

FDA Counterfeit Drug Task Force Public Workshop

Unisys Perspective on the Track & Trace Adoption Curve

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Topics

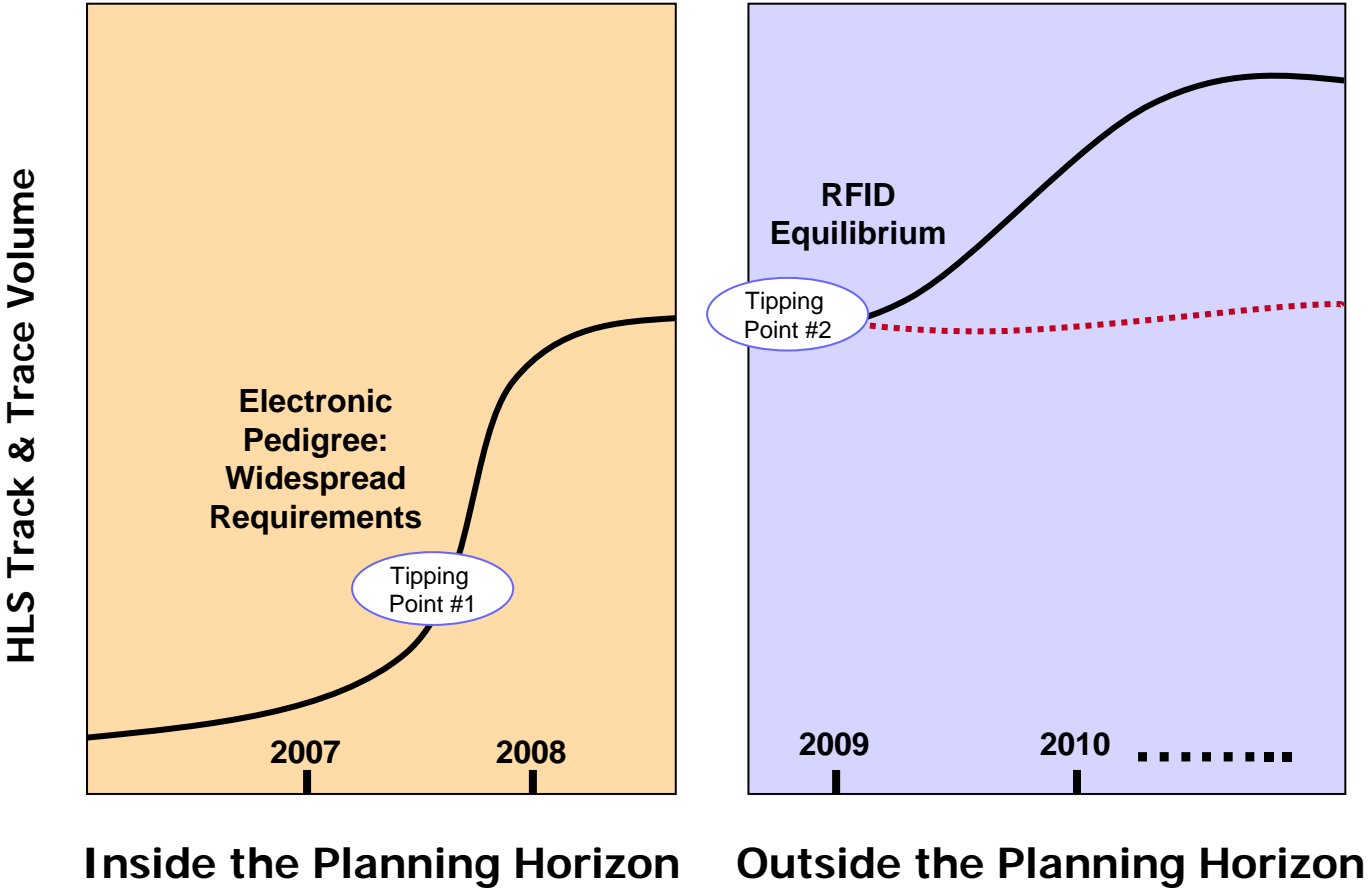
- Overview
- Our Take
 - The Healthcare & Life Sciences (HLS) Industry Adoption Curve
- Variables Impacting Adoption
 - Policy Decisions
 - Trade Relations
 - Process Impact
 - Technology Performance
- “What If?”
- “So What?": Key Takeaways



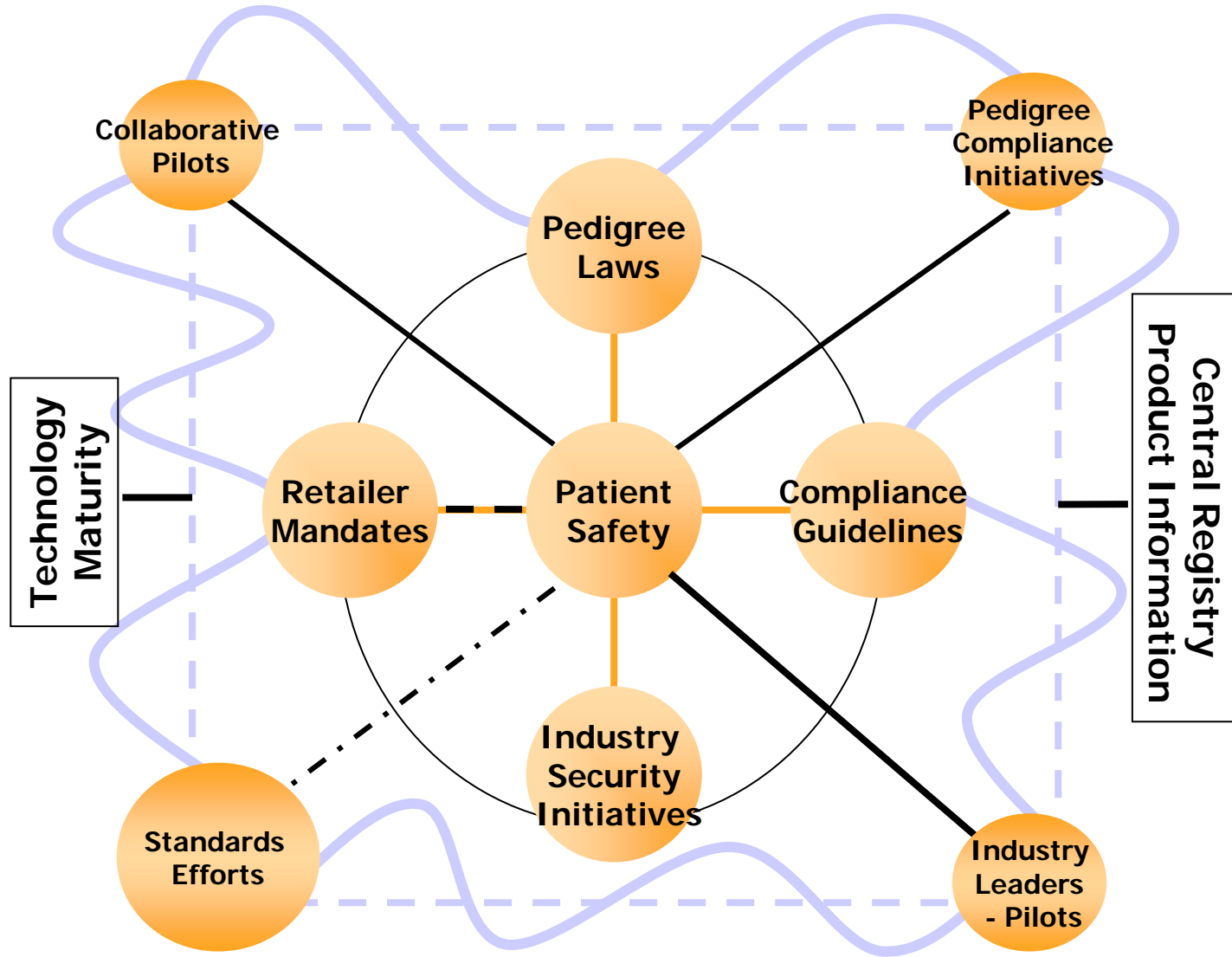
Some Good News

- Unisys has seen significant progress in the adoption of track & trace technology since FDA's 2004 report
- In 2005, Unisys saw spending 2x to 3x the level it was in 2004 in the HLS industry
- In 2006, we anticipate an increase of 3x to 4x as piloting continues to gain momentum
- But...at that rate of adoption, it will take well beyond 2007 before the majority of the HLS supply chain is track & trace enabled

HLS Industry Adoption Curve



The Current “DNA” of HLS Industry Adoption



Variables Impacting Current Rate of Adoption

Category	Supply Chain Actors	Regulators
Policy Decisions	<ul style="list-style-type: none"> •Agreement Around the “Form Factor” for Track & Trace (Trade Associations) 	<ul style="list-style-type: none"> •Status of PDMA Pedigree Requirements •State Mandates Continue
Trade Relations	<ul style="list-style-type: none"> •Retailer Mandates •Collaborative Pilots – Industry Pioneers •Pedigree Data – Share the Burden •Data Sharing 	<ul style="list-style-type: none"> •Interdependencies – Jurisdiction & Trade Agreement
Process Impact	<ul style="list-style-type: none"> •Item Serialization – Cost of Quality •Distributor Pedigree – Paper vs. Electronic •Diversity of the Inbound – Distributor “How To” •Authentication – Time, Place & Procedures •Speed of Consensus – Standards, Schema 	<ul style="list-style-type: none"> •Interdependencies - Pre-Existing Policies (e.g. GMPs, 21 CFR Part 11)
Technology Performance	<ul style="list-style-type: none"> •Approach to Security & Privacy •Frequency Debate - Outcome •Alignment - Cost / Performance 	<ul style="list-style-type: none"> •Laissez Faire or ...

What If ?

1) FDA removes stay of PDMA Pedigree...

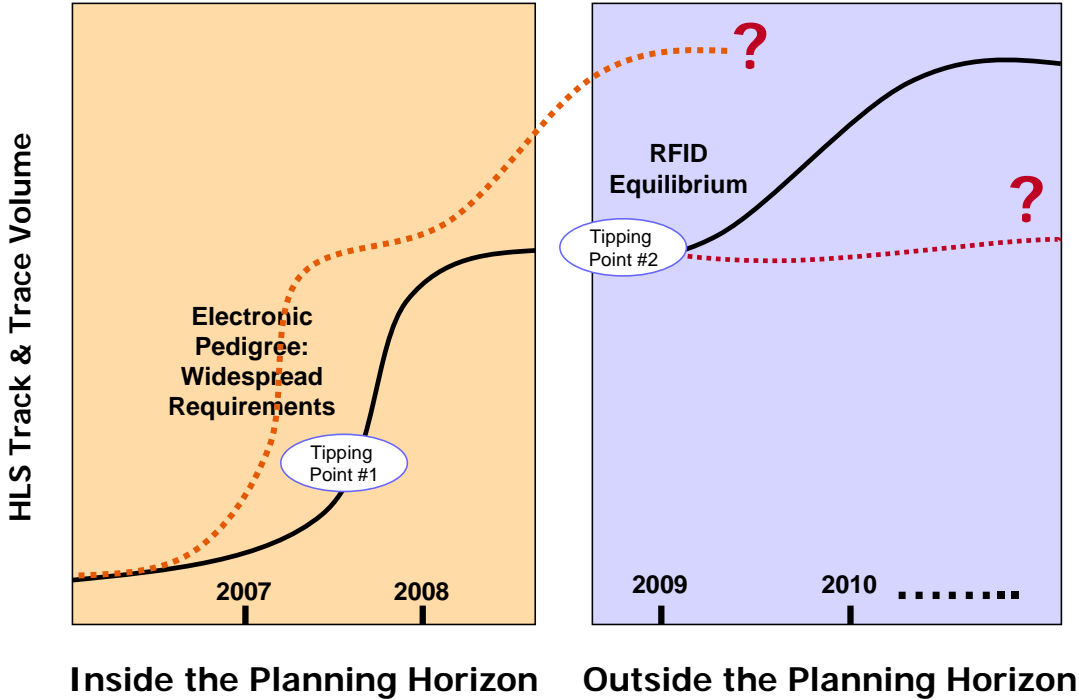
-All trading partners invest in pedigree infrastructure

2) Standards widely adopted in 12-18 months...

-Helping to resolve the issues of frequency, schema, security, and other obstacles
-Further facilitating trading partner collaboration

3) A Jump to the 2nd Curve: Value chain incentives align driving increased data sharing...

-Opening up process efficiencies and greater incentives across the chain



Key Takeaways

- Track & Trace is a complex domain with many interdependencies – but it's not a “science project”
- The variables with the greatest potential to impact the pace of Track & Trace adoption are in the areas of trade relations and collaborative process change
- A key success area for policy makers is to minimize unintended consequences that impact quality and/or cost of business operations