

Informatics and Knowledge Management at the Novartis Institutes for BioMedical Research (NIBR)

Enable Science in silico



Provide the Right Knowledge to the Right People at the Right Time to enable the Right Decision!

Manuel Peitsch



Agenda

- **Business Challenges faced by Pharmaceutical** Industry
- The Information Age and its Challenges to our Industry
- Scientific Challenges of Drug Discovery
- The Vision and its benefits
- The Knowledge Space Strategy
- Implementing the Strategy
- **Conclusions**





N 0 N

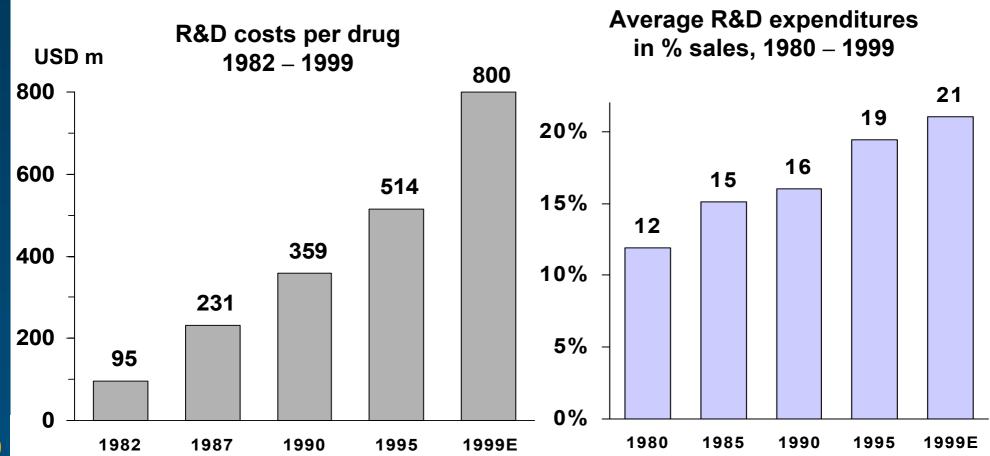
Drivers for Change in the Pharmaceutical Industry

- Globalisation
- Raising Costs for Research, Development and Commercialisation
- Generics and Product Life Cycles
- Financial Markets
- Political Environment



IK@N

Increasing Costs for R&D

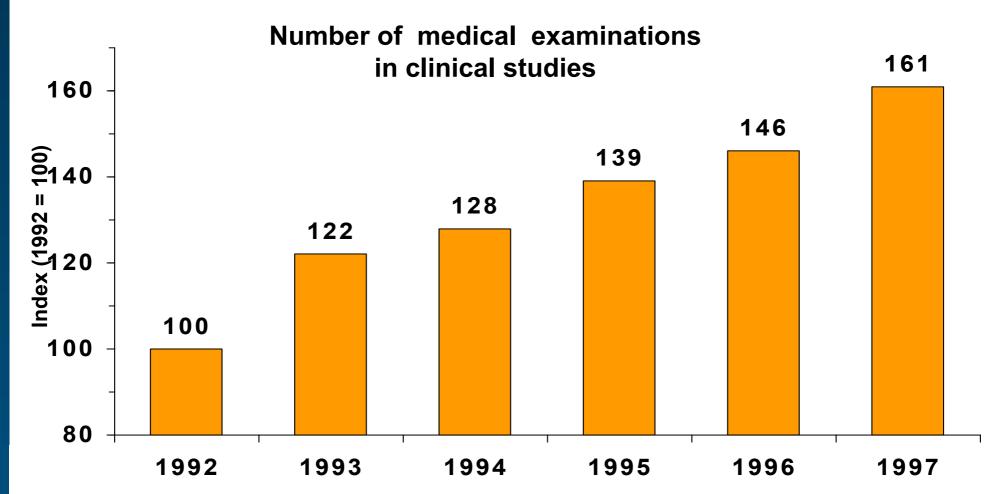


Source: PhRMA* 1997/1999, analyst reports, Novartis; * Research-based pharmaceutical companies



N B N

Increasing Demands on Clinical Studies



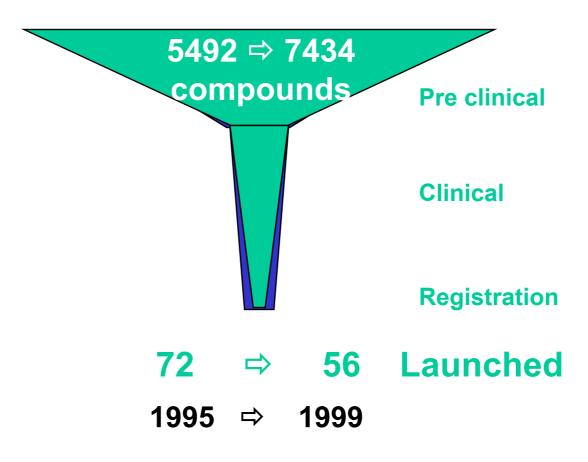
Source: DataEdge, 1998

NIBR / Manuel Peitsch



N 0 N

Innovation: Rich pipeline - Decreasing Output



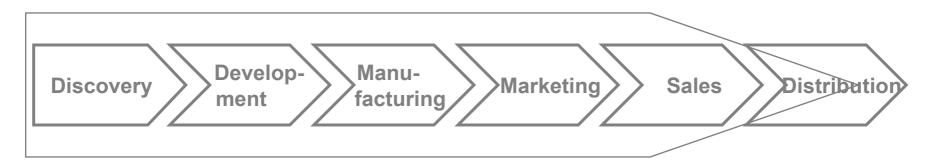
Source: Strategic Management Review IMS HEALTH, 1999-2000



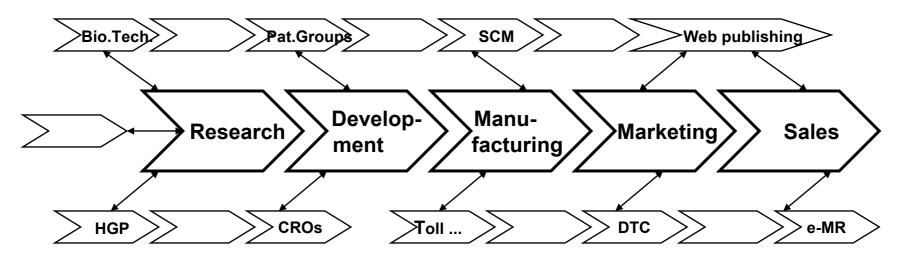
IK@N

Pharma Company Value Chains are Changing

Heavily vertically integrated



New value chain is heavily networked





Agenda

- Business Challenges faced by Pharmaceutical Industry
- The Information Age and its Challenges to our Industry
- Scientific Challenges of Drug Discovery
- The Vision and its benefits
- The Knowledge Space Strategy
- Implementing the Strategy
- Conclusions





N O N

The Times, when a 'Universal Genius' could know everything are over.

Aristoteles: Philosophy

Descartes: Philosophy & Mathematics

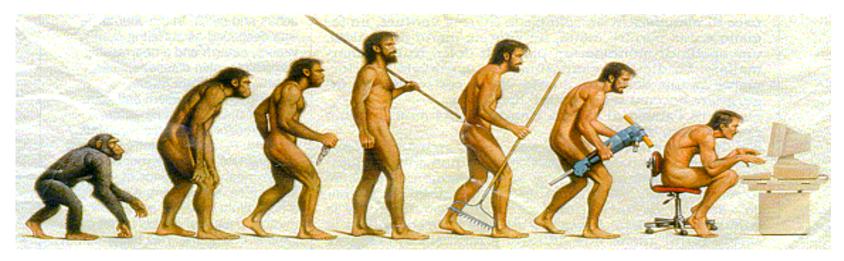
Leonardo DaVinci: Arts and Techniques

• Subject Matters: Biology, Chemistry, Physics Mathematics, Fine Arts, etc.

Cross-Skills: Bio-Informatics Modelling and Simulation

⊠The Knowledge-Worker of today is highly cross-trained.

Knowledge Generation and Change are Accelerating



Homo erectus age Begin 2,5 - 1,5 M y. ago C-Cycle = $\sim 0.5 \text{ M} \text{ y}$.

Tribal age Begin 10 000 y. ago C-Cycle = \sim 1000 y.

Industrial age Begin ~100 y. ago C-Cycle = ~Decade

Cro Magnon age

Begin ~ 100 000 y. ago C-Cycle = $\sim 10000 \text{ y}$.

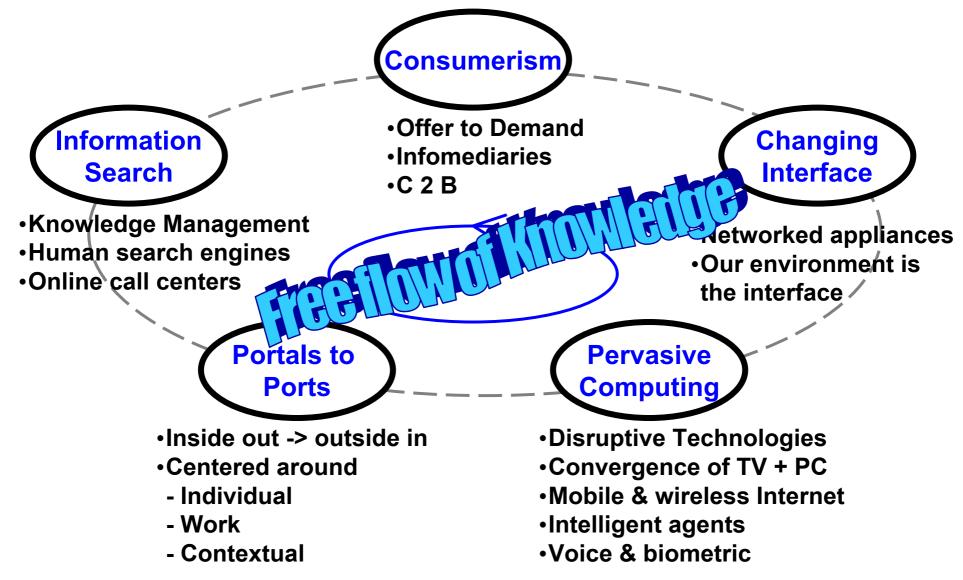
Rural age Beg.~2000 y. ago C-Cycle = \sim 100 y.

Information age emerging now Change-Cycle = 1 year to 1 quarter



IK@N

Information Age: Democratization of Information & Communication



The Information Wave

- Biology and Chemistry are producing more data and Information than ever before:
 - Genetics
 - Genomics
 - Proteomics
 - High Throughput Screening
 - Profiling
 - Competitor and other Intelligence





Many Ways to Look for the Same...

Product: Imatinib

Brand: Gleevec / Glivec

Indication: Chronic Myelogenous Leukemia

Target: Bcr-Abl (Tyrosine kinase)

Mode of action: Tyrosine kinase inhibitor

Protein kinase tyrosine inhibitor

Tyrosylprotein kinase inhibitor

Hydroxyaryl protein kinase inhibitor

Compound Code: CGP057148

• Formula 1: $C_{29}H_{31}N_7O$

Formula 2:



N B Y

The Downside

- Fragmented information and Information silos
- Incomplete, unreliable and outdated data and Information
- Lack of context
- Information and knowledge sharing are low priority
- Short term fixes with no comprehensive and coherent strategy and approach

• Consequences:

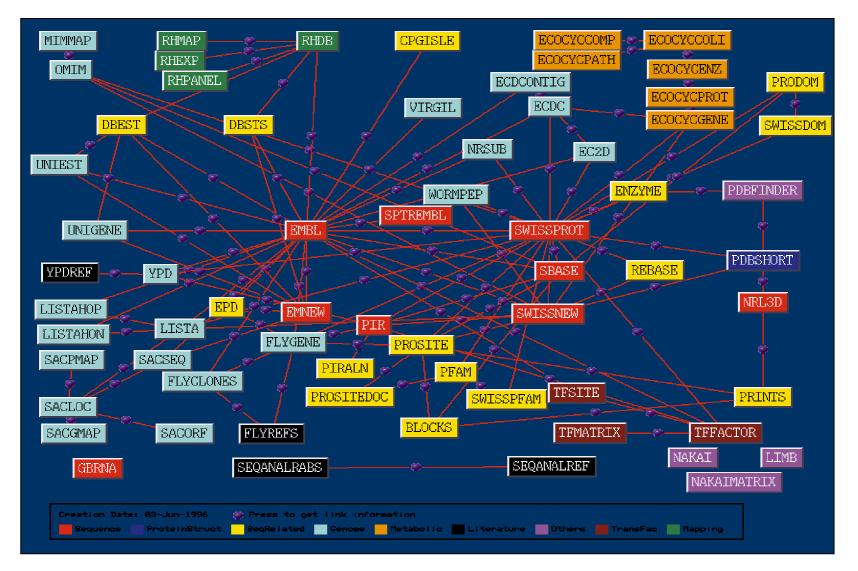
- Associates spend more than 15% of their time searching for data and information.
- Bad and slow decision making





IK@N

Complexity of the information source landscape





Agenda

- **Business Challenges faced by Pharmaceutical Industry**
- The Information Age and its Challenges to our Industry
- Scientific Challenges of Drug Discovery
- The Vision and its benefits
- The Knowledge Space Strategy
- Implementing the Strategy
- **Conclusions**





The Challenges of Drug Discovery

- Human Genome sequence is known
 - > Find all genes
 - > Assign biological function to all genes
 - Discover which genes are implicated in human diseases = Drug Discovery Targets
 - > Find drugs for newly discovered Targets





Agenda

- **Business Challenges faced by Pharmaceutical** Industry
- The Information Age and its Challenges to our Industry
- Scientific Challenges of Drug Discovery
- The Vision and its benefits
- The Knowledge Space Strategy
- Implementing the Strategy
- **Conclusions**

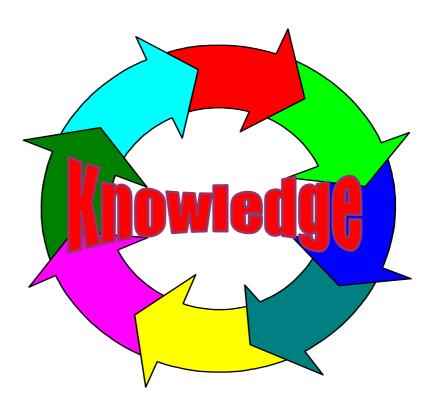




The Ultimate Challenge: Knowledge about

- Markets
- Competitors
- Products
- Stocks, Supply Chain
- Trials, Results
- Genome
- Compounds





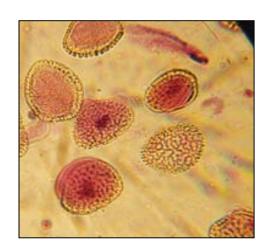


Evolution of the Pharmaceutical Industry:

In Vivo



In Vitro



In Silico



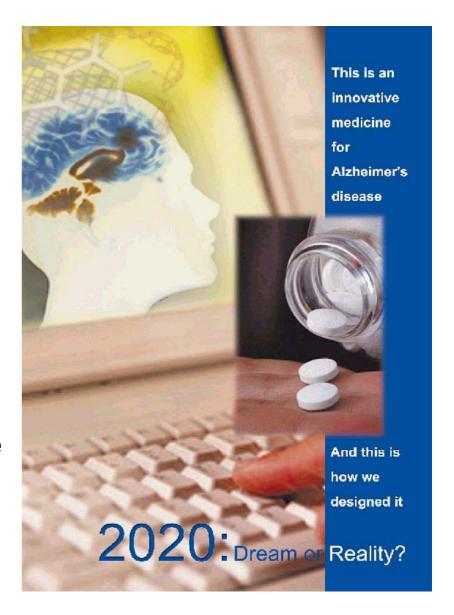
Time



The Vision

Enable and transform Research and the Drug **Discovery process through:**

- Comprehensive and reliable **Data and Information**
- Set in context
- 'One-touch' access
- Turning Data into Knowledge using in silico science







N@YI

Benefits to the Company

Improved decision making for R&D projects

- Consistent, improved information quality reliable, current, comprehensive
- Increased success rate and quality of drugs in R&D.
 - Increased number of high quality projects in R&D for constant R&D resources
- Culture of growing knowledge assets



Benefits put into numbers

- If the target productivity of Research is 25 Early Selected Compounds leading to 3 NCEs per year, then
- in every 5 year period, 100 ESCs will lead to 15 NCEs.
- Considering that the implementation of Knowledge Management has the potential to increases the Research productivity by 5%, then one would get 1 additional NCE on the market from the same number of ESCs in every 5 year period. Considering NCEs with peak sales of 1 BCHF (600 M\$)/NCE, we can easily state that Knowledge Management can contribute an additional 1 BCHF/y peak sales NCE in every 5 year period.



N W N

Agenda

- Business Challenges faced by Pharmaceutical Industry
- The Information Age and its Challenges to our Industry
- Scientific Challenges of Drug Discovery
- The Vision and its benefits
- The Knowledge Space Strategy
- Implementing the Strategy
- Conclusions

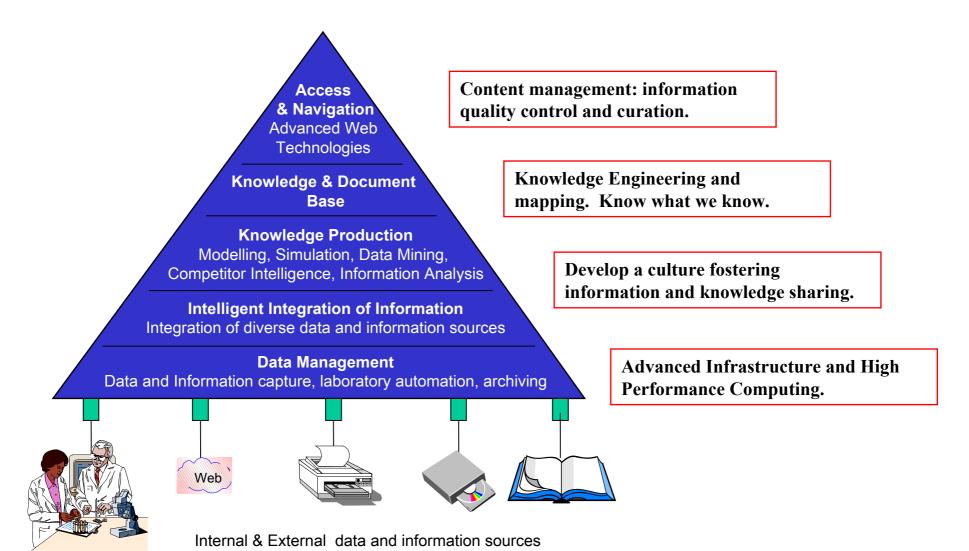


What we need to get there

- A Global and Coherent Strategy based on these themes:
 - > Coherent, global and integrated Data, Information and Knowledge management.
 - > Modelling, Simulation and Prediction.
 - Data (all types) Mining and Visualisation.
 - Seamless Access and Navigation.
 - > Work Culture and Processes.



The Knowledge Space Concept





IK@N

Agenda

- Business Challenges faced by Pharmaceutical Industry
- The Information Age and its Challenges to our Industry
- Scientific Challenges of Drug Discovery
- The Vision and its benefits
- The Knowledge Space Strategy
- Implementing the Strategy
- Conclusions



IK 8

- Key activities and projects within the framework of the strategy - building the Knowledge Space:
 - > Data Management:
 - Coherent and well managed data capture and data flows.
 - Global Archive Tracking System integrated with electronic Data Capture. Electronic Notebook support.
 - > Scientific Computing Infrastructure/Services:
 - Integration of data within domains/disciplines
 - Bioinformatics, Chemoinformatics, etc...
 - Integration data between domains/disciplines
 - Seamless integration of Bioinformatics and Chemoinformatics.
 - Automated and large scale mining and computing



- Key activities and projects within the framework of the strategy - building the Knowledge Space:
 - Access and Navigation:
 - Knowledge Space Portal
 - Seamless navigation in the Knowledge Space. Portal technology making use of Meta Data model and the Knowledge Map.
 - Knowledge Production:
 - Simulation and modelling of processes. Application of statistical and mathematics to life sciences in *In silico* chemistry and biology.
 - Information analysis:
 - Intelligent analysis and interpretation of written information in such areas as Competitor Intelligence, Pharamacovigilence, Patents, etc...





- Key activities and projects within the framework of the strategy - building the Knowledge Space:
 - Knowledge Base:
 - Text and document management systems
 - Managing the production of scientific documents in Research. Interconnecting knowledge assets with all possible data and information sources.
 - Skill base
 - Using the body of scientific documents in the Knowledge Base to build a skill base of Novartis.
 - Curation
 - Ensuring that the Knowledge Base complies with the Research **Quality Systems**





- Key activities and projects within the framework of the strategy - building the Knowledge Space:
 - Knowledge Centre:
 - Import external Information sources.
 - Provide access to external information through a combination of approaches:
 - From classical libraries to fully electronic libraries. Search and retrieval services through content experts.
 - Curation
 - Ensuring that the Knowledge Centre provides the best and most complete information resources. Quality and completeness judgement and statements.





- Key activities and projects within the framework of the strategy - building the Knowledge Space:
 - Knowledge Engineering:
 - Building the Knowledge Map and Meta Data Layer of Novartis.
 - Based on ontologies, vocabularies and thesauri.
 - Text Mining and Information extraction.
 - Common technology platform for Competitor Intelligence, Genomics literature mining, Patent mining, etc...
 - Integration of databases, information source and the Knowledge Base through text mining.





- Key activities and projects within the framework of the strategy - building the Knowledge Space:
 - High performance Computing GRID:
 - Supported by a combination of Clusters (Linux), PC GRIDs, LSM compute servers, Application Specific Integrated Circuits and external collaborations (CPU on demand).
 - > Work culture:
 - Basel Campus redesign AGORA: creation of a "Knowledge" Centre of the future.
 - E-Learning and meeting implemented more widely.
 - Assigning a value to Data/Information and Knowledge to drive priorities and strategy.
 - Grow a culture of Knowledge being a company asset



N@YI

Agenda

- Business Challenges faced by Pharmaceutical Industry
- The Information Age and its Challenges in our Industry
- Scientific Challenges of Drug Discovery
- The Vision and its benefits
- The Knowledge Space Strategy
- Implementing the Strategy
- Conclusions



N₀XI

Summary & Conclusion

- We are definitively entering the Information Age
- The Pharmaceutical Industry is a Knowledge Industry
- Knowledge and Information become the most important production factors
- InformationTechnology becomes one of the critical tools
- **Everything becomes inter-related and networked**
- The speed of change is accelerating
- Knowledge working culture is a key success factor

Flexible, Fast and Business-oriented **Knowledge-Management-Systems will build** the Fabric of Success

IK@N

Thank You



for your **Attention and Interest!**





Disclaimer

The following information contains certain "forward-looking Statements", relating to the Company's business, which can be identified by the use of forward-looking terminology such as "estimates", "believes", "expects", "may", "are expected to", "will", "will continue", "should", "would be", "seeks", "pending" or "anticipates" or similar expressions, or by discussions of strategy, plans or intentions. Such statements include descriptions of the Company's investment and research and development programs and anticipated expenditures in connection therewith, descriptions of new products expected to be introduced by the Company and anticipated customer demand for such products and products in the Company's existing portfolio. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements. These factors can be found in the Company's Form 20F filed with the Securities and Exchange Commission and include, among other things, unexpected regulatory delays, uncertainties relating to clinical trials and product development, the introduction of competing products, increased government pricing pressures, and the Company's ability to obtain or maintain patent and other proprietary intellectual property protection. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected.

