

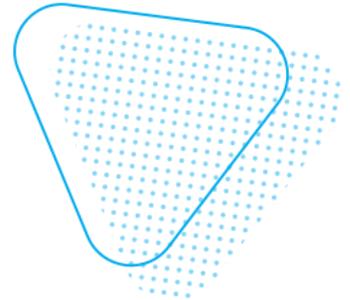
# Trends in Global Tendering & how to shape them

*An overview of the key trends in tendering and how companies can pro-actively improve and shape the way pharmaceuticals are procured*



**NICO BACHARIDIS**

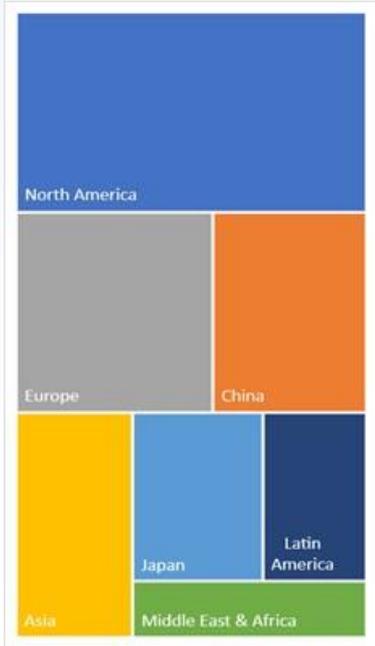
Chief Commercial Officer  
CUBERM



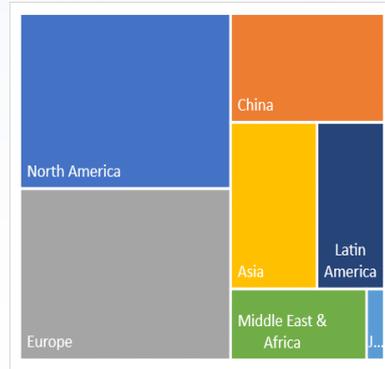
# Global Tender & Contracting market overview

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

Total Pharmaceutical Market size in 2023 around 1'587 bn USD



Global Tender & Contracting Business estimated at 500-600 bn USD ~ 30-40%

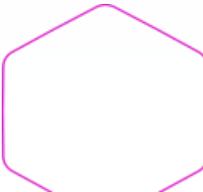


Around 2/3 of the global T&C business is driven by the off-patent segment

off-patent



on-patent



# From winner-takes-it-all to multiple winners



*Winner takes it all tenders*

*Multiple Winners*

Title: trastuz...

A cont...

V.2) Award

V.2.1) Date of 25/04

V.2.2) Inform...  
Numbe...  
Numbe...  
The co... operators: no

V.2.3) Name and address of the contract

Official name: AMGEN, S.A.  
National registration number: A59363655  
Postal address: MOLL DE BARCELONA,S/N.EDIF. SUD 8º P  
Town: Barcelona  
NUTS code: ES511 Barcelona  
Postal code: 08039

V.2.1) Name and address of the contract

V.2.1) Name and address of the contract

V.2.1) Name and address of the contract

V.2.3) Name and address of the contract

Official name: VIATRIS PHARMACEUTICALS SL  
National registration number: B62735675  
Postal address: PLOM, 2-4 5ª PLANTA,  
Town: BARCELONA  
NUTS code: ES511 Barcelona  
Postal code: 08038  
Country: Spain

Title: tra...

A C...

V.2) Aw...

V.2.1) Dat 04

V.2.2) Inf...  
Nu...  
Nu...  
Th... operators: no

V.2.3) Name and address of the contract

Official name: Organon Salud S.L.  
National registration number: B82796830  
Postal address: Paseo Castellana ndm. 77 Planta 728046 MADRID  
Town: MADRID  
NUTS code: ES300 Madrid  
Postal code: 28046  
Country: Spain

# From national to cross-national procurement



*Local in-country tenders*



*Cross-national tenders*



*Joint procurement in the Middle East:  
The Gulf Cooperation Council*

# From off-patent to also on-patent tendering

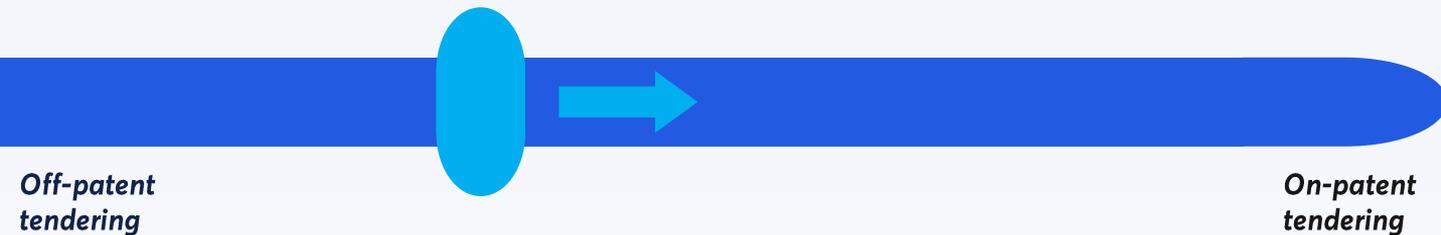
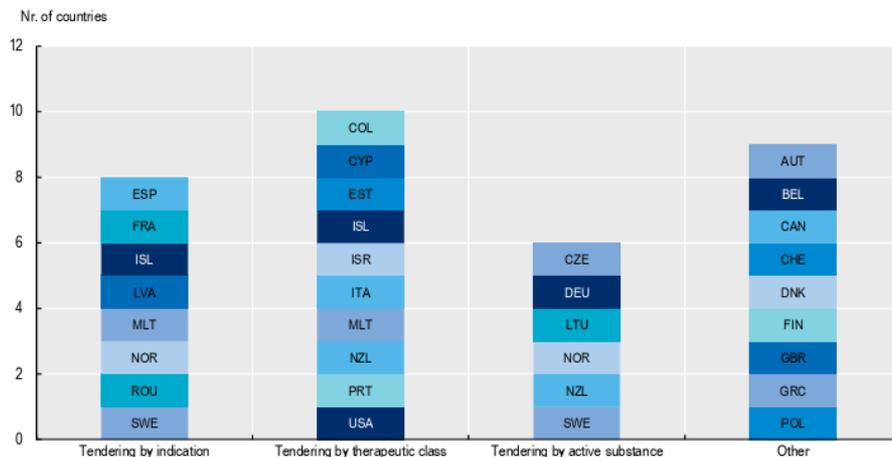


Figure 3.4. Tendering is used by several countries to procure patented and off-patent medicines

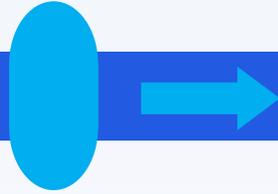


Note: Question B11: Which of the following mechanisms are used to encourage price competition between treatment alternatives?

Source: OECD survey on On-patent competition, 2022

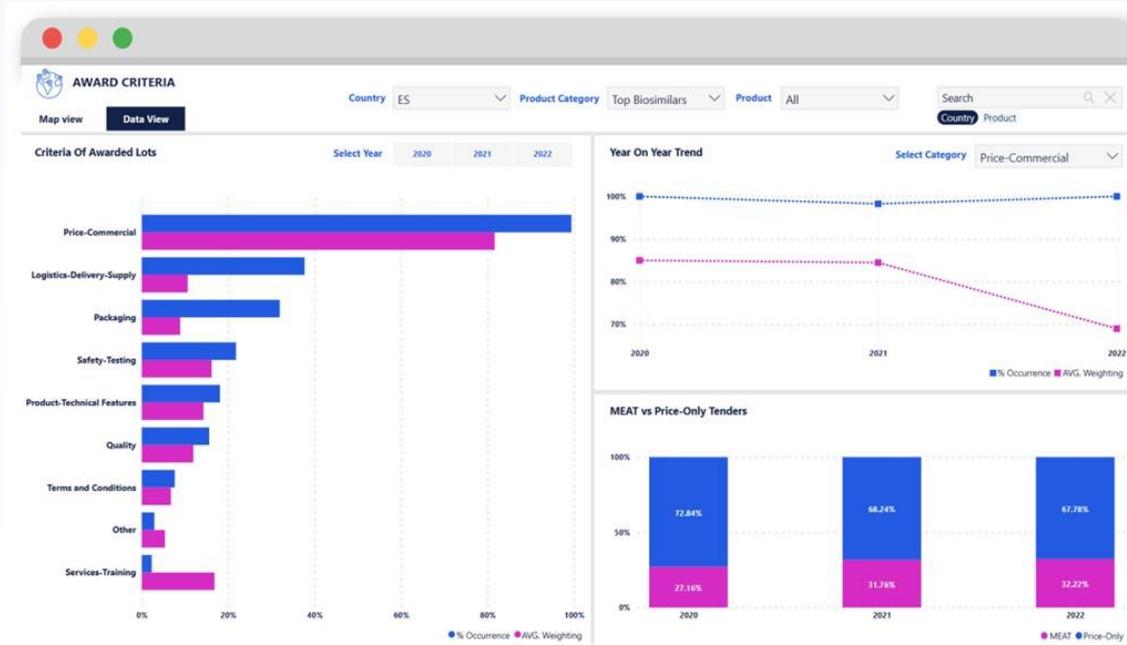


# From price-only to MEAT / MCDA tendering

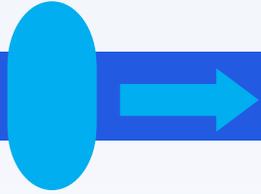


Price-only tendering

MEAT-based Tendering



# Slow start in using ESG-based award criteria

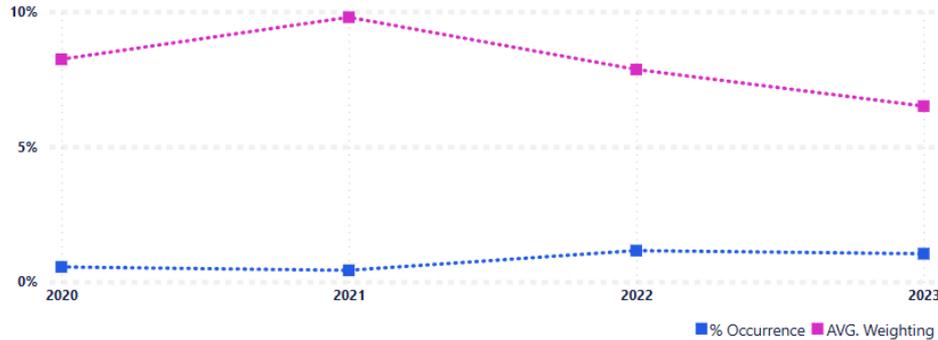


**Non ESG (Environmental & Social) criteria tenders**

**ESG Criteria included in tenders**

Year On Year Trend

Select Category Social-Environmental-S... ▼



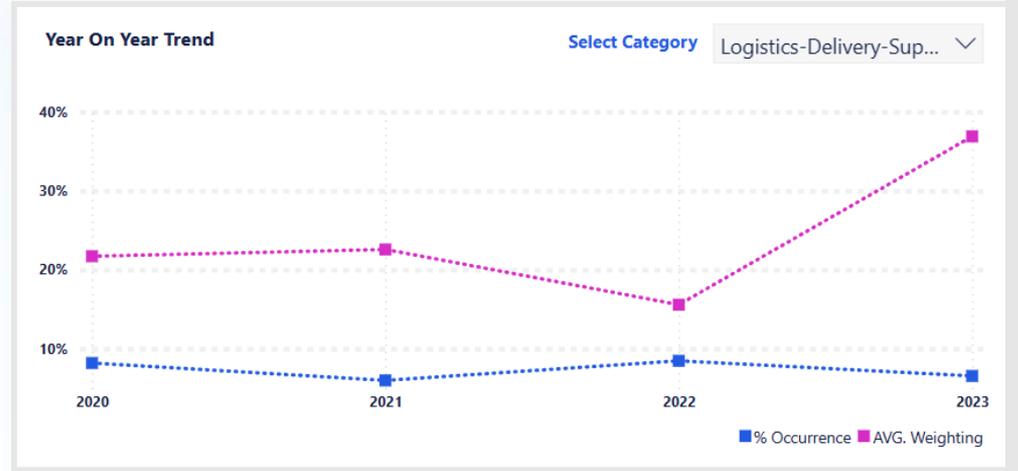
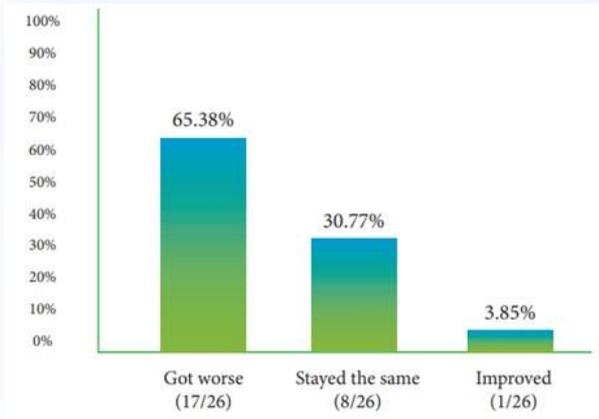
Examples of Environmental Tender Criteria	Spain	France	Hungary	Luxemburg
Automatic assessment environmental criteria. Minimization of waste or emissions	19			
Company approach in favor of sustainable development in all its components		235		
Supplier services and environmental performance based on the quality of the supplier's services and whether or not it is committed to an environmental approach		28		
Environmental Considerations				10
Environmental policy		17		
Environmental protection performance		20		
Implemented environmental management system according to HRN EN ISO 14001:2015			33	
Implemented environmental management system according to the ISO 14001 standard			9	
RSE (Responsabilité sociétale des entreprises) social criteria		2,059		
supplier services and environmental performance	5			
supplier services and environmental performance		8		
Sustainable development assessed with regard to the measures taken		14		
Sustainable development assessed with regard to the measures taken to meet this objective within the framework of this contract		2		
Technical value: ease of reading, expiry date, sustainable development		31		

# Clear increase in supply-related award criteria

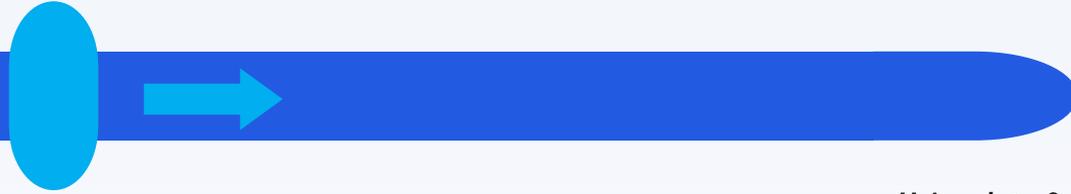


*Non-Focus on supply reliability*

*Focus on supply reliability*

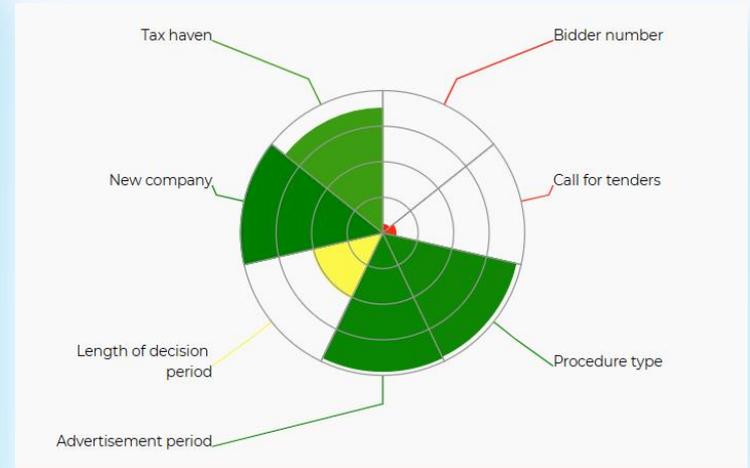
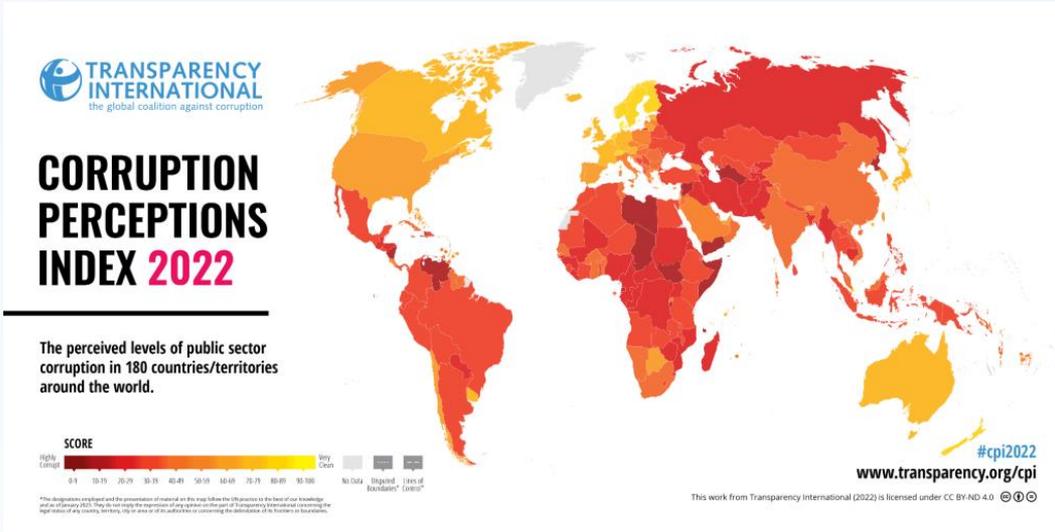


# Using data to measure integrity of bidding process

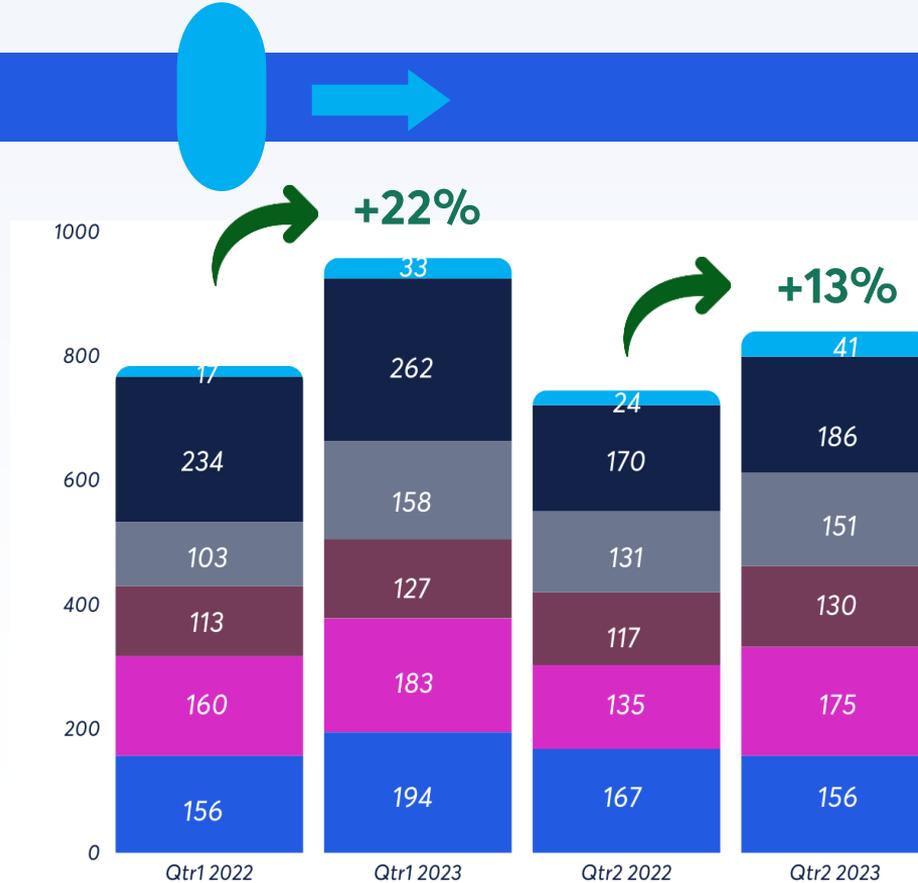


*Low usage of data & tech to measure integrity*

*Using data & technology to measure integrity*



# Tendering more frequently used to buy Digital Health Solutions



**Quarter by quarter growth comparison in number of digital health tenders in Europe**

- Big Health Data
- Biomarkers / Wearables
- Genomics
- Hospital Management
- Remote Patient Engagement
- Telehealth

# Tender shaping can happen on different levels

## Procurement Archetype shaping

Shaping the procurement approach from 'price-only tendering' to 'MEAT / Quality-Tenders' to 'negotiated and value-based contract'



## Award Criteria Shaping

Shaping the award criteria away from just price and into more balanced MEAT criteria. Shaping within MEAT criteria to increase probabilities to win.



## Tender set-up Shaping

For example, shaping from 'winner-takes-it all' towards 'multiple winners' or trying to increase the submission deadlines to allow for more preparation etc.



*Tender shaping may not apply to every tender and some tenders might not be big or critical enough to justify the substantial effort, planning and engagement with the customer*

# Tender archetype shaping

Shaping of actual tender archetype from price-only tender (bidding & auctioning) towards value-based tenders (MEAT) and finally to a value-based negotiated contract



## Be pro-active and anticipate and manage upcoming tender opportunities

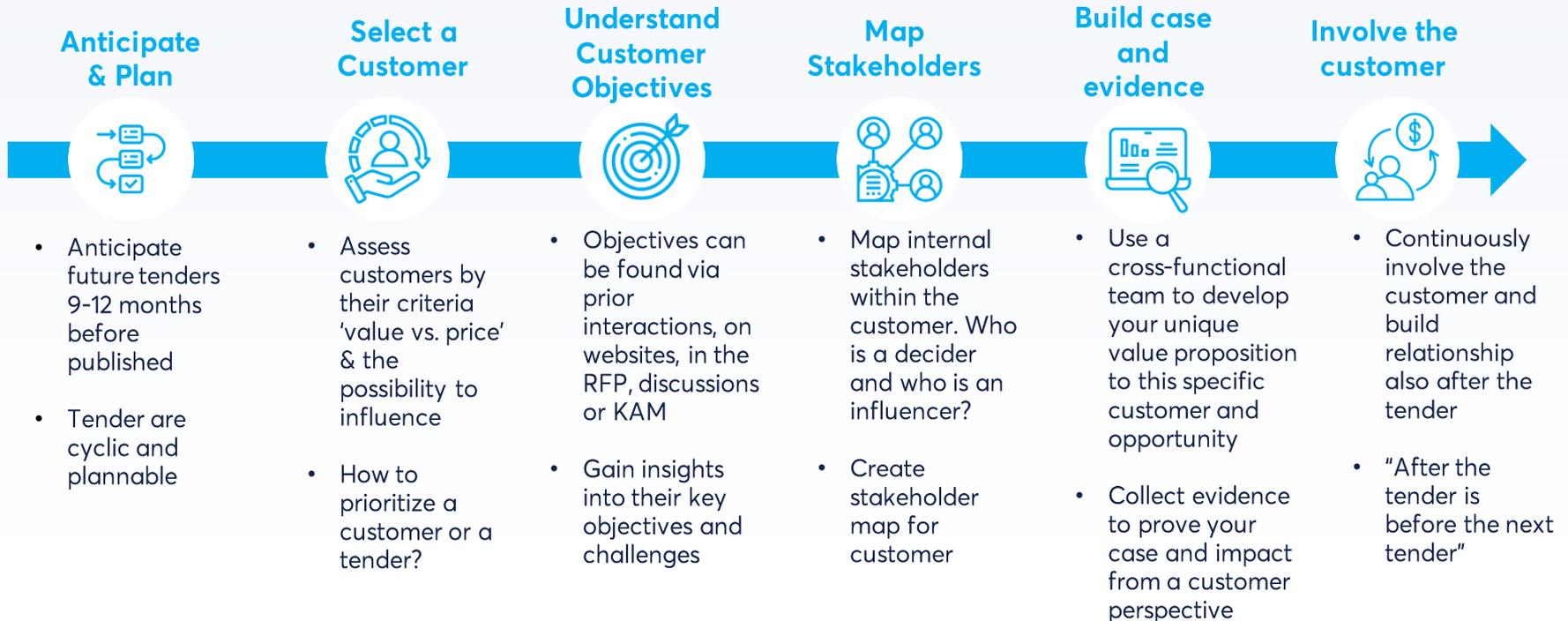
In many countries, tenders are cyclic. They have **a start date, a duration and an end-date.**

Using historical data and pattern recognition to anticipate tenders that are not published yet.

This increases preparation time and is a competitive advantage.



# Understanding the customer and identifying /understanding the different stakeholders within the customer is critical



## Key Takeaways

- Tendering has become one of the **main procurement channels** in pharma across the globe and is constantly growing
- It is a complex and dynamic market, and it is important to see the trends
- Currently in many countries, tenders are very price-driven, which can lead to an unattractive and unsustainable market
- It is important to be **pro-active and strategically shape** to maintain and improve market conditions and attractiveness





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