are using tendering and contracting processes

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- **Tendering**
  - Formal request for products/ services are published or sent to suppliers followed by a bidding process
- **Contracting**
  - Interactive negotiation between supplier and customer resulting in a contract or agreement



## to agree on supply for products & services

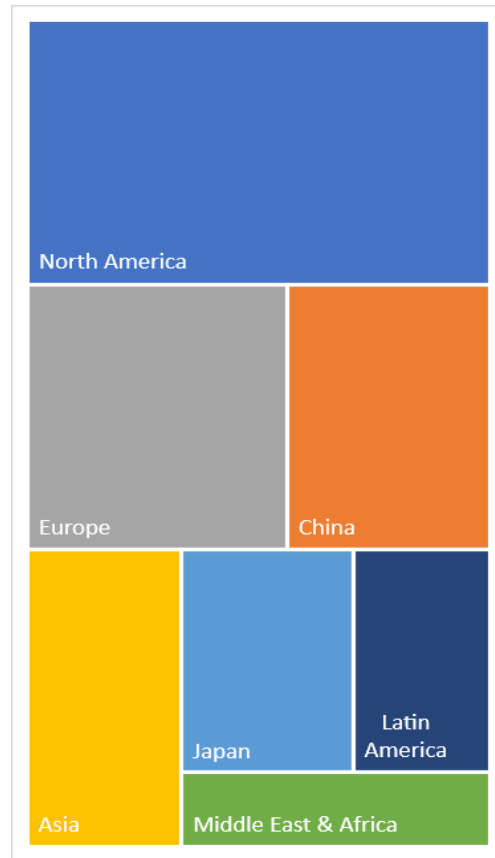
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(Products, Volumes, Prices, Services, Time-periods, Terms and conditions)

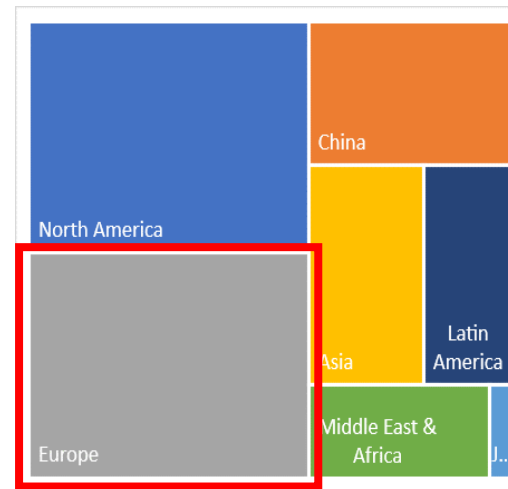
# Global Tender & Contracting market overview

Tender & Contracting is prevalent in all regions across the world and is growing continuously

Total Pharmaceutical Market size in 2022  
around 1'587 bn USD



Global Tender & Contracting Business  
estimated at 380 bn USD ~ 30%



Around 2/3 of the global T&C business is  
driven by the off-patent segment

off-patent



on-patent



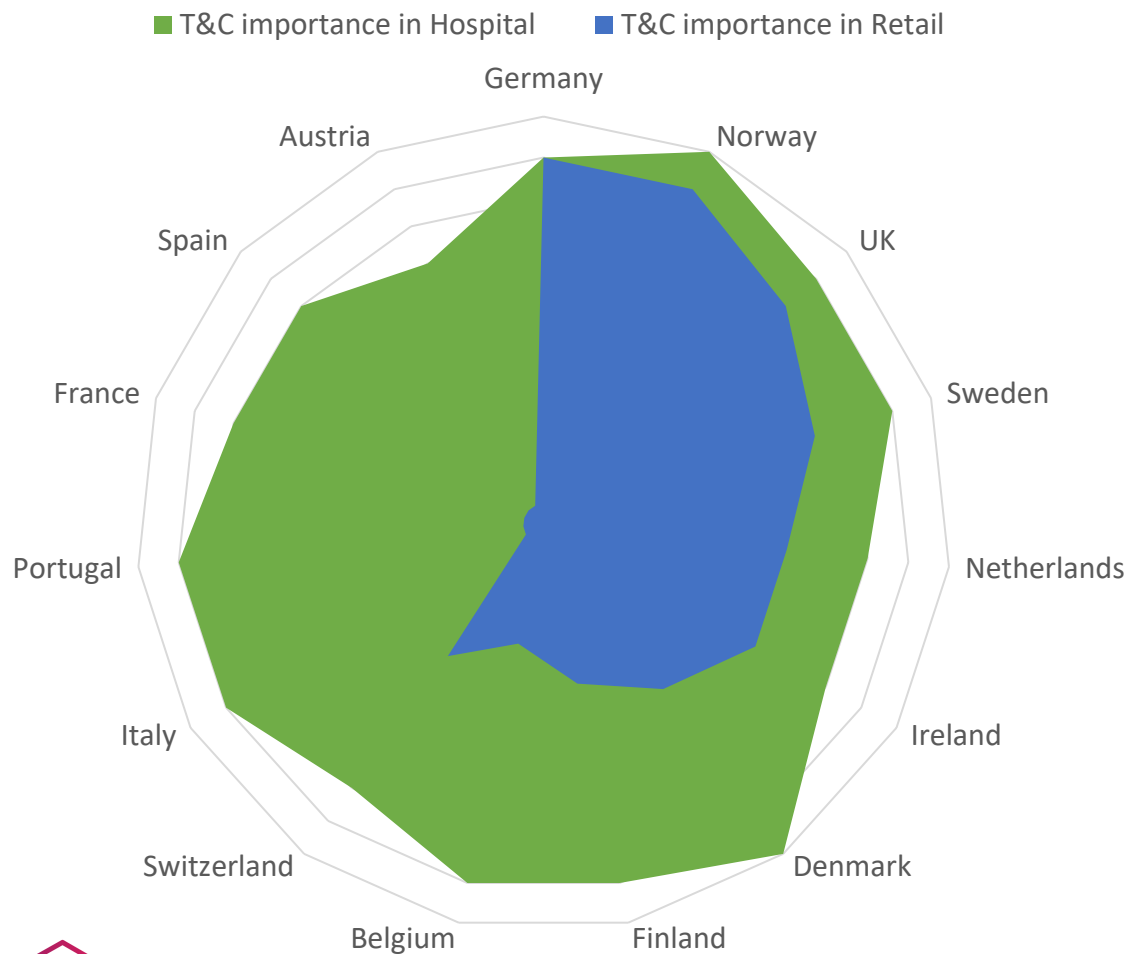
2/3

*driven by generics and biosimilars*

1/3 *patent protected*

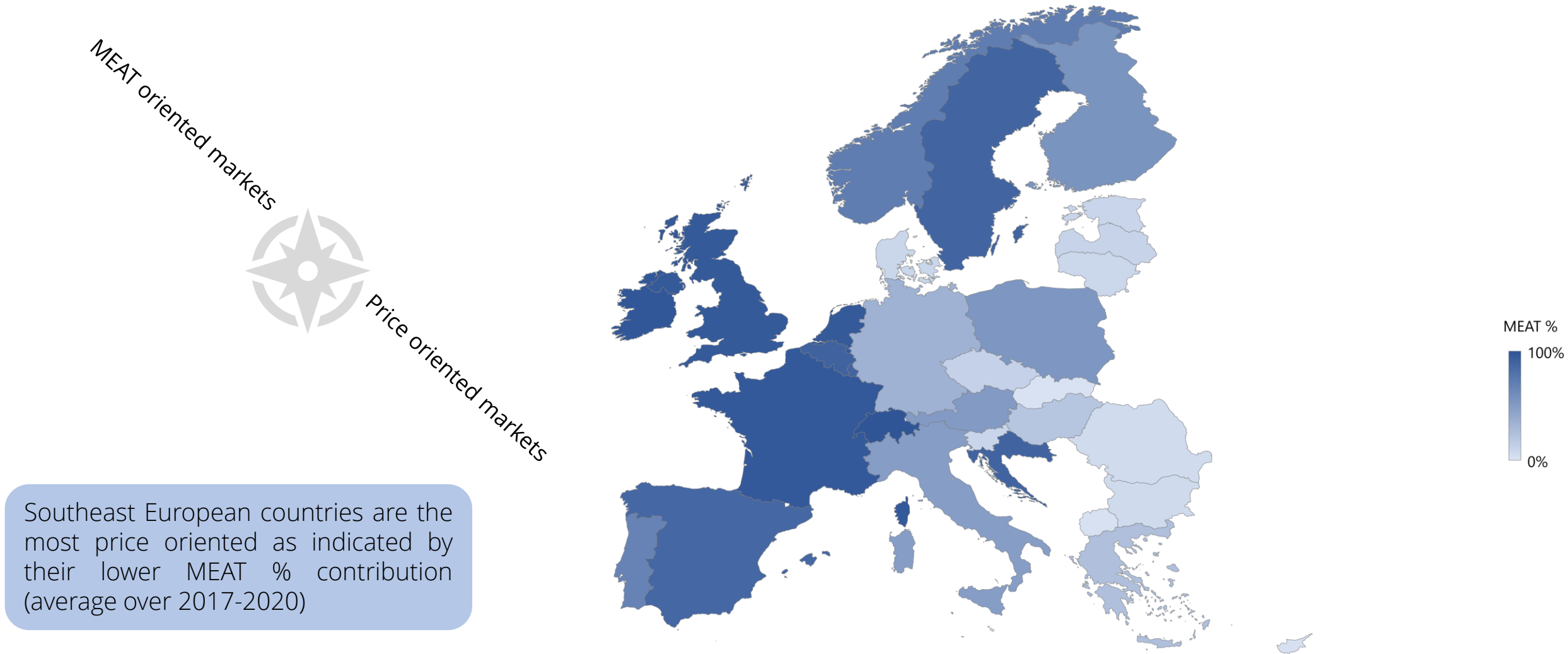
# Hospital vs. Retail Tenders in Europe

## Overview Tender & Contracting in Europe



- T&C is the main procurement mechanism for the hospital channel across all countries in Europe
- In many countries, especially in Northern Europe, T&C is also used in Retail settings with big pharmacy chains
- In Germany, a big part of the T&C business is done through insurance companies. In this graph they are included under Retail.
- In many countries, the government is coordinating the procurement for the hospitals

# Total Pharma Tender Award Criteria in Europe: MEAT vs. Price



<sup>1</sup> **Source:** Based on data (published tenders from 2017 to 2020) from TED (Tender Electronic Daily), ©European Union, <http://ted.europa.eu>, 1998–2020

# > MEAT Criteria – real-life example

A	B	C	D	E	F	G	H	I
Customer	URL	Publication Date	Lot Description	Place of Performance	Award Criterion Description	Weighting of Criterion	Award Value Euro	Winner
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Offered price - economic criteria	55%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Identification of the primary conditioning of the medication for dispensing in unit dose	10%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Other differential technical aspects detected by the promoting unit that are of interest to services	8%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	System presence that guarantees security in drug manipulation	4%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Handling for dispensing/ reconstitution/ administration	4%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Visual differentiation between the different medicine presentations	3%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Validity/expiration/stability period	3%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Light protection	3%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Packaging and labeling of transport boxes	2%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Absence of Excipients of Compulsory Declaration (EDO)	2%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Commitments on continuous supply of the medication - Provide report	2%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Number of presentations available in the market	2%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Latex warning	1%	725,000	ORGANON SALUD S L
OSAKIDETZA - Servicio Vasco de Salud	<a href="https://ted.europa.eu/ctg/procurementNotice.do">https://ted.europa.eu/ctg/procurementNotice.do</a>	07-01-22	Trastuzumab (DOE) Intravenoso	ES	Delivery term ordinary orders	1%	725,000	ORGANON SALUD S L

# Biosimilars Tender Award Criteria in Europe: MEAT vs. Price

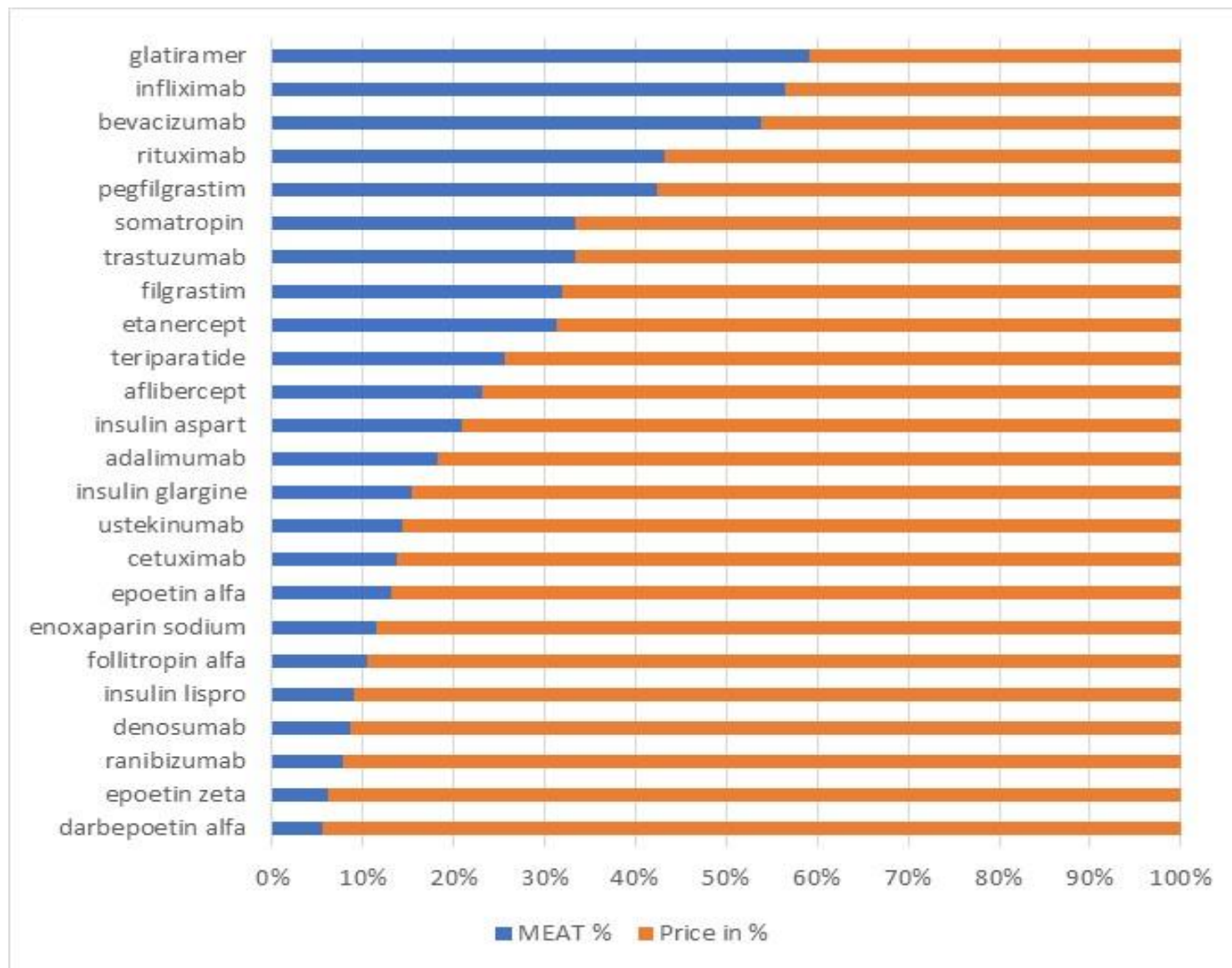
Overall, less MEAT criteria tenders versus Total Pharma, which is understandable as Biosimilars are in the off-patent field and under stronger competition than protected Molecules.

Geographic Trend from West vs. East



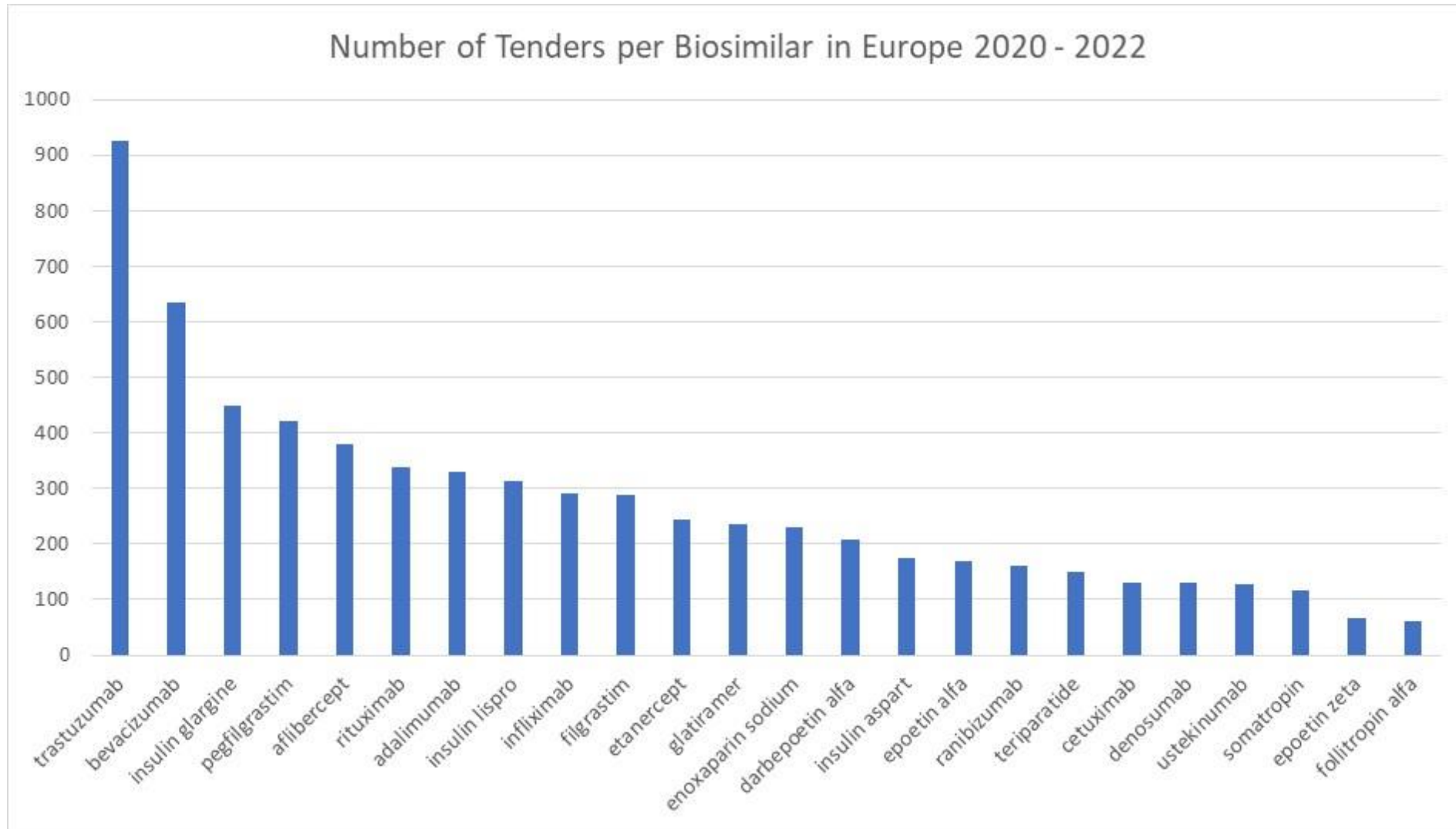
<sup>1</sup> **Source:** Based on data (published tenders from 2020 to 2022) from TED (Tender Electronic Daily), ©European Union, <http://ted.europa.eu>

# Award Criteria in Europe by molecule MEAT vs. Price (excluding high volume / low MEAT countries Poland, Romania & Germany)





# Trastuzumab and Bevacizumab are the most tendered Biosimilars in Europe



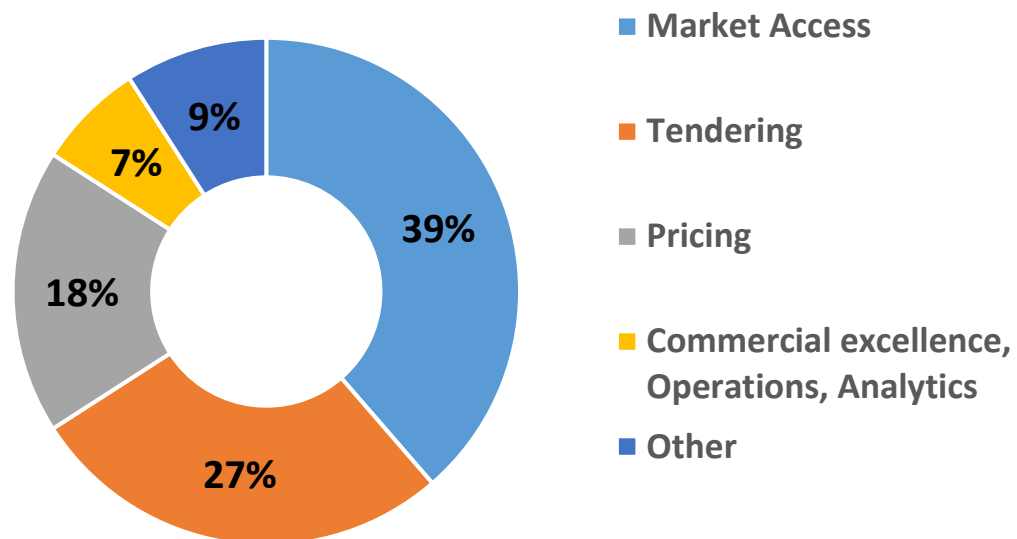
# Share of number of Biosimilar Tenders from 2020 - 2022



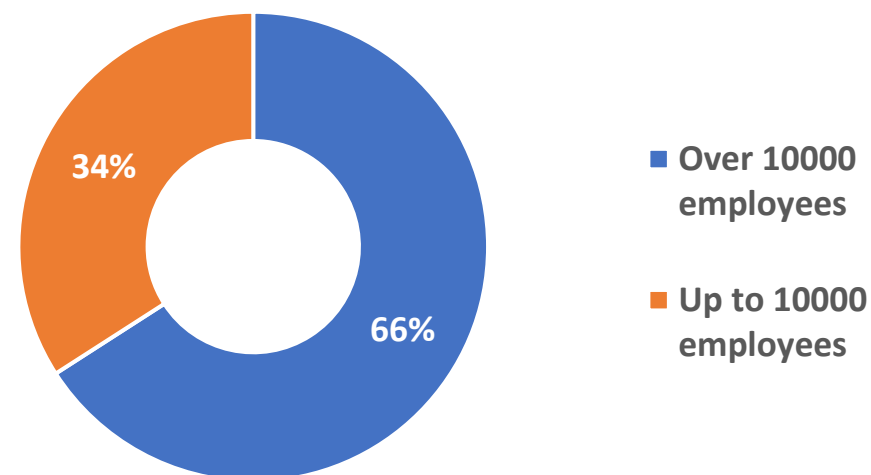
# In 2022 we did a tender industry benchmark in in Health-Care

## Top Global Pharma & Med-Tech Companies

### Functions



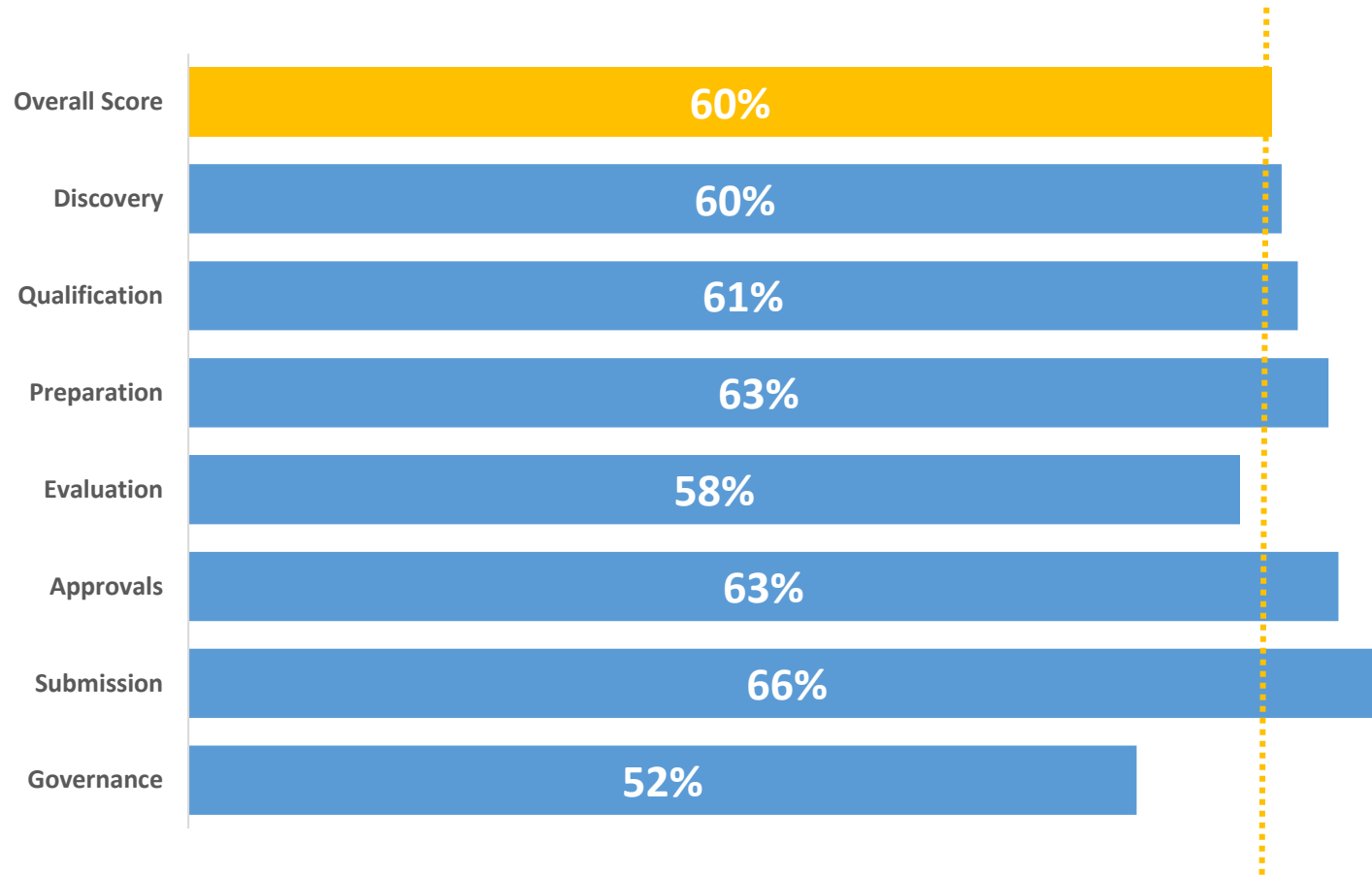
### Company size



*Note: All inputs are individual assessments of the participants. They can of course be subject to personal opinions, perceptions and views.*

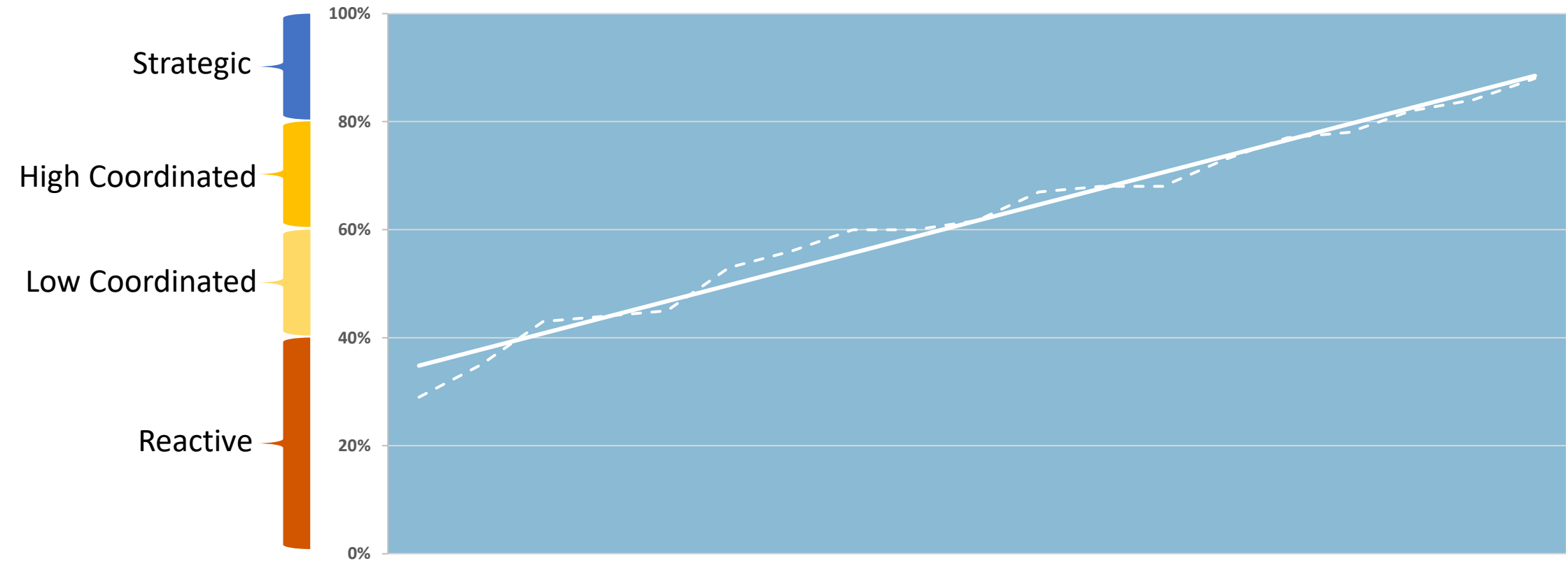
# Overall maturity at 60% with lowest score at governance

## Overall score per phase

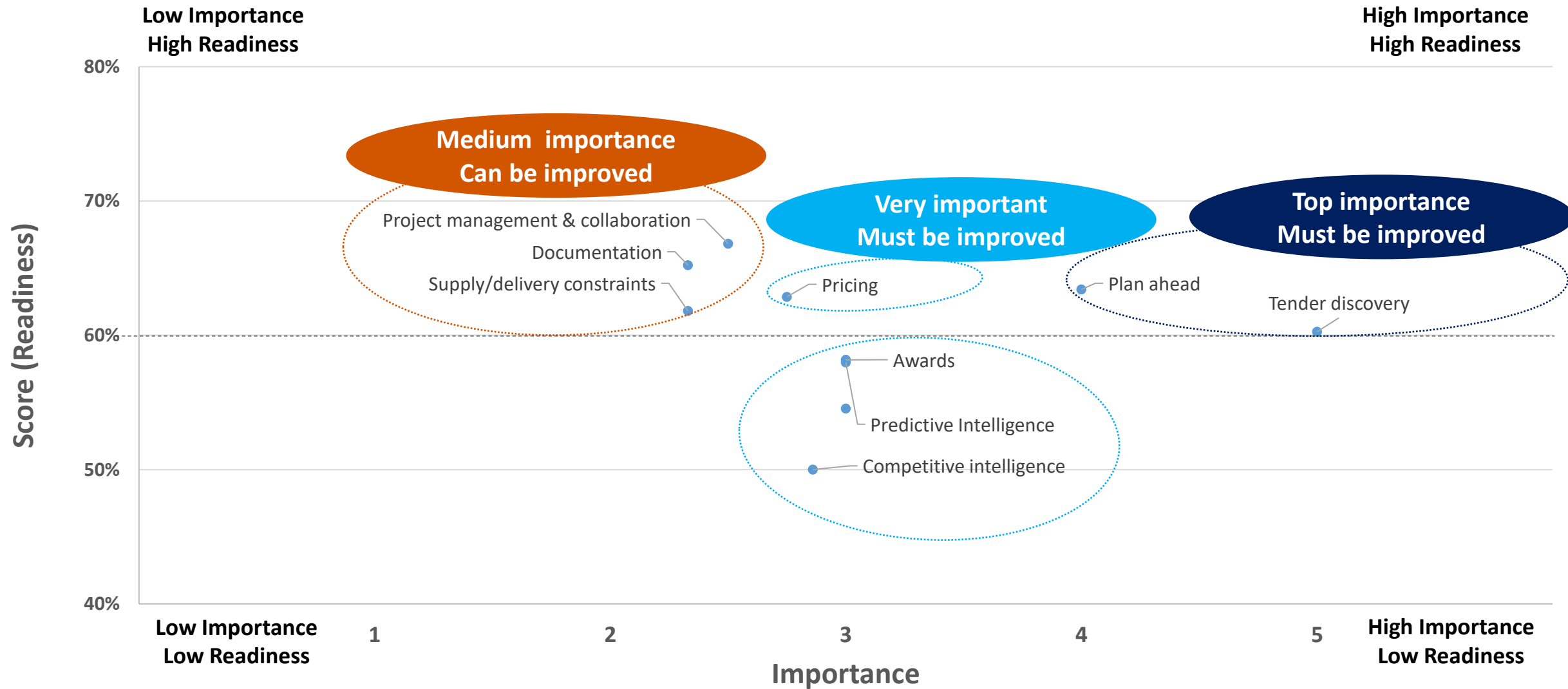


# OVERALL SCORE: Very wide distribution in terms of self-estimated tender maturity by participating companies (from 29% to 88%)

Distribution of total scores



# Importance vs Readiness

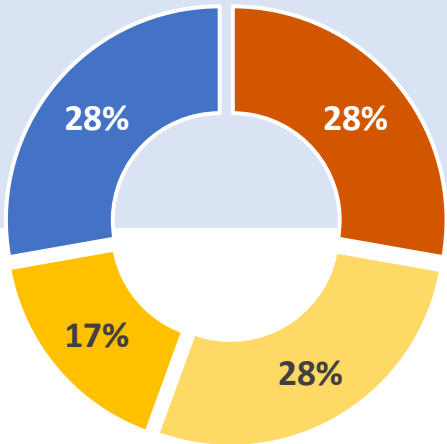


Source of Importance: EPP Life Sciences Pricing Forum workshop by Cube RM and Growpal

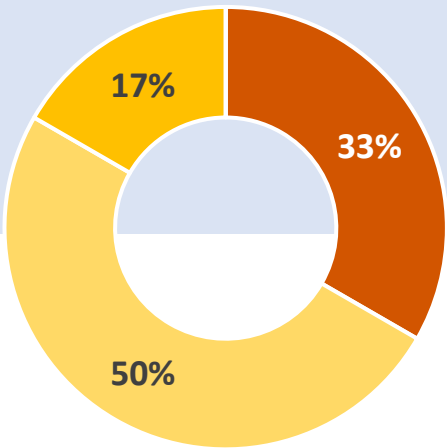
Source of Score (Readiness): Updated results of the Tender Maturity Assessment for the Life Sciences, Mar 2022

# Deep Dive into some of the biggest challenges:

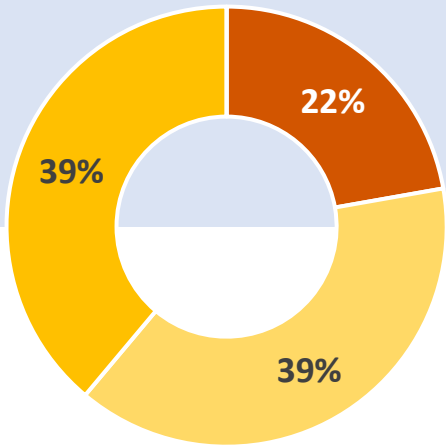
We anticipate the tenders to be published for the next 9-12 months and prepare for them.



We have access to and gather competitive intelligence systematically.



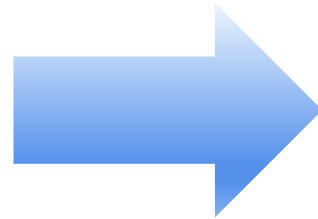
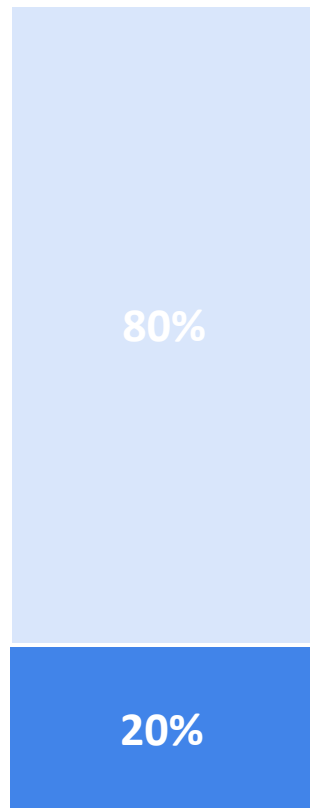
We are always able to identify the right offering and optimum price to maximize our revenue potential and profitability.



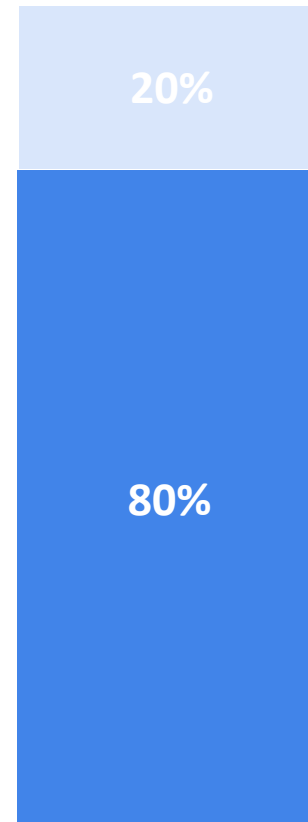
- Reactive (0-40%)
- Low Coordinated (40-60%)
- High Coordinated (60-80%)
- Strategic (80-100%)



# Tenders are cyclic and therefore plannable!

In the beginning



after 2-3 years



-  Pro-active & strategic opportunity management
-  Re-active & 'emergency' tender management

\* Average time to submit a tender in Europe is around 40 days ( publication date to submission date)

\*\* Average tender duration in Europe is 660 days (based on TED data), 1.8 years



Many positive aspects with direct P&L impact by moving your tender business from a purely local and ad-hoc/emergency business to a plannable, strategic and globally coordinated approach





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