



Key insights of the Tender Market for the Pharmaceutical Industry in Europe

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growpal
CUBE 

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- Customers' Perspective

REPORT IDENTITY



Tender Market Intelligence Report Pharmaceutical Industry in Europe



A report based on Cube RM Tender Discovery service, consolidating information for tenders from TED (Tenders Electronic Daily, the EU portal for public tenders) describing the tender market, its size, main trends, key characteristics, and market archotyping, in Europe for the Pharmaceutical Industry. The report is enriched with growpal qualitative insights.

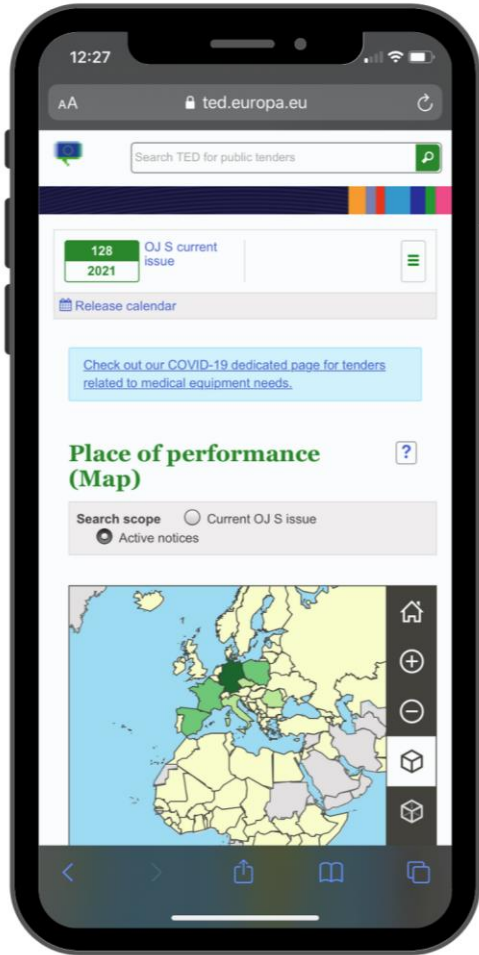
The report structure is:

- Pharma tender market overview
- Countries perspective
- Categories & molecules perspective
- Customer's perspective

Methodology & Approach



Online tender data source and search criteria used for the report



Main source information

- Most of the data and insights presented in this report are based on processing information coming from the online tender source TED¹(Tenders Electronic Daily), <https://ted.europa.eu/TED/misc/aboutTed.do>.
- All TED original data can be accessed freely from their website and are licenced under a Creative Commons 4.0 licence, <https://creativecommons.org/licenses/by/4.0>

Search criteria

- **Product categories (CPVs):**
Pharmaceutical products (CPV: 33600000)
- **Tender types:** Contract notices
- **Time period:** Publication from 2017-2020

Molecules & Categories used for the report

Please find below the molecules used per category. These molecules have been used when searching and consolidating the data across the categories Biosimilars, Off-patent, Oncology and Diabetes*:

*For the molecule's perspective. For Countries and customers all pharma molecules were taken into consideration

Biosimilars

- Adalimumab
- Epoetin Zeta
- Epoetin Alfa
- Infliximab
- Rituximab
- Bevacizumab
- Etarnecept
- Insulin glargine
- Somatropin
- Enoxaparin Sodium
- Filgrastim
- Insulin Lispro
- Teriparatide
- Follitropin Alfa
- Pegfilgrastim
- Trastuzumab

Off-Patent Molecules

- Paracetamol
- Ethinyl Estradiol
- Omeprazole
- Amoxicillin
- Ibuprofen
- Amlodipine
- Atorvastatin
- Acetylsalicylic acid
- Simvastatin
- Clavulanic Acid
- Fentanyl
- Diclofenac
- Metformin
- Venlafaxine
- Salbutamol
- Pantoprazole
- Hydrochlorothiazide
- Enoxaparin sodium
- Metoprolol
- Dexamfetamine
- Pregabalin

Oncology (on patent)

- Neulasta / Pegfilgrastim
- Opdivo / Nivolumab
- Keytruda / Pembrolizumab
- Revlimid / Lenalidomide
- Imbruvica / Ibrutinib
- Gardasil / Human Papillomavirus Quadrivalent (Types 6,11, 16, and 18) Vaccine
- Perjeta / Pertuzumab
- Alimta / Pemetrexed
- Tasigna / Nilotinib
- Xgeva / Denosumab
- Zytiga / Abiraterone acetate
- Revolade / Promacta
- Gleevec / Imatinib
- Afinitor / Everolimus
- Ibrance / Palbociclib
- Tarceva / Erlotinib
- Velcade / Bortezomib
- Xtandi / Enzalutamide

Diabetes (mix of on-patent and off-patent)

- Linagliptin and Metformin Hydrochloride
- Teneligliptin + Canagliflozin
- Repaglinide
- Glucagon
- Teneligliptin
- Insulin Glargine
- Insulin Degludec and Insulin Liraglutide
- Canagliflozin (brand name 'Invokana')
- Semaglutide (Brand Name 'Rybelsus')
- Dulaglutide (Brand Name 'Trulicity')
- Semaglutide (Brand Name 'Ozempic')
- Empagliflozin (Brand Name 'Jardiance')
- Dapagliflozin (Brand Name 'Farxiga')
- Liraglutide (Brand Name 'Victoza')
- Ertugliflozin (Brand name 'Steglatro')

The Speakers & Companies



Cube RM is a specialized software vendor offering a Tender Management suite covering end-to-end all aspects of the tendering cycle including tender discovery & qualification, response preparation & evaluation, approvals & submissions, and process governance. Leveraging state of the art technologies like Natural Language Processing and Machine Learning to help companies efficiently manage and evaluate tender proposals and identify optimum pricing.

You can learn more [here](#).



Growpal is a Switzerland-based consulting company and healthcare ecosystem builder. The founder & CEO, Nico Bacharidis, is the former global Tender & Contracting Lead of Pfizer.

As one of the few people who have built up and lead a tender & contracting organization for a global pharmaceutical company, he has a unique know-how and experience in tender & contracting capabilities, processes, policies, teams & tools.

You can learn more [here](#).

EXECUTIVE SUMMARY



Key takeaways

The EU Tender market is growing despite economic uncertainties and Covid-19 related challenges

Significant diversity between countries and molecules in terms of size, growth, and award criteria

Award criteria are almost balanced between price-only and MEAT, with a clear trend to more price-driven tenders in the south-east of Europe

Award criteria are driven strongly by countries, and far less by portfolio/molecule - category

Strong pareto: 10% of tender customers, make up 90% of the values. Big accounts are growing much faster than small accounts.

Highly predictable and plannable market with long term contracts near two years on average (anticipation critical as only 37 days 'time-to-submit')



THE EUROPEAN PHARMACEUTICAL MARKET



Tendering is closely linked to multiple priorities for the pharmaceutical industry

- Global Market Access
- Transparency in public spending (HC spending in EU around 10% of GDP)
- Supply reliability & patient safety
- Digitalization in pharma



What are the typical challenges?

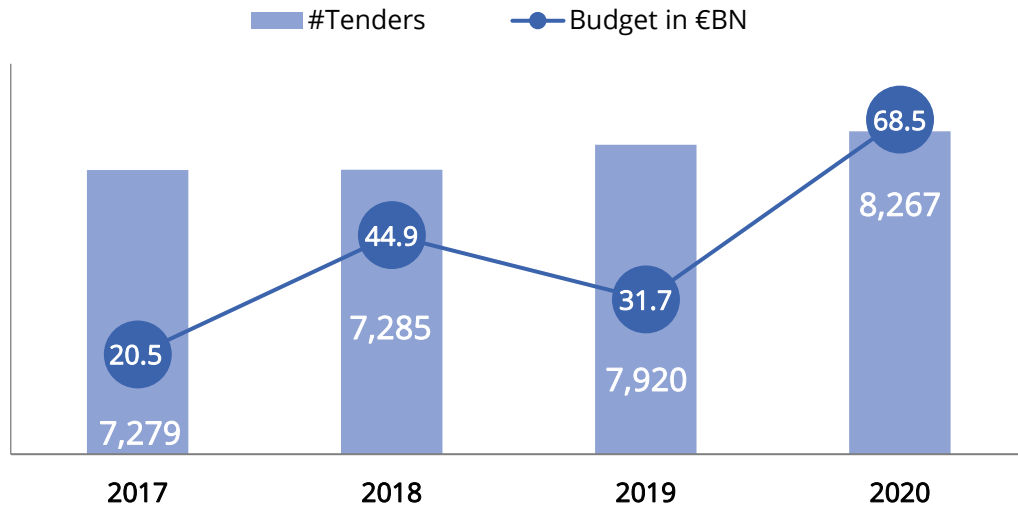
What are the most common and burning challenges for pharmaceutical companies to manage their tender business:



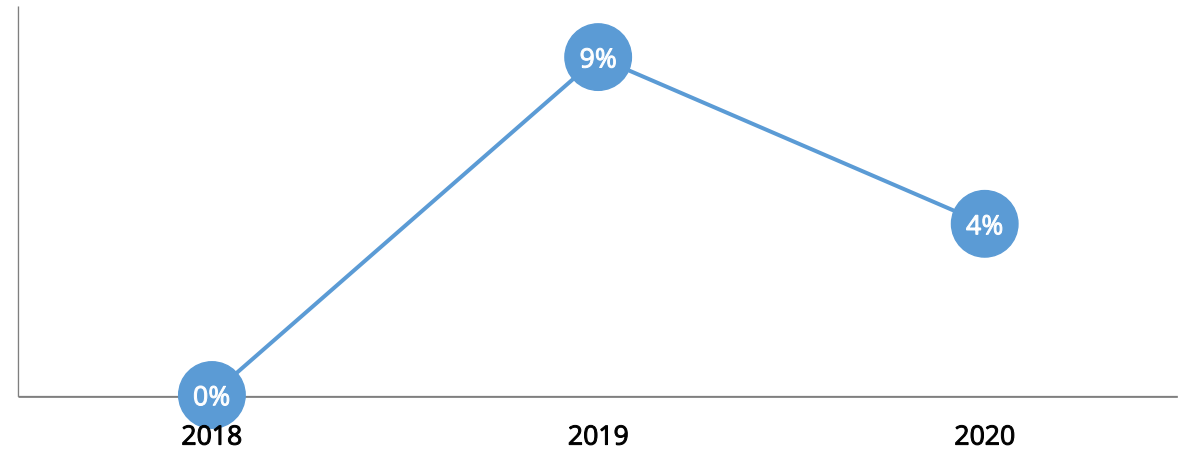
- Limited planning & preparation time (high)
- Competitor Net Pricing Intelligence (high)
- Limited dedicated internal tender resources (medium)
- Internal approval process (low)
- Visibility on all upcoming relevant tender opportunities (high)
- Tender Customer insights & relationship (medium)
- Missing overall tender process & SOP (low)

Tender market trends

Market size and tender activity¹



Market growth (number of tenders)¹



Overall, the tender market is growing over the last 4 years, despite the economical uncertainties and Covid-19 related challenges.

2020 ended up with almost the same number of tenders but with considerably increased budget following an accelerated growth trend in number of tenders during the last part of the year

The number of tenders is more stable with less fluctuations per year, whereas budget values exhibit more variation and a stronger increasing trend

Seasonality

Acceleration following the previous slow-down of tenders activity during the first part of 2020, a year affected by the Covid 19 pandemic

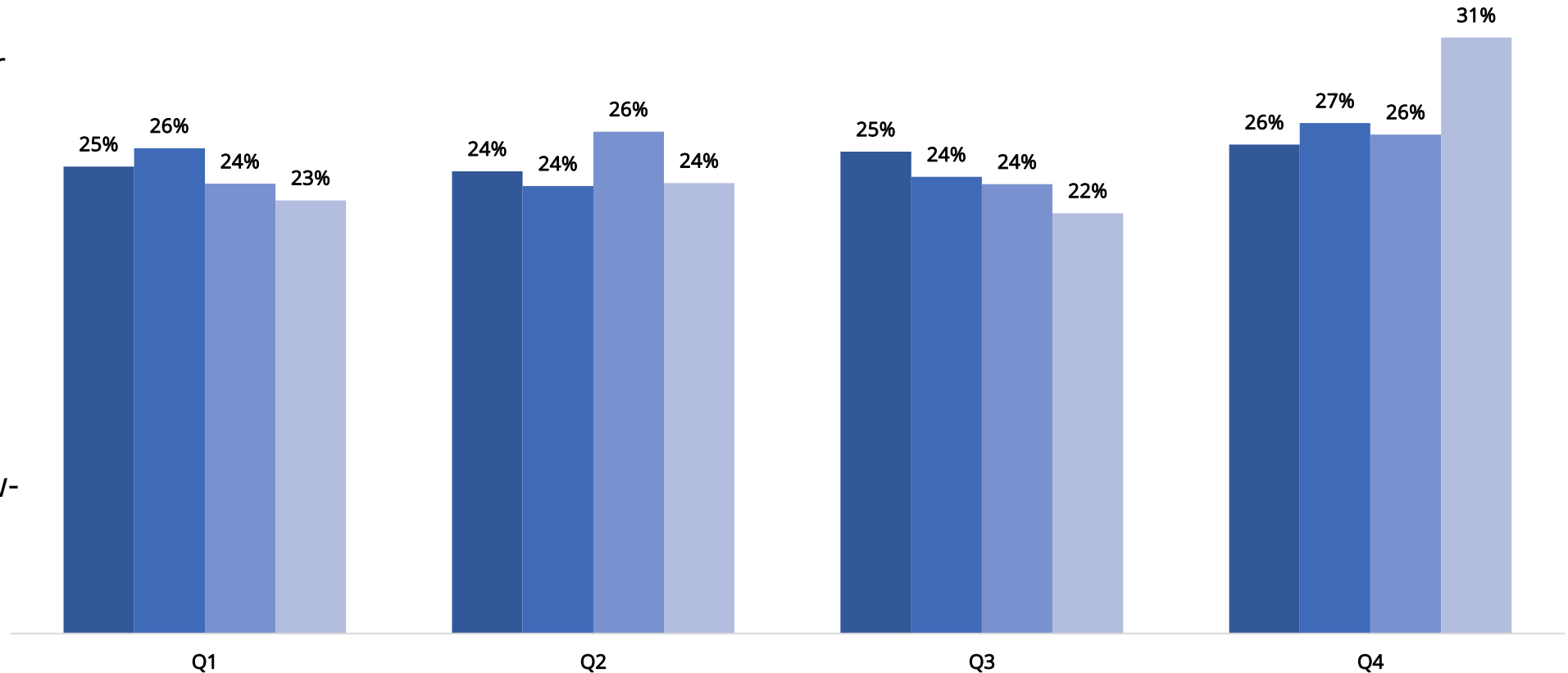
There is no strong seasonality as public tenders are distributed almost evenly per quarter for all years in scope

Q3 exhibits a slightly decreasing share over the last four years

Especially for 2020, Q4 exhibits a significant peak in number of tenders following the previous slow-down of the first part of a year affected by the Covid-19 pandemic

Seasonality (#Tenders)

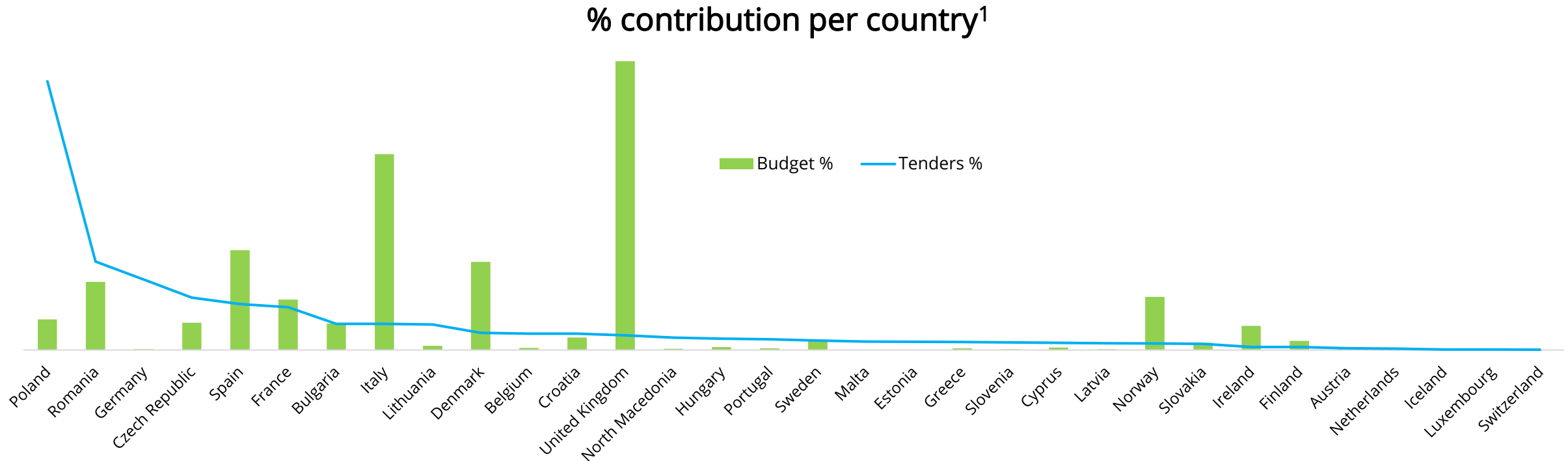
■ 2017 ■ 2018 ■ 2019 ■ 2020





Countries perspective

Large dispersion of Number of tenders and Budget per country



Number of tenders: Large dispersion. Poland is ranked first and then follows Romania, Germany, Czech Republic, and Spain.

Budget: Large dispersion. UK leads the market by far followed by Italy, Spain, Denmark, Romania, France, Norway. Germany is the only market missing out of the top 5, due to a systematic difference in the methodology for posting on TED.

There is no correlation between the number of tenders and overall budget contribution per country.

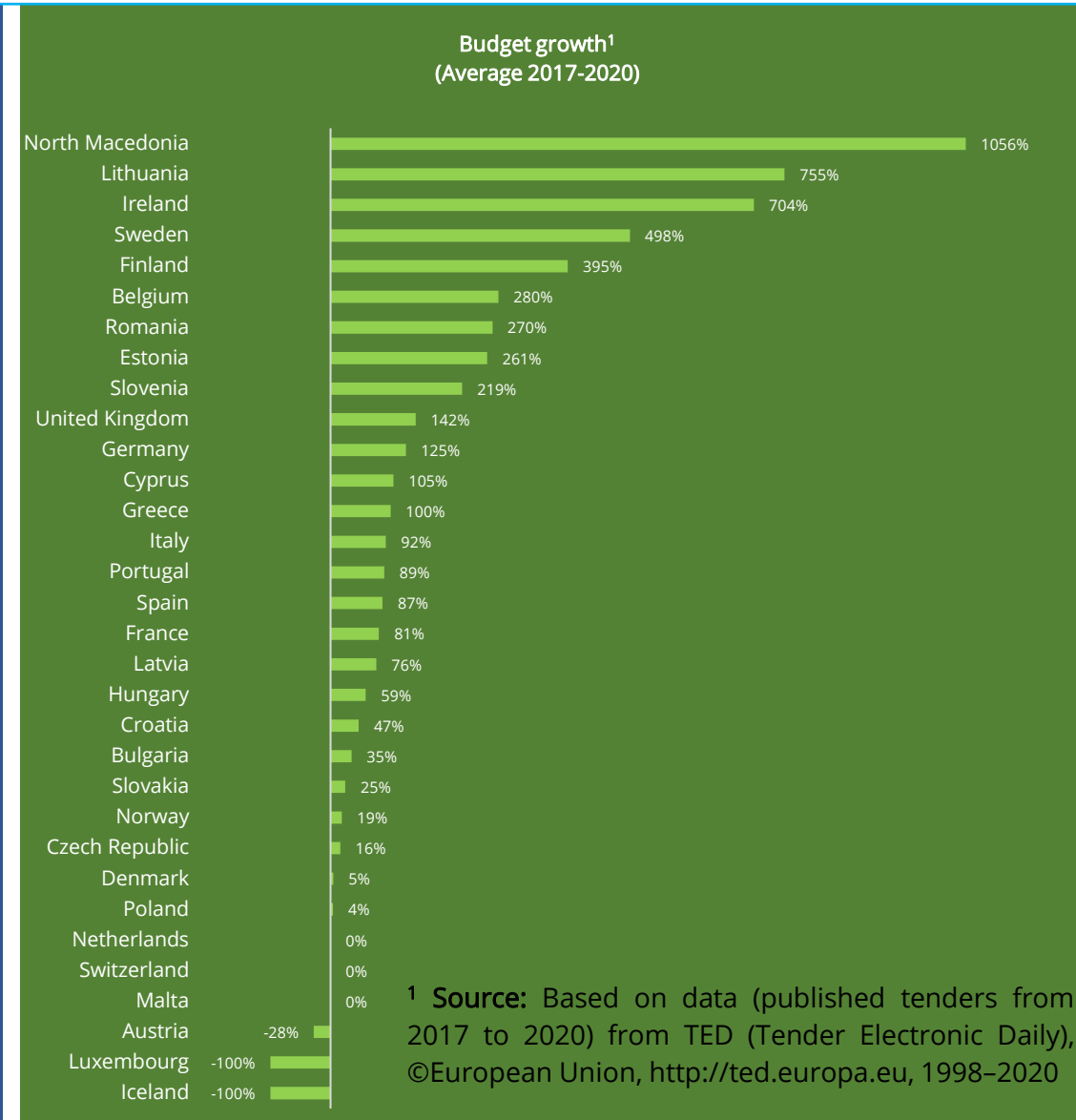
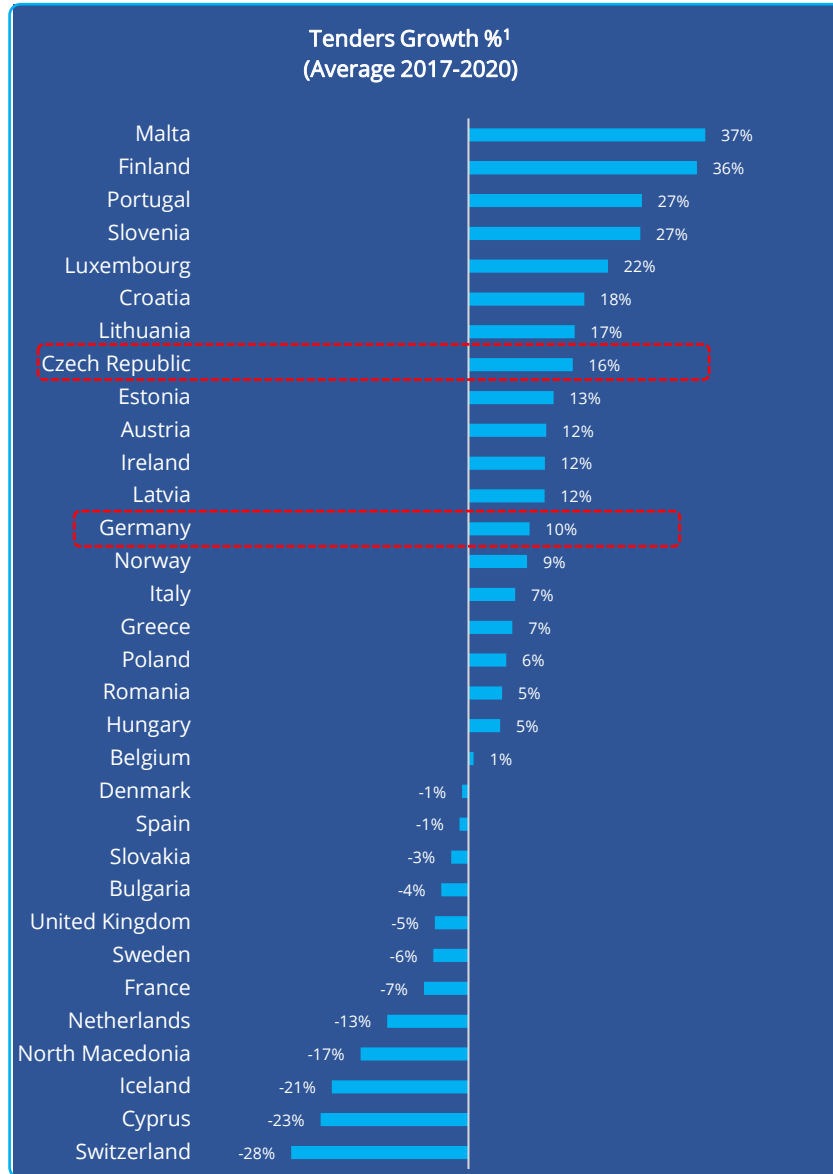
Different growth rates across Europe

Differentiated growth rates can be observed across countries

The largest markets usually have a small or declining trend from a #Tenders perspective with the exception of Czech Republic and Germany

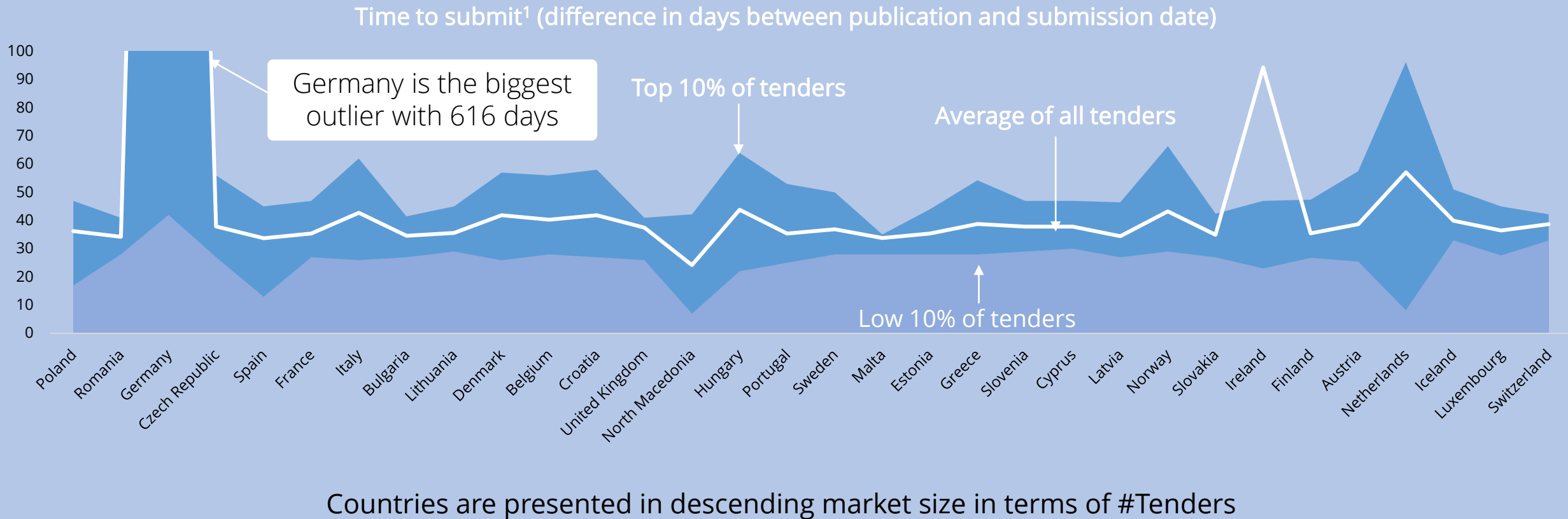
Countries budget is growing in most countries

Countries budget growth is to large extent independent to #Tenders growth



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

The average time for preparation for public tenders is rather similar for most countries



The average time to submit is 37 days excluding Germany (the biggest outlier with 616 days) and near the average for other sectors (e.g. Chemicals) Following Germany, Ireland has the biggest time to submit albeit much closer to the average.

In most countries, the small time from publication to submission, calls for alertness, efficient tenders response mechanism, and the need to plan ahead

MEAT tenders: increasing tenders' sophistication by combining price with quality criteria

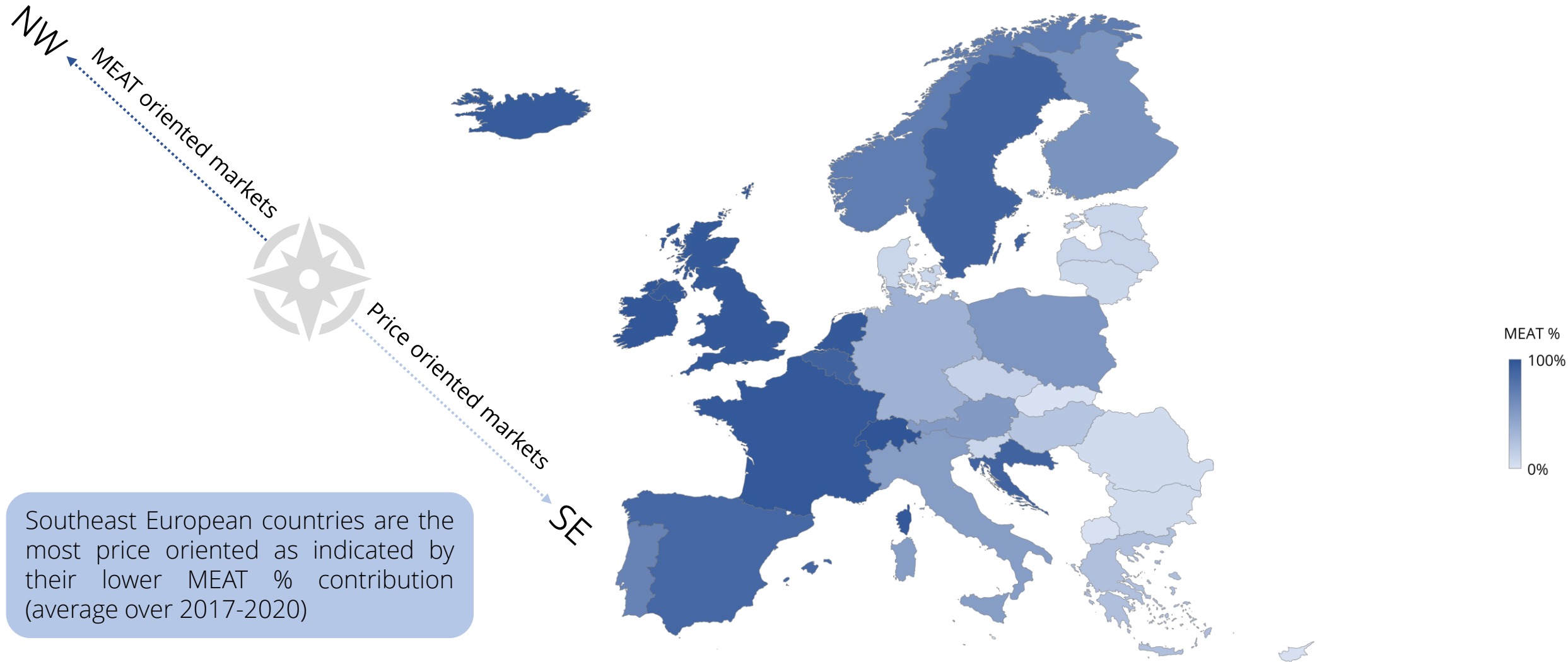
- MEAT stands for Most Economically Advantageous Tender
- This is increasingly becoming a very popular evaluation method as contracting authorities become more skilled in its application
- MEAT tenders are focusing on value for money, trying to balance competitive price with increased quality
- The term value for money means the optimum combination between the various criteria (both cost and non-cost related) with their selection and weight depending on customer priorities

What are the typical criteria in such tenders?

- Price
- Product Features
- Safety & Quality
- Supply Reliability
- Customer Service
- Company Reputation

Additional criteria such as environmental, social, or sustainability may be included

Evaluation criteria in different regions



High variation of evaluation criteria across countries

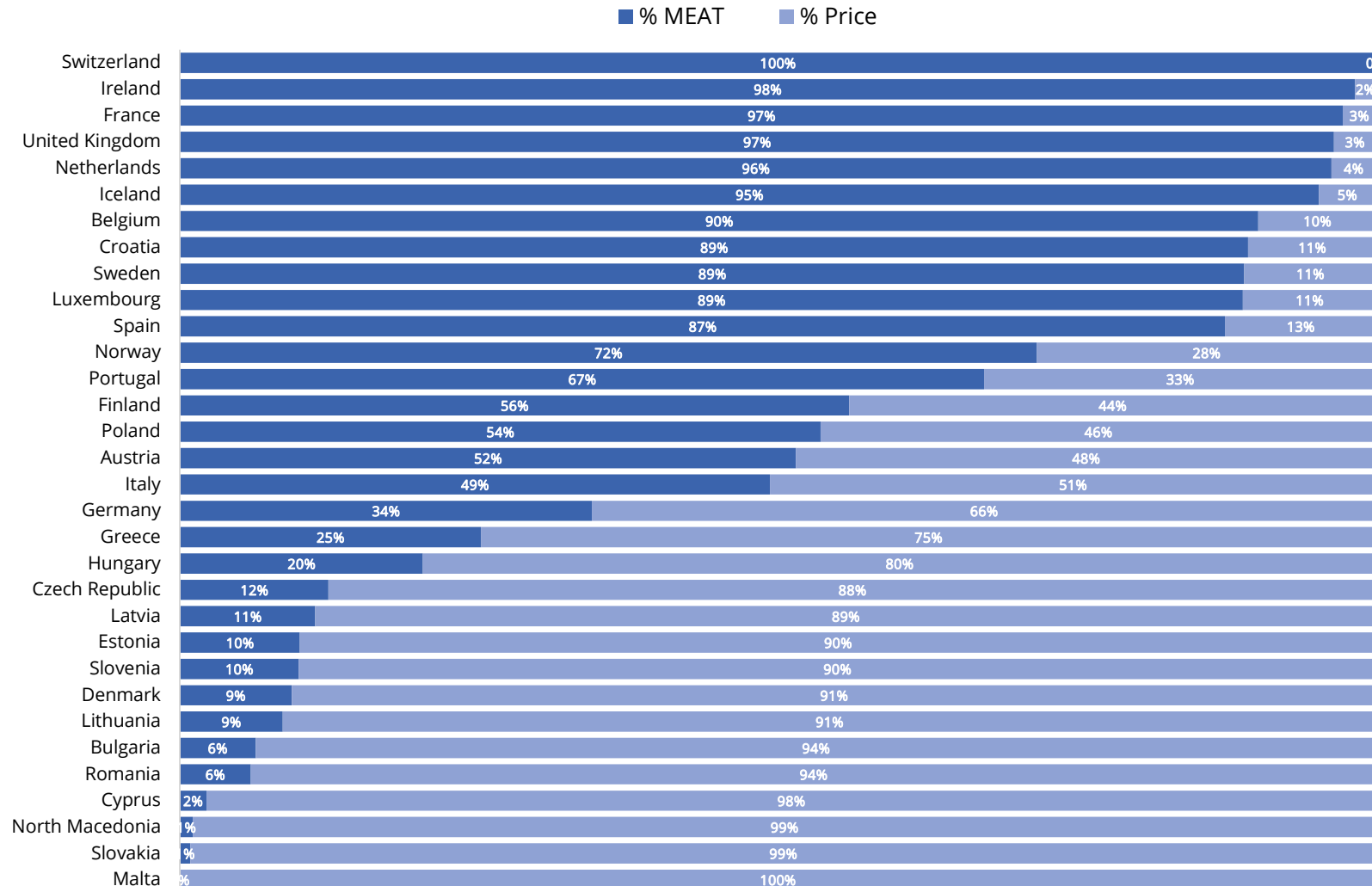
On average, MEAT tenders contribute approximately 44% in terms of #Tenders; however, they are not used to the same extent across countries

The top 5 countries published more than 95% of their public tenders focusing on value and not just to reduce costs

The low 5 countries, on the other hand published more than 94% of their public tenders focusing on just price

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

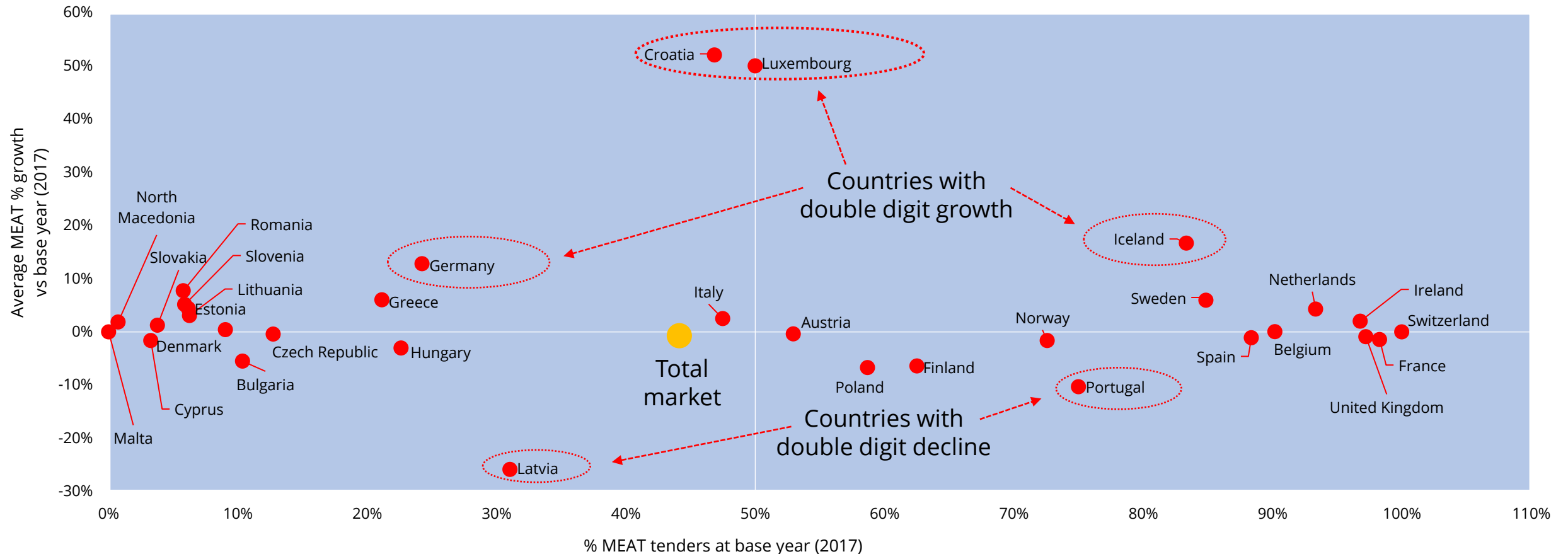
Criteria types¹



Ratio by # of Tenders of MEAT vs Price only tenders per country over the period 2017 - 2020

Evaluation criteria and their evolution through time

% MEAT tenders and relative growth vs base year (2017)¹



With some exceptions indicated above, most countries exhibit only small variation (single digit % growth or decline) in MEAT tenders' contribution over time.

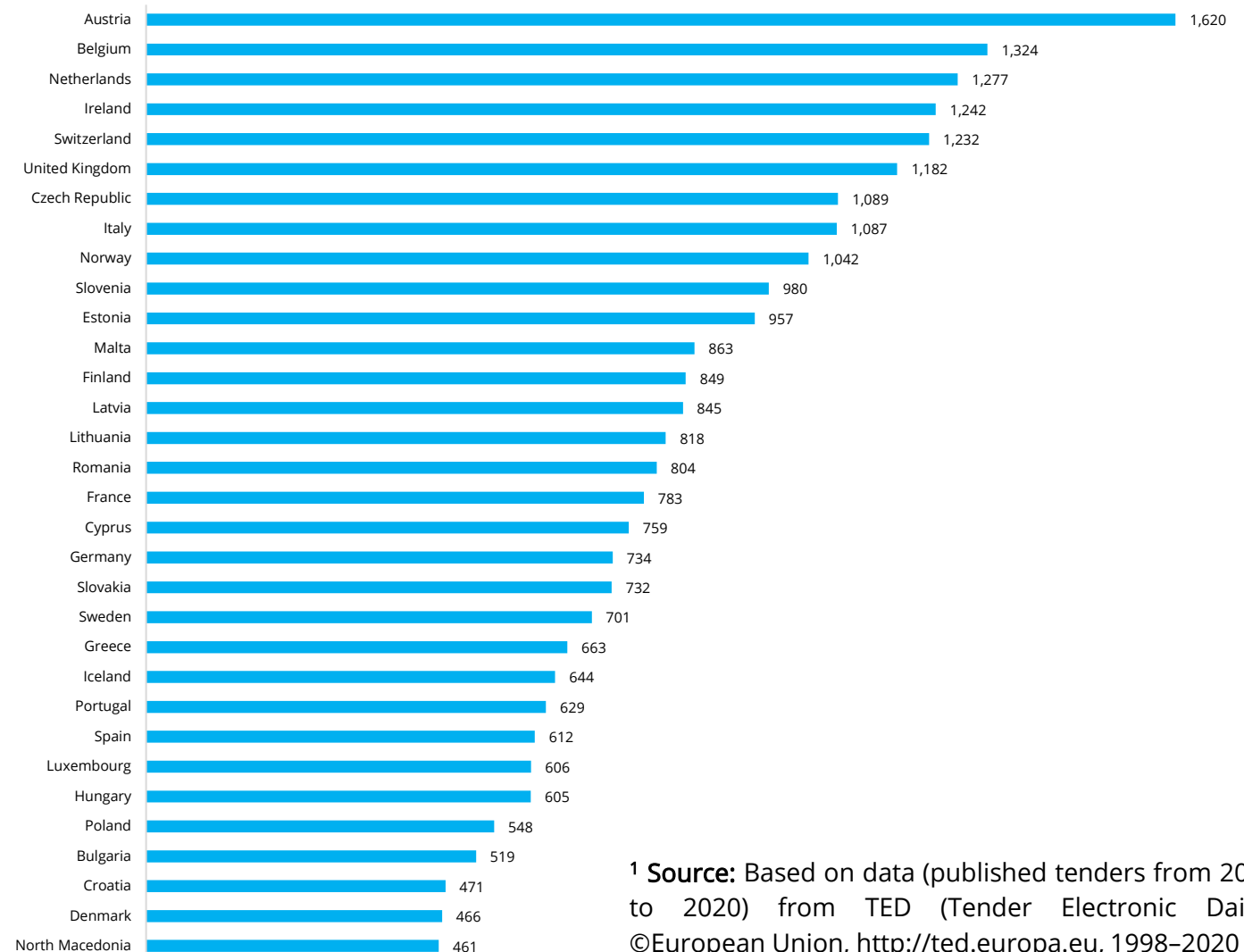
The average contract duration varies per country

The public tender business has a lot of diversity in tenders' Contract Duration with an average near two years (which is close to other industries such as Chemicals)

The top countries, namely, Austria, Belgium, Netherlands, Ireland, and Switzerland have an average contract duration exceeding three years

On the low side, countries like North Macedonia, Denmark, Croatia, Bulgaria, and Poland have an average contract duration between one and two years

Average Contract Duration¹



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

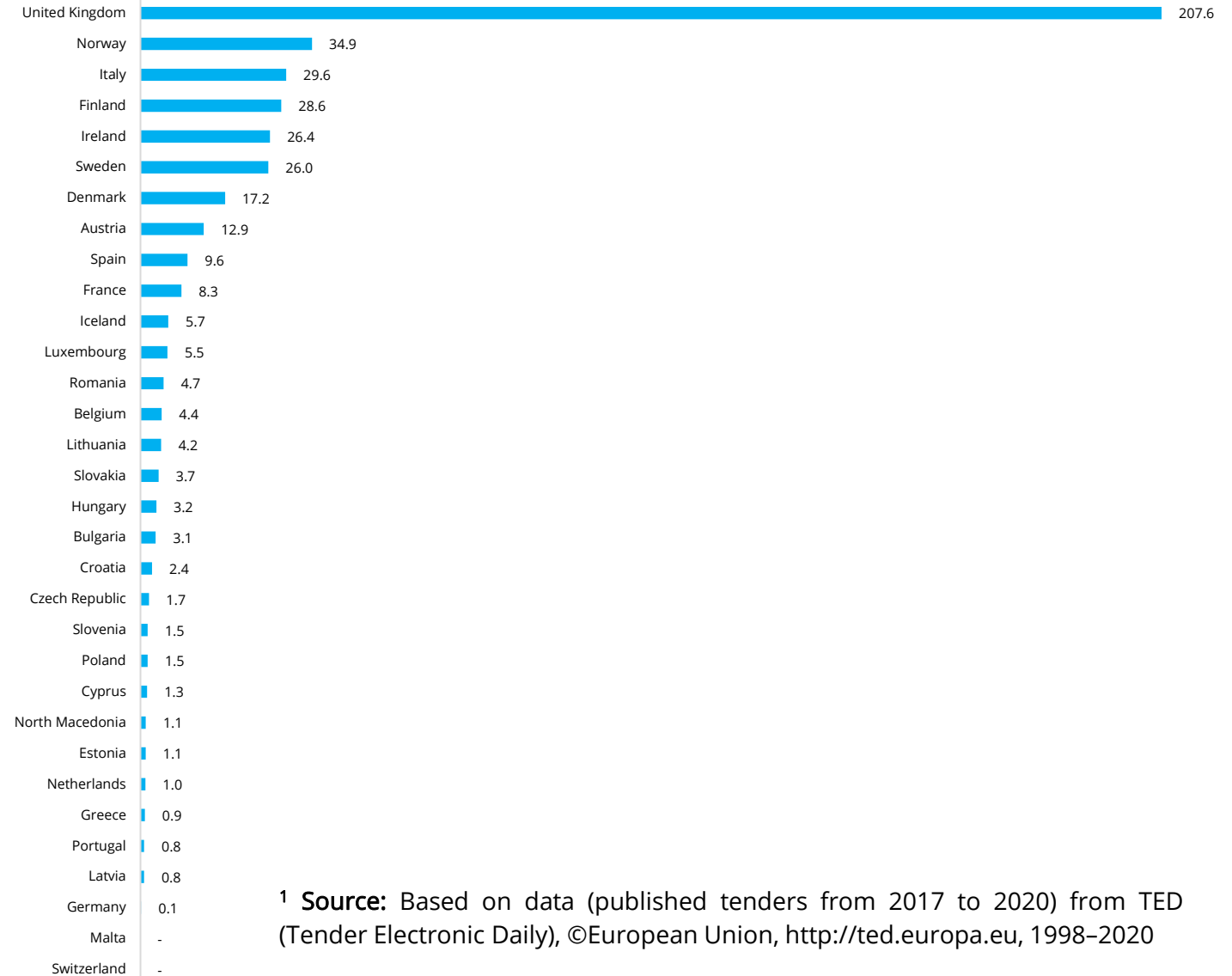
Which countries have the biggest tenders?

The public tender business shows large differences across the countries with regards to average tender budget

The UK has by far the biggest tenders followed by Norway, Italy, Finland, Ireland, and Sweden with an average tender size over €20 MN

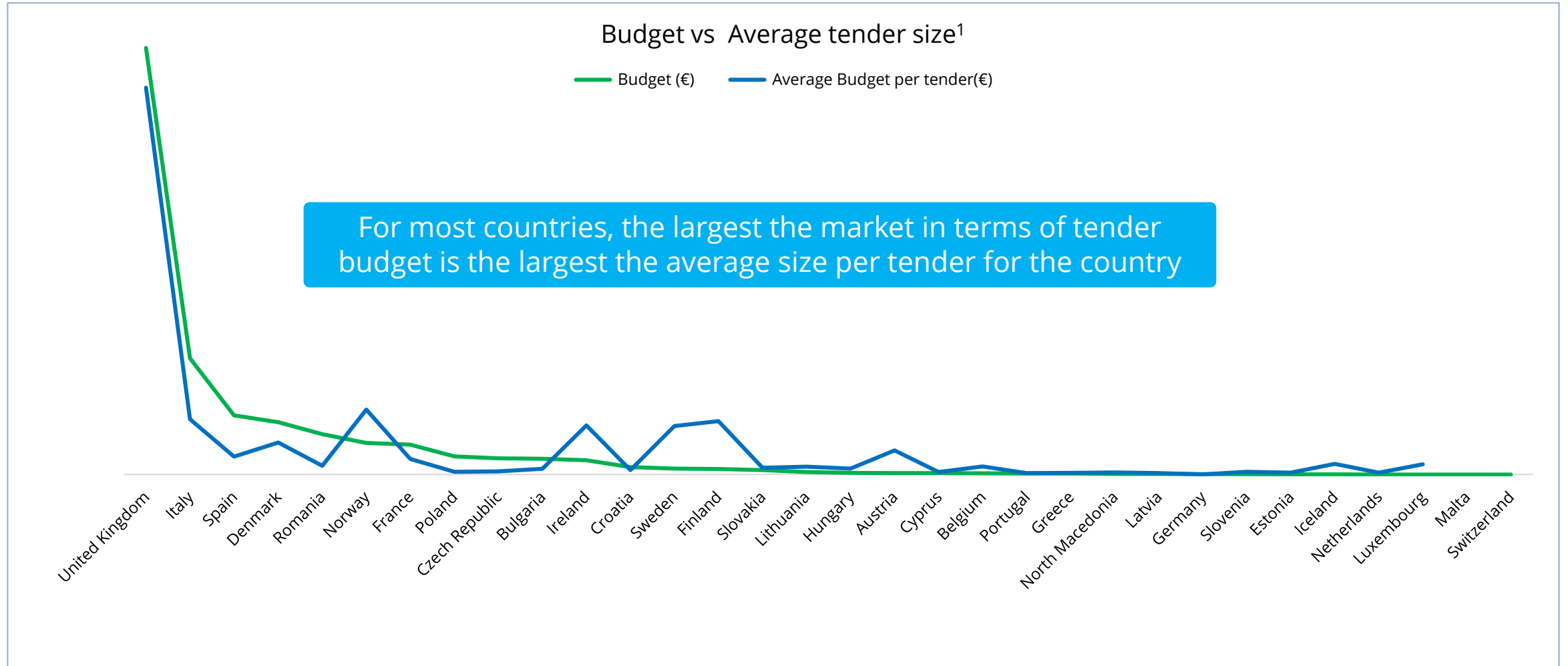
Although Germany has a very small average tender size, this is mainly due to a lot of tenders having just a “nominal” size of €1 or less. If we exclude these tenders, then the average tender size gets near €2MN, which is more believable.

Average budget per year (€MN)¹



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

Significant correlation between Average tender size budget and overall budget per market

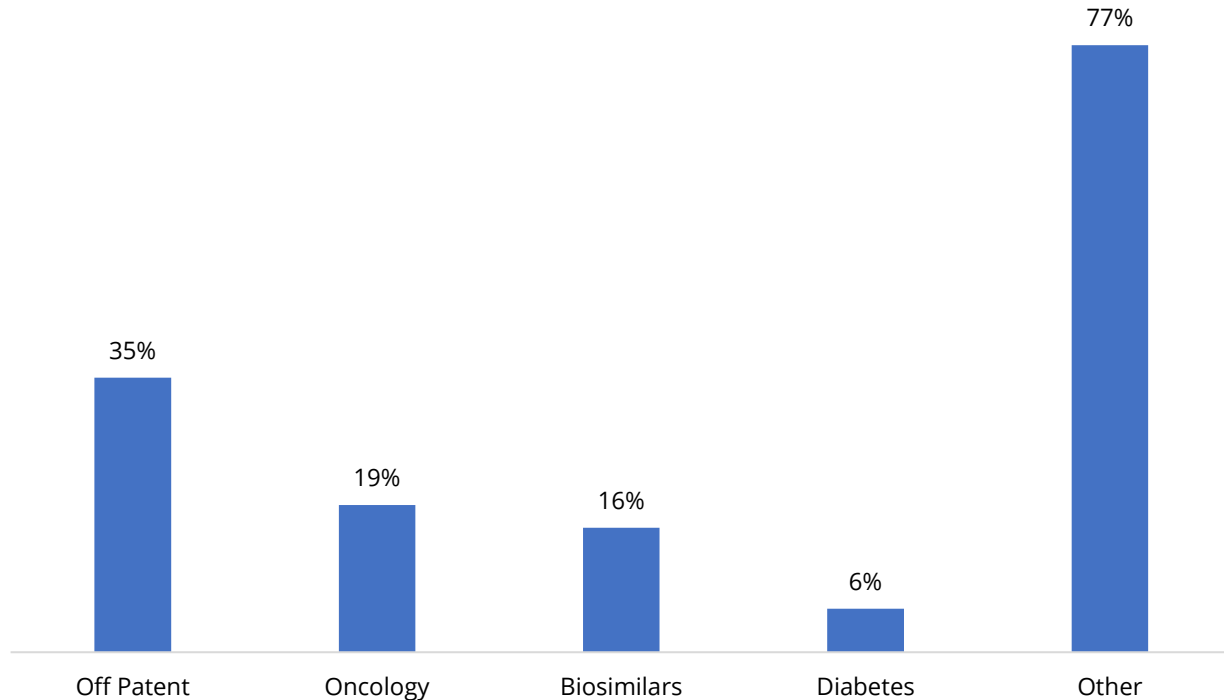


Molecules Perspective



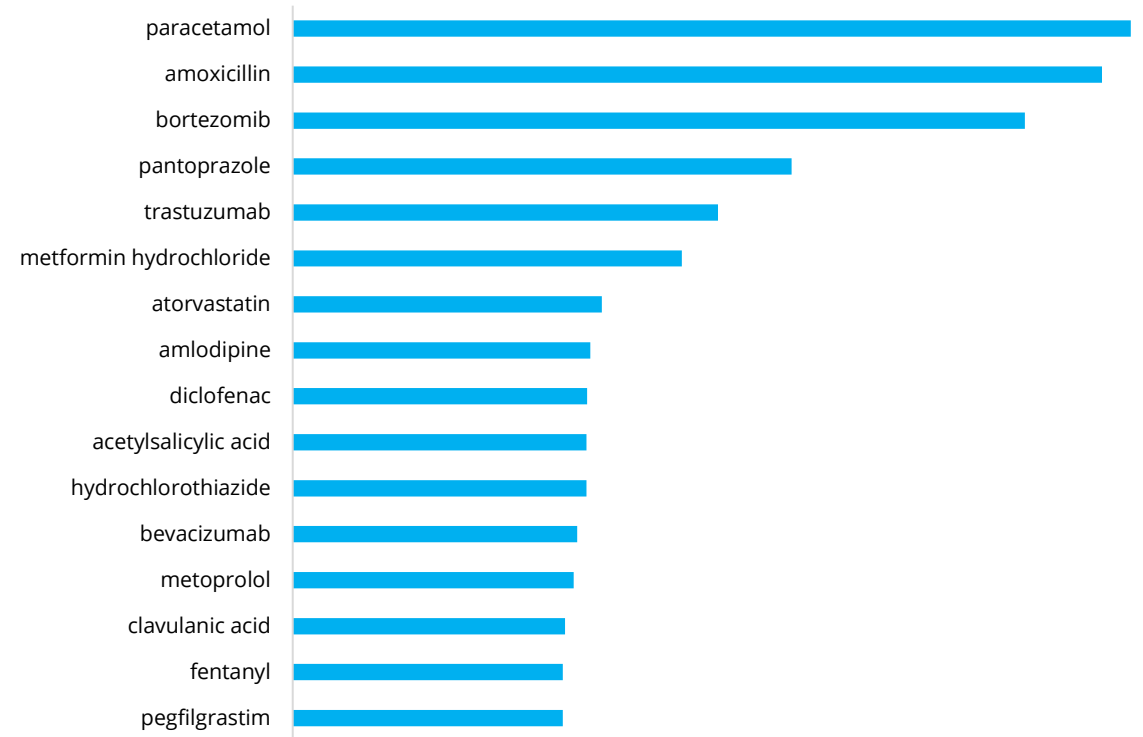
Overview of categories & molecules

Contribution in #Tenders per category¹



Off-patent molecules including Biosimilars are very present and active in the Tendering & contracting channel in Europe

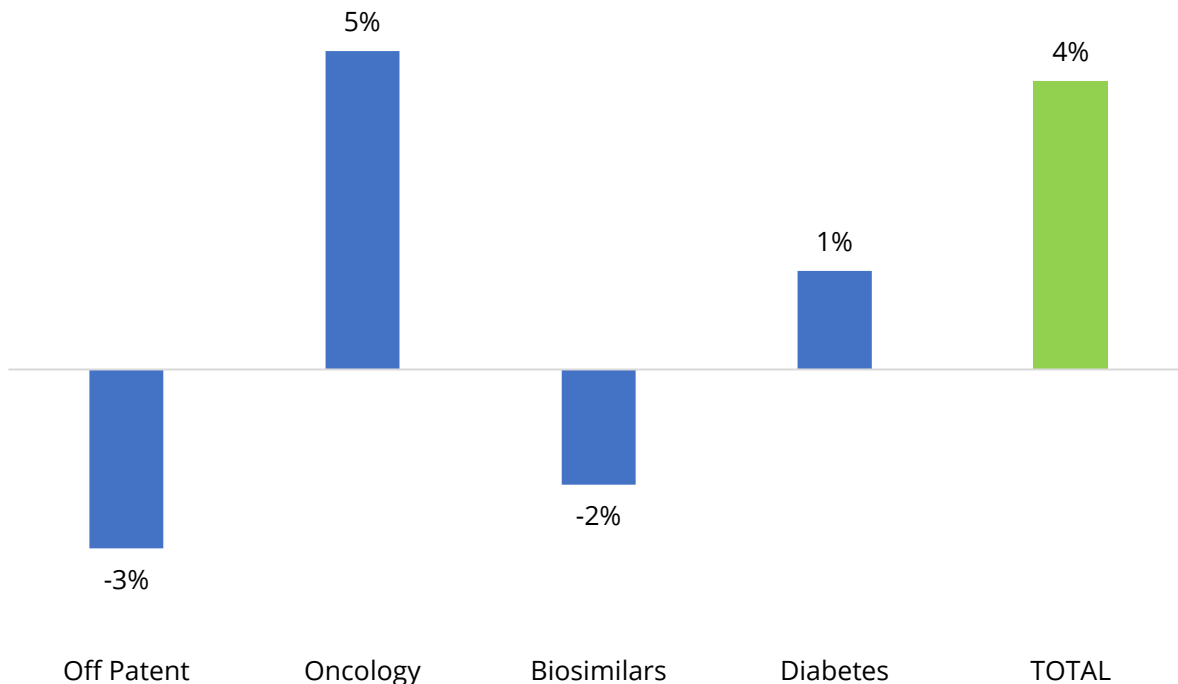
Contribution in #Tenders per molecule^{1,2}



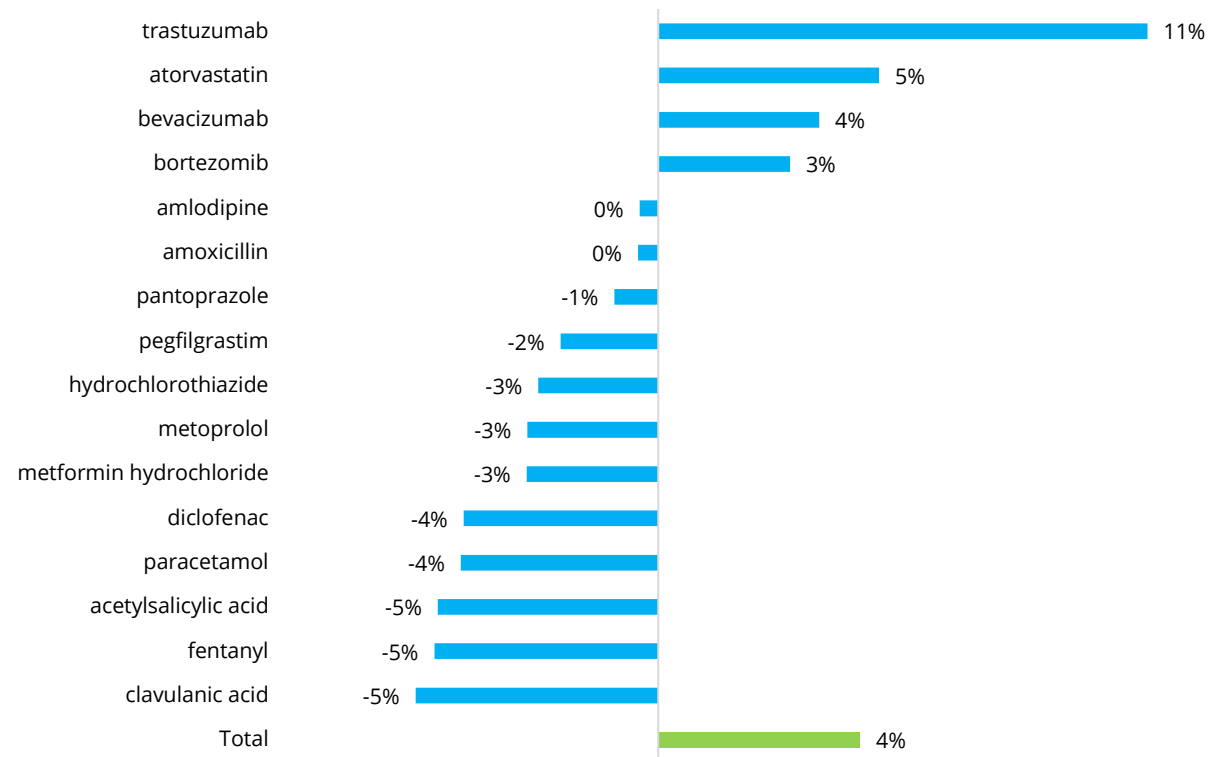
A lot of fragmentation over several molecules with paracetamol, amoxicillin, bortezomib, and pantoprazole leading the market

The pharma public tenders business grows at different rates

Number of Tenders growth per category¹
(2017-2020)

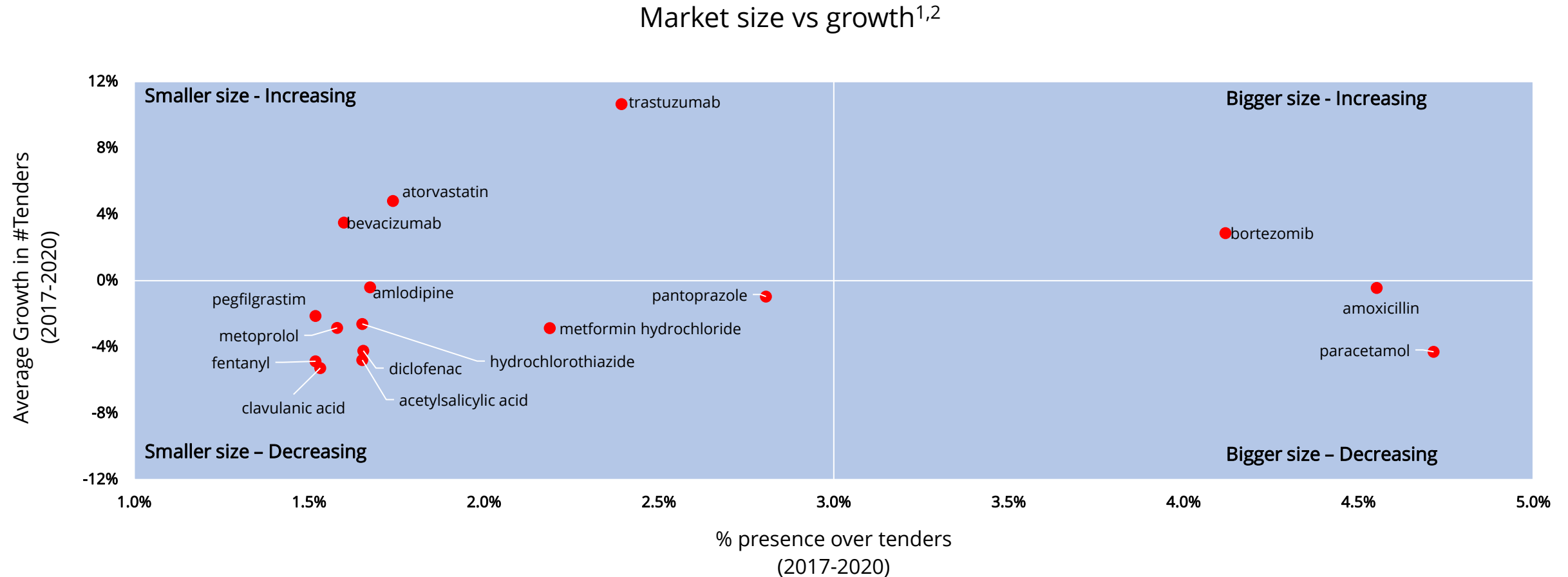


Growth in #Tenders per molecule^{1,2}



A very scattered picture regarding growth for the different categories & molecules
Only a few from the selected categories and molecules outperform the average growth

Size vs growth comparison unveils important differences between markets

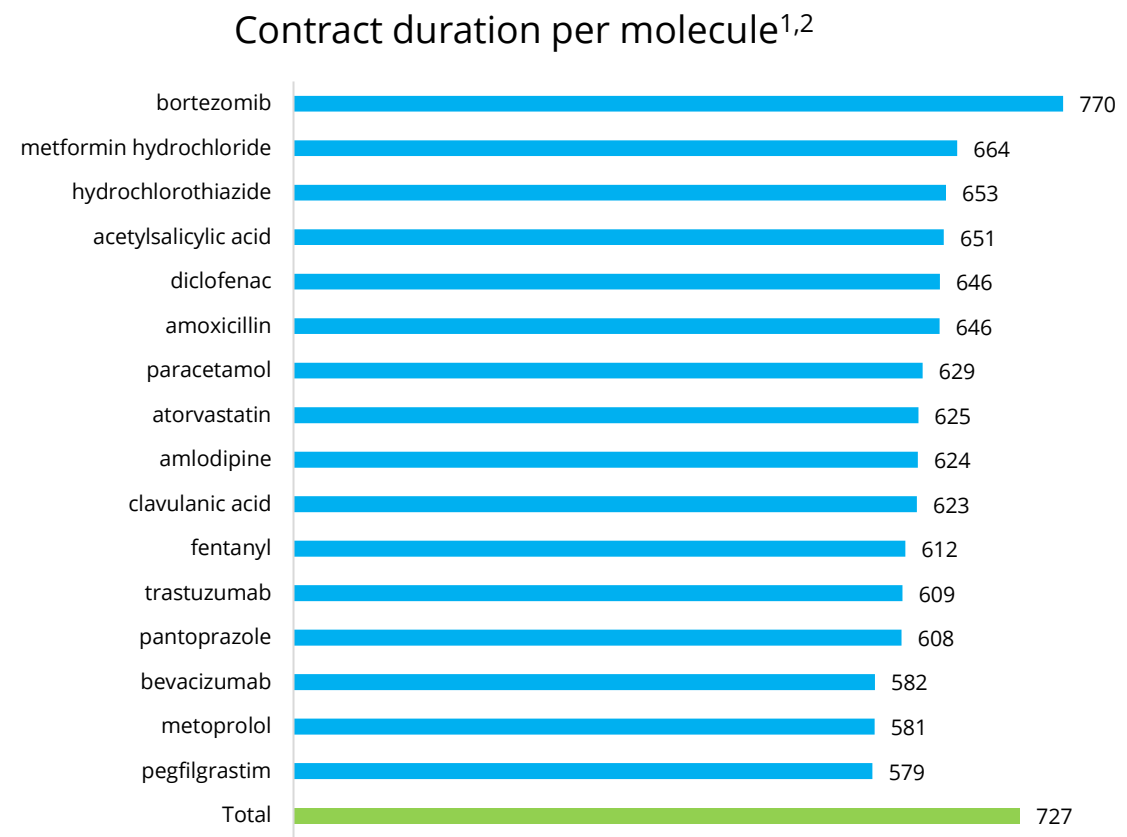
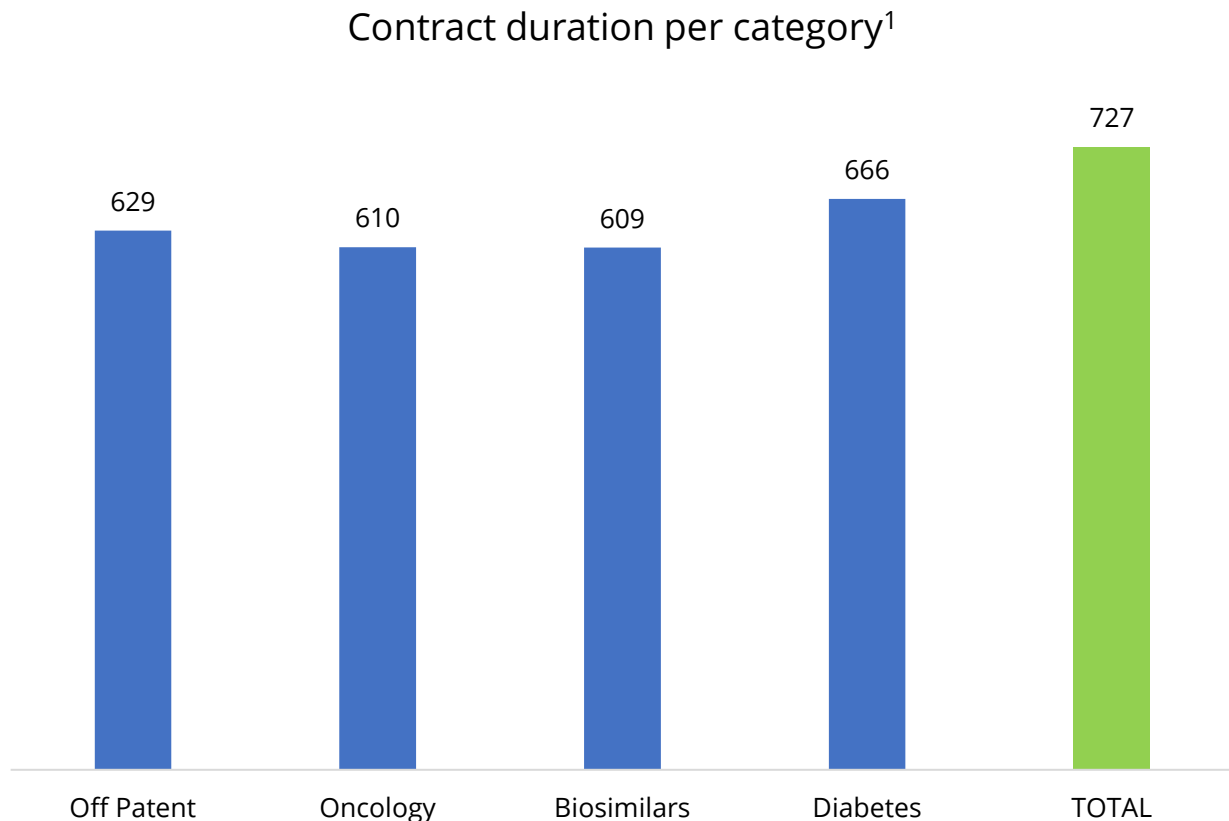


Most molecules are concentrated in the below 3% presence area and decreasing over time

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

² Top molecules selected: Presence over 1.5%

The contract duration has less variation across categories and molecules as compared to countries

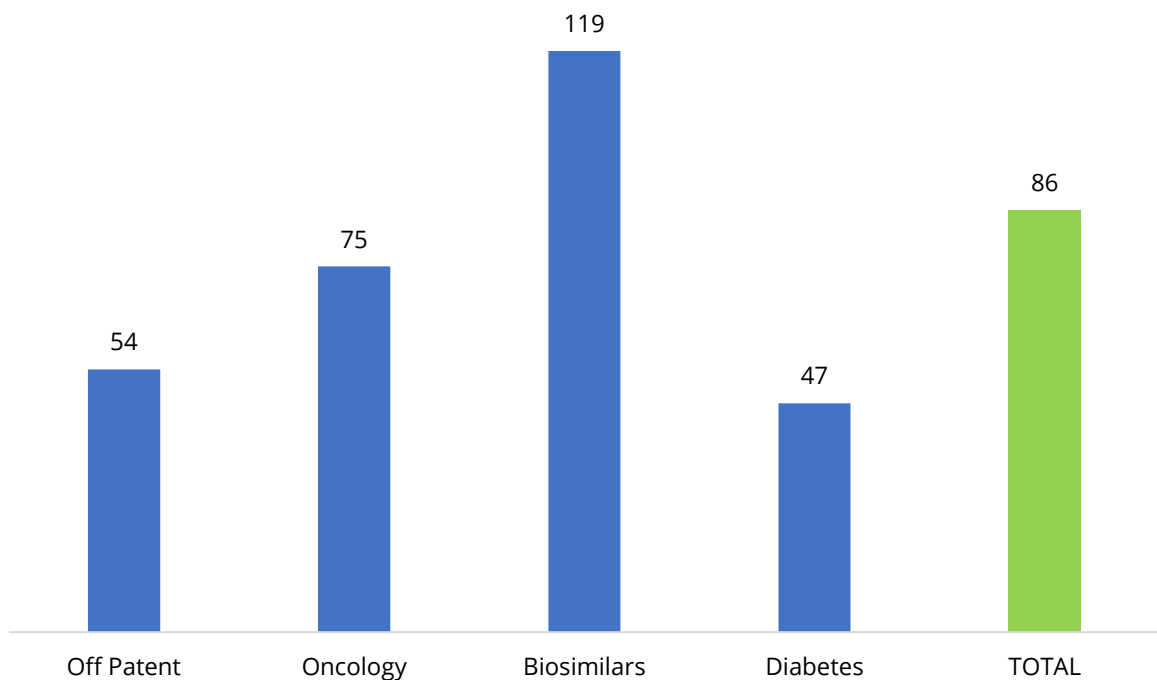


Minimum variation in terms of contract duration per category and molecule and much smaller compared to countries' variations.

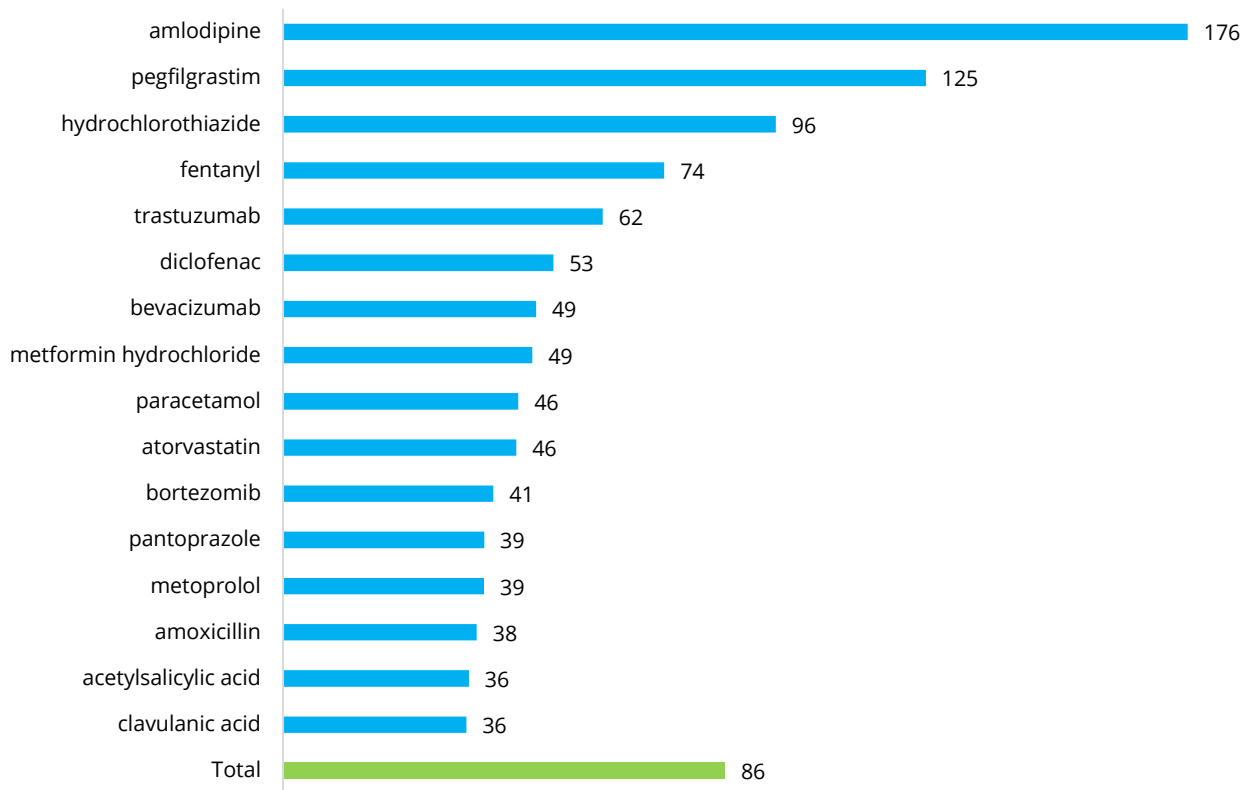
¹ Source: Based on data (published tenders from 2017 to 2020) from TED (Tender Electronic Daily), ©European Union, <http://ted.europa.eu>, 1998–2020
² Top molecules selected: Penetration over 1.5%

The time to submit has more variation across categories and molecules as compared to countries

Time to submit per category^{1,3}



Time to submit per molecule^{1,2,3}



A lot of variation in terms of time to submit per category and molecule and a lot bigger compared to the variation cross countries

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

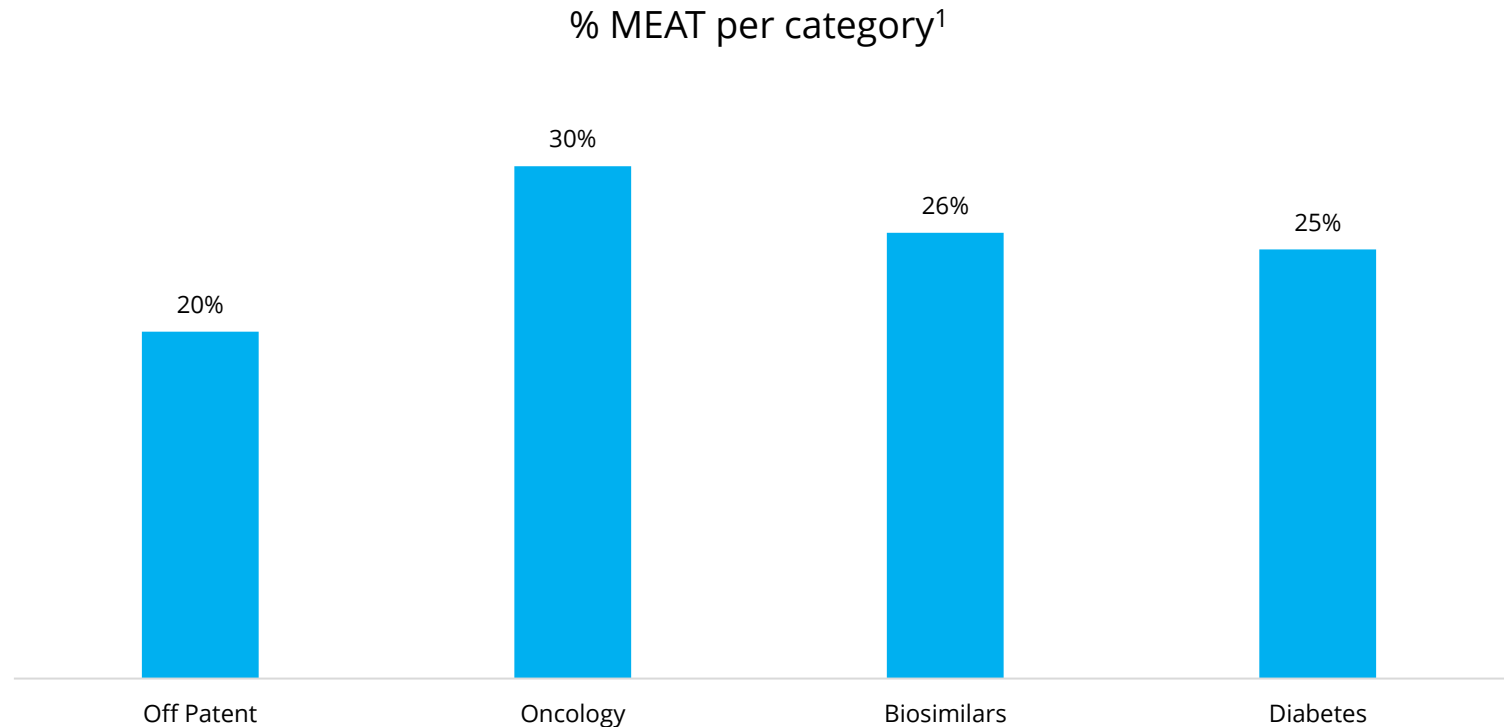
² **Top molecules selected:** Penetration over 1.5%

³ **Time to submit:** Difference in days between publication and submission date

Less diversity for % MEAT contribution across categories as compared to countries

On average, MEAT tenders contribute approximately 44% in terms of #Tenders; however, they are not used to the same extend across categories

The diversity is smaller as compared to countries differences, indicating that most (but not all) of this variance comes from countries



Ratio by # of Tenders of MEAT vs Price only tenders
per sector over the period 2017 - 2020

Less diversity for % MEAT contribution across molecules as compared to countries

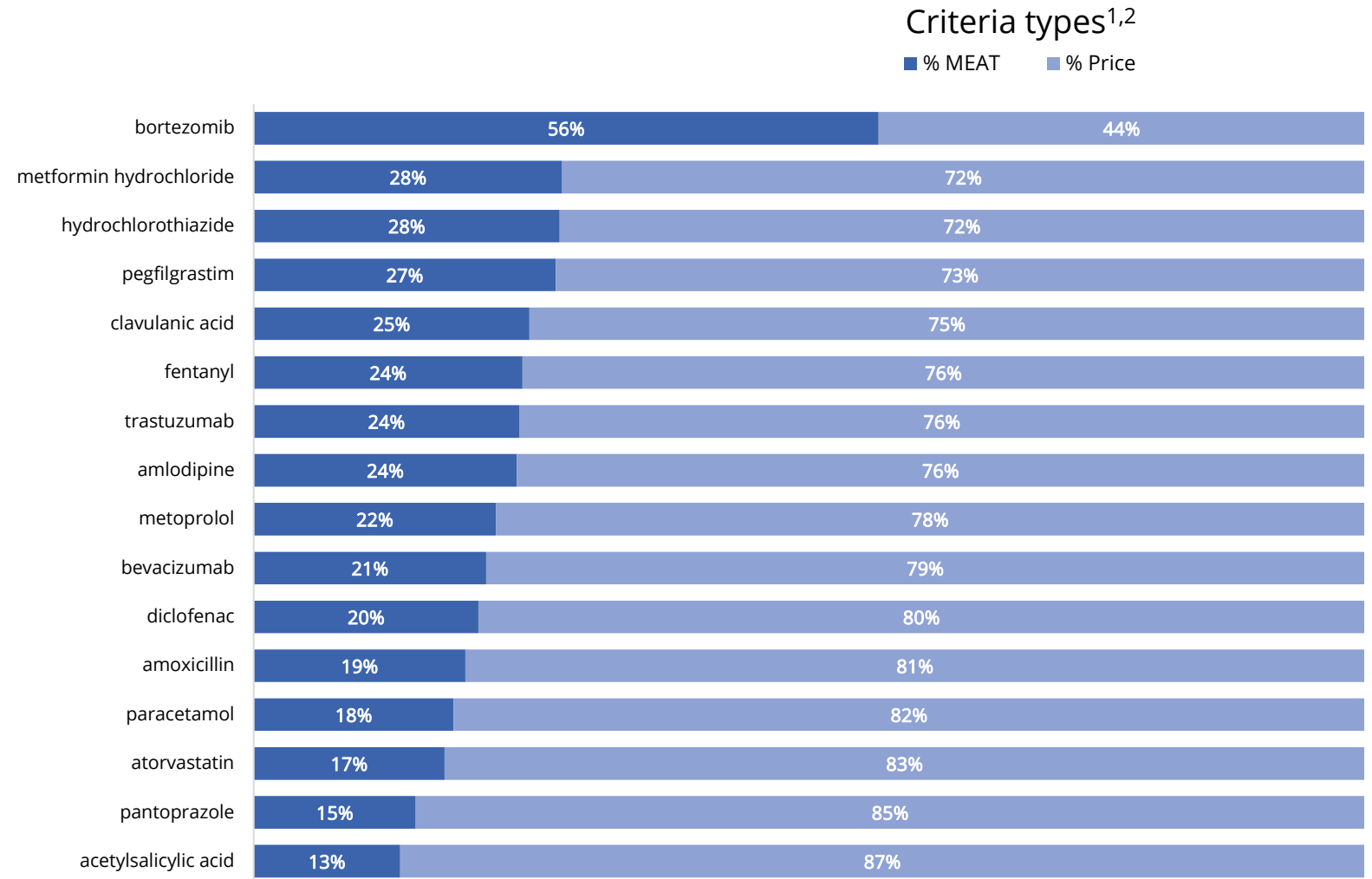
On average, MEAT tenders contribute approximately 44% in terms of #Tenders; however, they are not used to the same extend across molecules

The diversity is smaller as compared to countries differences, indicating that most (but not all) of this variance comes from countries

Overall, the ratio of MEAT tenders for the selected molecules varies between 13-56% of the #Tenders

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

² **Top molecules selected:** Penetration over 1.5%



Ratio by # of Tenders of MEAT vs Price only tenders
per sector over the period 2017 - 2020

Great diversity in tender MEAT % cross countries and categories

| | OffPatent | Oncology | Biosimilars | Diabetes |
|-----------------|-----------|----------|-------------|----------|
| Austria | 0% | 100% | | |
| Belgium | 90% | 80% | 88% | 69% |
| Bulgaria | 0% | 4% | 3% | 0% |
| Croatia | 100% | 94% | 87% | 100% |
| Cyprus | 0% | 0% | 0% | |
| Czech Republic | 24% | 15% | 11% | 29% |
| Denmark | 3% | 2% | 2% | 29% |
| Estonia | 0% | 7% | 0% | 0% |
| Finland | | | | |
| France | 100% | 99% | 100% | 97% |
| Germany | 31% | 23% | 23% | 31% |
| Greece | 25% | 37% | | |
| Hungary | 12% | 4% | 6% | 13% |
| Ireland | | 88% | 100% | |
| Italy | 8% | 36% | 3% | 30% |
| Latvia | 16% | 0% | | 20% |
| Lithuania | 0% | 10% | 7% | 0% |
| Luxembourg | 100% | 67% | 100% | |
| Malta | 0% | 0% | 0% | 0% |
| Netherlands | | 100% | | |
| North Macedonia | 3% | 3% | 3% | 3% |
| Norway | | 33% | 0% | 100% |
| Poland | 39% | 34% | 31% | 44% |
| Portugal | 44% | 71% | 50% | 100% |
| Romania | 1% | 5% | 3% | 2% |
| Slovakia | 0% | 0% | 0% | 0% |
| Slovenia | 0% | 0% | 0% | |
| Spain | 87% | 93% | 95% | 100% |
| Sweden | 100% | 94% | 86% | 100% |
| United Kingdom | 100% | 100% | 100% | 100% |

% of MEAT¹ tenders across selected countries and markets over the period 2017 – 2020

(Light Blue and Dark Blue color indicate value closer to 0% or 100% respectively)

- The % of MEAT tenders varies significantly cross countries and the various markets
- Countries are driving the choice of evaluation criteria more than categories. The only exceptions are Austria, Denmark, Italy, Portugal, and Norway
- Different strategies & tactics per country are required to optimize the tender business cross countries in Europe.

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

A man and a woman are sitting in an office cubicle, looking at a laptop. The man is on the left, wearing glasses and a button-down shirt, holding a pen and a notepad. The woman is on the right, wearing a sleeveless dress, looking at the laptop. The cubicle has blue mesh dividers. A large window is in the background, and a desk lamp is visible on the right. The entire image has a blue tint.

Customer's Perspective

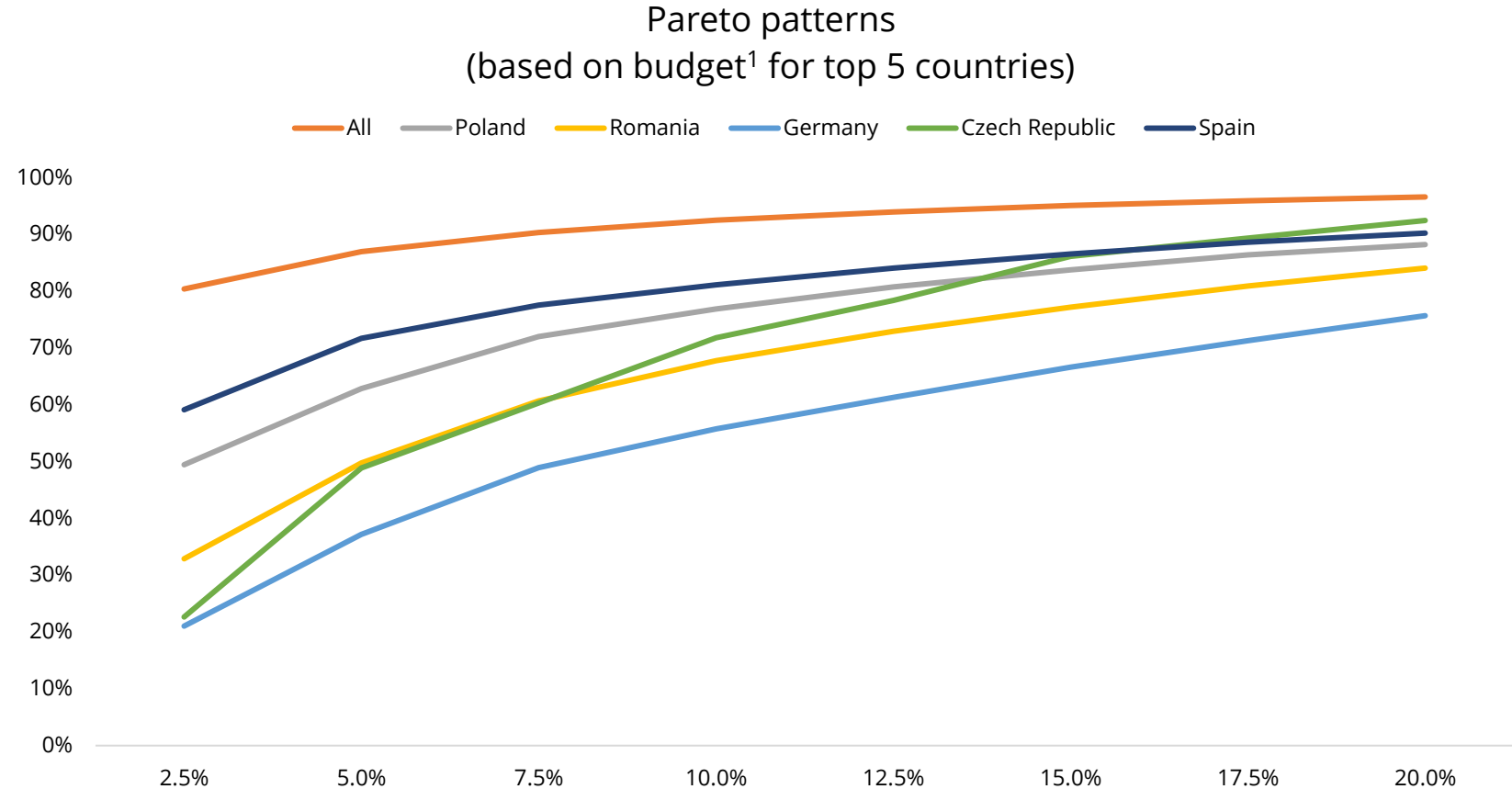
In most countries, 20% of the top customers cover most of the budget of the market

Considering the overall market and the top 5 countries, the number of tenders follow a strong Pareto rule²

20% of the biggest customers account for almost all tender budget albeit with significant differences per country

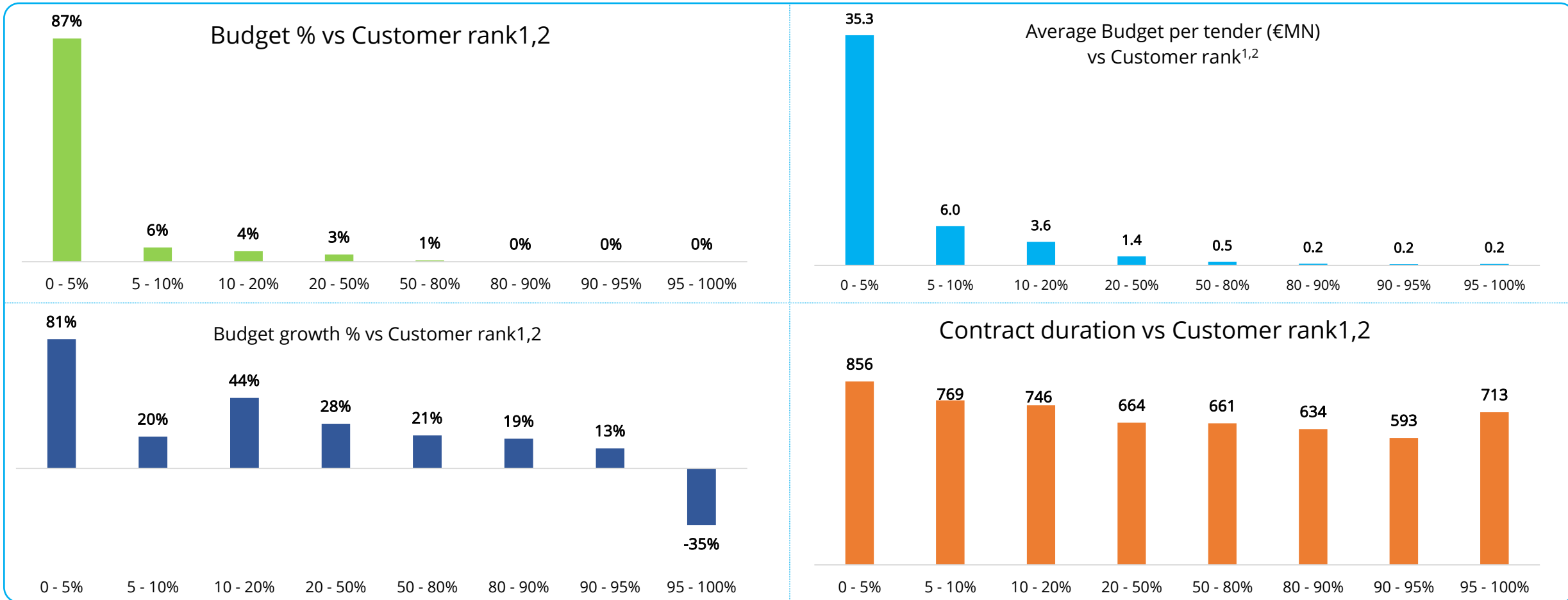
Companies in the Pharma Industry can use the Pareto rule and more easily segment their markets to improve efficiency in accounts targeting and management for tendering

For Germany, the presence of many tenders with “nominal” budget value of €1 or less may have distorted this distribution



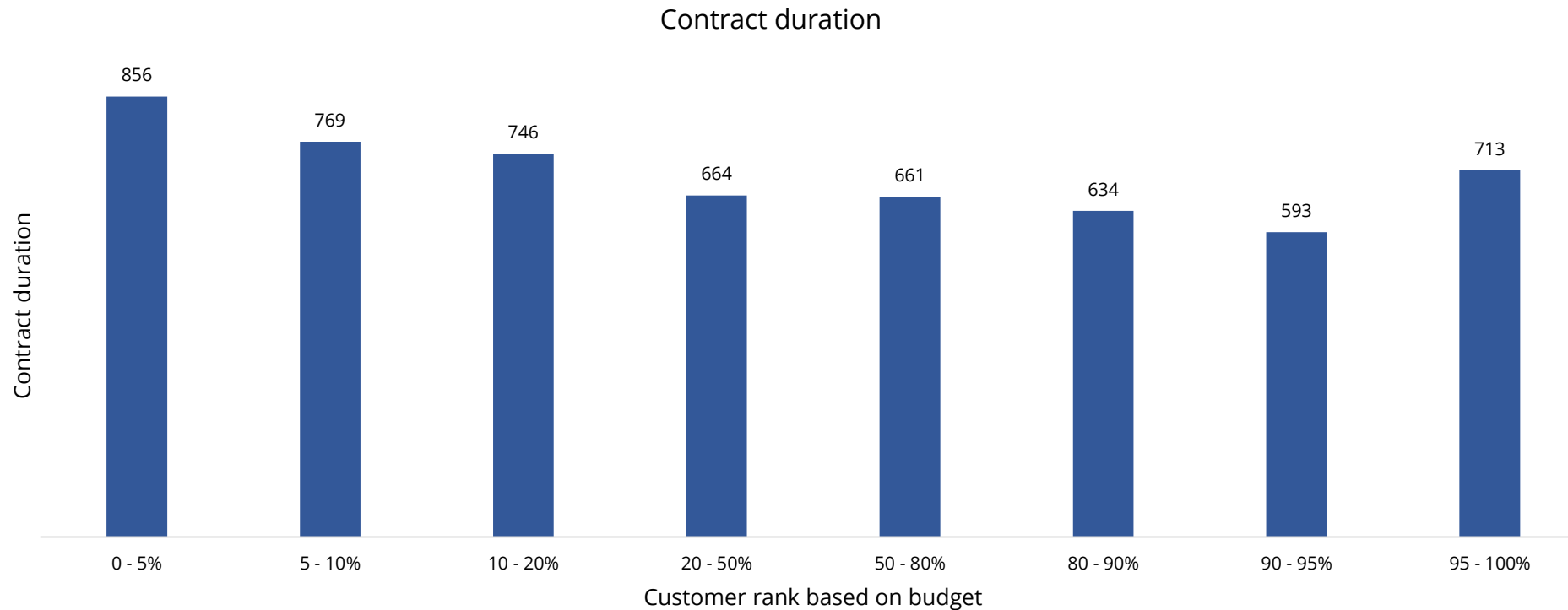
Cumulative view of the budget in comparison to # of customers in the period of 2017 - 2020

Significant correlation dynamics for customer ranking groups



With a few exceptions, the bigger the customer is in terms of budget, the larger the budget growth is. Also, bigger customers tend to have larger average size per tender and contract duration. This means that for bigger accounts, an opportunity missed has a big and long-term negative effect over 2 years.

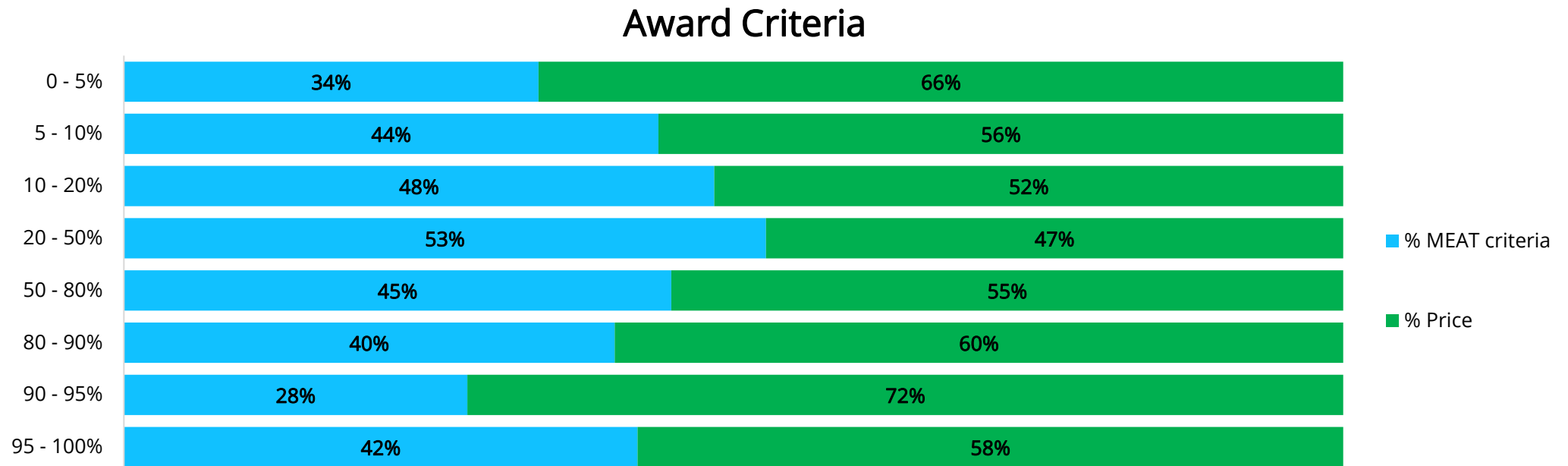
Significant correlation between customer ranking and contract duration



The bigger the customer is in terms of budget, the larger the contract duration is.

This means that a missed opportunity has a long-term negative effect of more than two years, especially for bigger accounts

No significant correlation between size of the customer and award criteria



There is no recognizable correlation between the size of the customer and the award criteria.

However, it seems that the biggest customers are rather price-driven than MEAT

CUBE 

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thank you!

Key insights of the Tender Market
for the Pharmaceutical Industry
in Europe



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