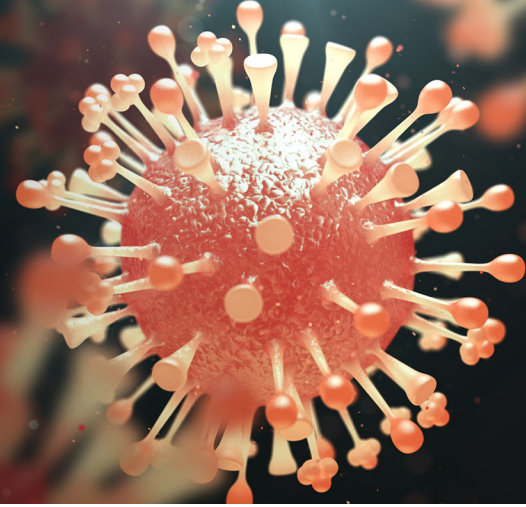




COVID-19 response capabilities

Combating COVID-19 with resilience in life sciences



We are in an unprecedented time of change. The COVID-19 pandemic has caused life sciences organizations to adjust to supply chain and clinical development disruptions and financial challenges that were previously unthinkable. Where can your organization focus its response? How can you continue to deliver products and innovative discoveries to your patients? And what should you do next? Learn how we can help you combat the potential impacts of COVID-19 with resilience.

Deloitte can help life sciences organizations respond to the challenges brought on by the pandemic by drawing on the scalable, experienced support of our industry-leading professional services organization and experience honed during the H1N1, Zika, and Ebola responses.

There are several areas where organizations can focus their responses:

Crisis response and management

Set up a crisis response center to assist in identifying, organizing, prioritizing, and managing various work streams; monitor and gather intelligence to provide a daily common operating picture at an executive level; think through and plan for recovery scenarios.

Supply chain and manufacturing

Avoid or mitigate disruption caused by COVID-19 conditions by considering capabilities around inventory allocation, manufacturing operations, channel and distribution strategy, appropriate operating model, and scenario planning.

Research and development

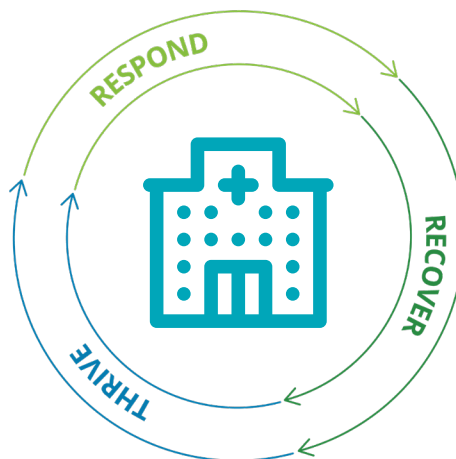
Mitigate disruptions to clinical trials by adopting telemedicine and remote data capture solutions (e-sourcing, wearables). Support in-home testing and diagnostic capabilities.

Workforce strategies

Define strategies for critical workforce segments during the pandemic and in the recovery, supporting the transition to remote working and virtual delivery while continuing progress toward critical business objectives.

Financial and downturn planning

Conduct business reviews, downturn planning, and scenario planning to create a resilient foundation.



Financial reporting

Be prepared to close the books virtually to meet external reporting deadlines and analyze the effects of COVID-19 on key financial statement balances, the impact of tax relief packages, market stimuli, and related footnote disclosures.

Tax resilience

Understand the impact of COVID-19 on a company's tax posture and identify how the CARES Act may be able to help improve cash flow and liquidity. Focus on cash preservation strategies, including IP and transfer pricing planning, and assess supply chain related credits and incentives opportunities.

Cybersecurity and privacy

Bolster threat detection and response capabilities in a heightened threat environment, protect data privacy, and react swiftly to evolving security challenges while educating and empowering the workforce to safeguard enterprise security.

Compliance

Collaborate on strategic responses and address compliance program challenges; proactively navigate crisis response by leaning into organizational values, communicating effectively, assessing processes and standards that may need to be revised, and monitoring in real time to prepare for agile recovery.

Commercial

Adapt the go-to-market model, expand digital capabilities, and proactively anticipate where and when to deploy commercial resources and inventory to help drive faster recovery.

For additional information, please visit www.deloitte.com/us/LS-COVID19.

Leaders can consider these questions in planning their responses

Chief executive officer

- What does a post-COVID-19 world look like and what is my organization's role?
- What parts of my organization should adapt to a post-COVID-19 world and how should we adapt?
- How can I enable quick and streamlined communications to patients, employees, and my teams as we respond and recover?
- What risks may emerge in the next month, three months, six months, and year, and how can I ensure we are ready for them?

Chief information/technology officer

- What digital capabilities are most important for immediate and longer-term investments?
- Which capabilities and solutions are most reliable and best for my tailored needs?
- What new information security risks are emerging as more work is done remotely?

Chief strategy officer

- How do we need to pivot our corporate strategy to adapt to the emerging normal post-COVID-19?
- What programs and revenue streams need to start and stop in the next three months, six months, and year?
- What do we do with the recent investments we have made, and what other investments should we be considering?
- What can we do to better prepare for uncertainty in the ecosystem?

Chief operating officer

- How can I continue to ensure employee safety at all our sites?
- How can I identify and respond to risks in our manufacturing process and supply chain?
- How do I accurately predict demand and prevent hoarding of supplies?
- How do I manage unpredictability in the supply chain and access to API and other materials produced in highly impacted geographies?

Chief financial officer

- How can we prepare to meet external reporting requirements on a timely basis as a more virtual organization?
- What alternative liquidity models and derivative strategies should I be considering?
- How should I be thinking about internal risk controls we have in place, and how might I need to change them?
- How will our organization need to pivot in the next 12 months to recapture losses?
- What should our strategy be for pursuing R&D investments and other capital-intensive projects as we respond to and recover from this crisis?

Chief R&D/clinical officer

- How can I analyze and understand the patient and site impact on my R&D portfolio, and how can I adjust my clinical operations and resources to respond?
- How can I accelerate the application of virtual health, digital technologies, and other tools to transform my clinical program execution?

Chief tax officer

- How can opportunities provided in the CARES Act assist in addressing cash flow and margin pressure?
- How do changes in taxable income projections impact historic tax-planning priorities and challenges?
- Are there credit and incentive opportunities as a result of changes in sourcing and the supply chain footprint?

Chief human resource officer

- How do I help build resilient, productive, engaged, and effective teams and leaders across functions in times of crisis?
- How do I ensure business continuity through virtual/remote work internally and for external stakeholder engagement?
- How does workforce and talent planning evolve from response re-allocation of resources to building for the next normal post-crisis?
- How do we balance business outcomes with changing needs of people?

Chief legal or compliance officer

- How can I conduct investigation activities virtually?
- How is my litigation or fraud risk different?
- How does the shift to digital/virtual impact my approach to auditing and monitoring?
- What will reports, such as T&E, look like going forward? Are there concerns about potentially questionable reporting?

Chief commercial officer

- How do we support customers to accelerate their recovery and strengthen long-term relationships?
- How do we adapt the commercial model to optimize SG&A and build the foundation for long-term success?
- How can we strategically invest in virtual engagement capabilities for the long run as more work becomes remote?
- What steps can we take to "reboot" and flexibly deploy field resources, taking into account local and customer variances?

Contact us

Mike DeLone

Principal
US Life Sciences
National Sector and
Consulting Leader
Deloitte Consulting LLP
mdelone@deloitte.com
+1 215 299 5230

Dan Ressler

Principal
US Life Sciences
Advisory Leader
Deloitte & Touche LLP
dressler@deloitte.com
+1 215 299 5210

Jeffrey Ellis

Partner
US Life Sciences
Audit Leader
Deloitte & Touche LLP
jeellis@deloitte.com
+1 412 338 7204

Maggie Zellers

Partner
US Life Sciences
Tax Leader
Deloitte Tax LLP
mzellers@deloitte.com
+1 312 486 3621

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States, and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.