

GENERATING ACTIONABLE STRATEGIC ALTERNATIVES:
Managing Risk And Maximizing Asset Value

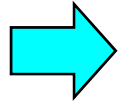
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DAAG 2001

MAY 16, 2001. HOUSTON, TX

AGENDA



- **The Value of Strategy Tables**
- **Assessing Strategic Alternatives**
- **Examining Trade-Offs from Risk-Resolution Curves**
- **Viewing the Whole Picture Through Cumulative Distribution Functions**
- **Conclusions**

STRATEGY TABLE

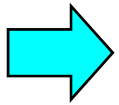


A comprehensive Strategy Table defines a mutually exclusive and collectively exhaustive set of actionable alternatives

Strategic Alternative	Resource Allocation	Early Development	Full Development	Regional Intent
ACCELERATE & DOMINATE	HIGH	CONCOMITANT POP TRIALS	CONCOMITANT MULTI-CLAIM TRIALS	GLOBAL
ACCELERATE THEN WAIT	MEDIUM	STAGGERED POP TRIALS	STAGGERED MULTI-CLAIM TRIALS	U.S.
MOMENTUM	LOW	SINGLE POP TRIAL	SINGLE-CLAIM TRIALS ONLY	EU
WAIT & SEE	MINIMAL	SMALL POC TRIAL	SINGLE-CLAIM & TEASER TRIALS	JAPAN
DIVEST	NONE	NONE	NONE	OTHER

AGENDA

- **The Value of Strategy Tables**



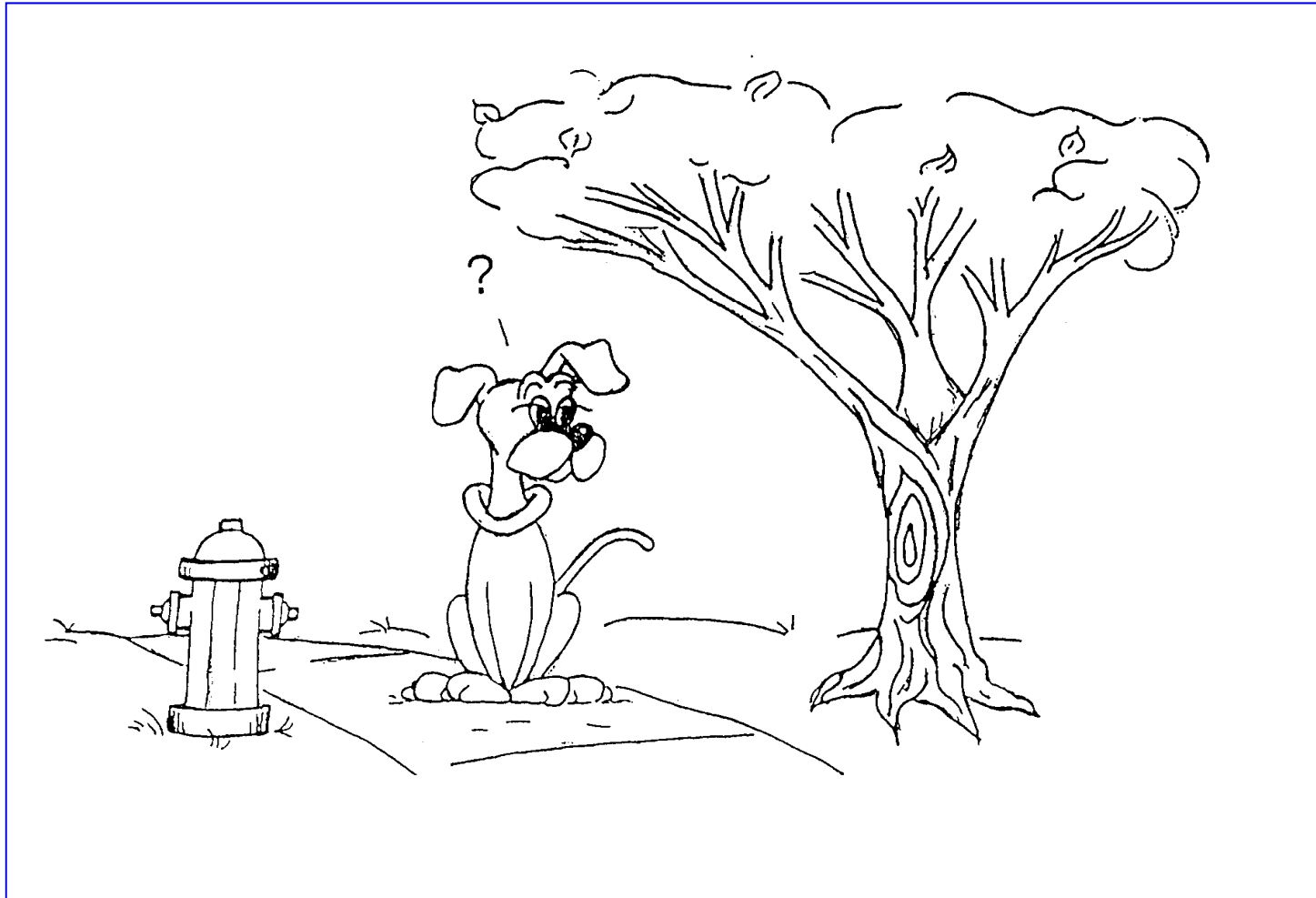
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- **Examining Trade-Offs from Risk-Resolution Curves**

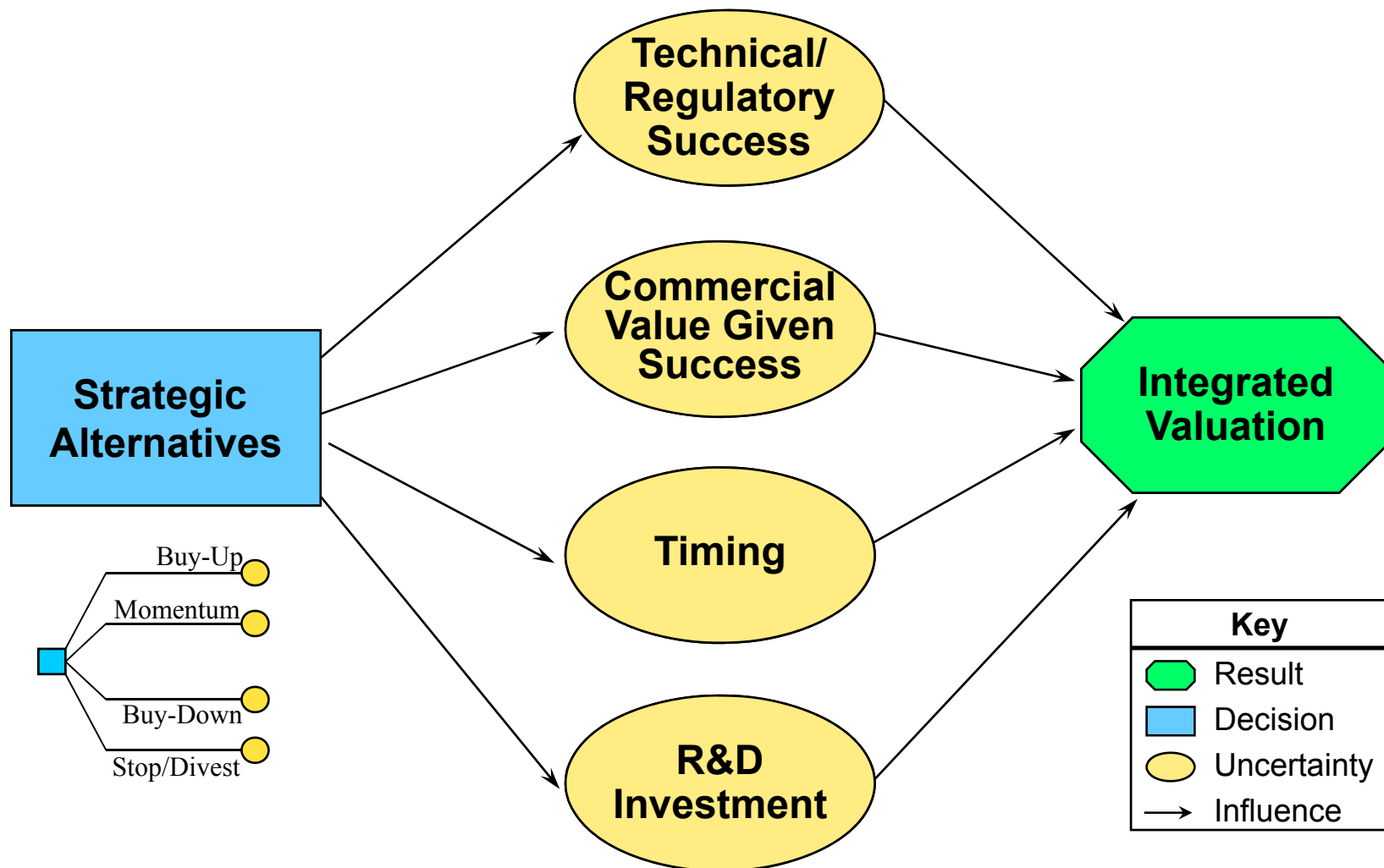
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STRATEGIC ALTERNATIVE ASSESSMENT



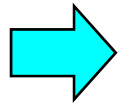
To maximize asset value, creative and actionable Strategic Alternatives should be quantified in the context of four key drivers of uncertainty



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- **The Value of Strategy Tables**

- **Assessing Strategic Alternatives**

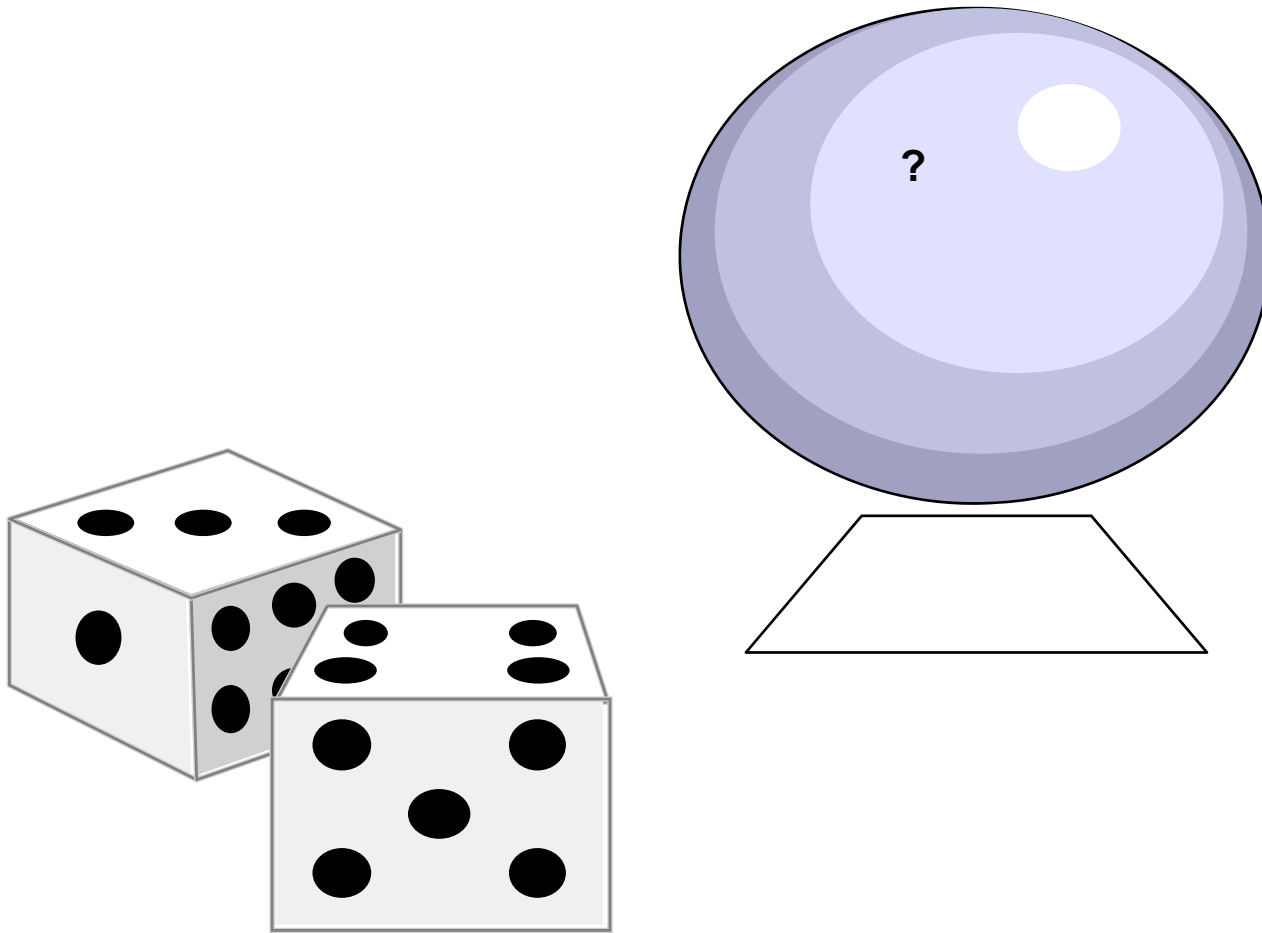


- **Examining Trade-Offs from Risk-Resolution Curves**

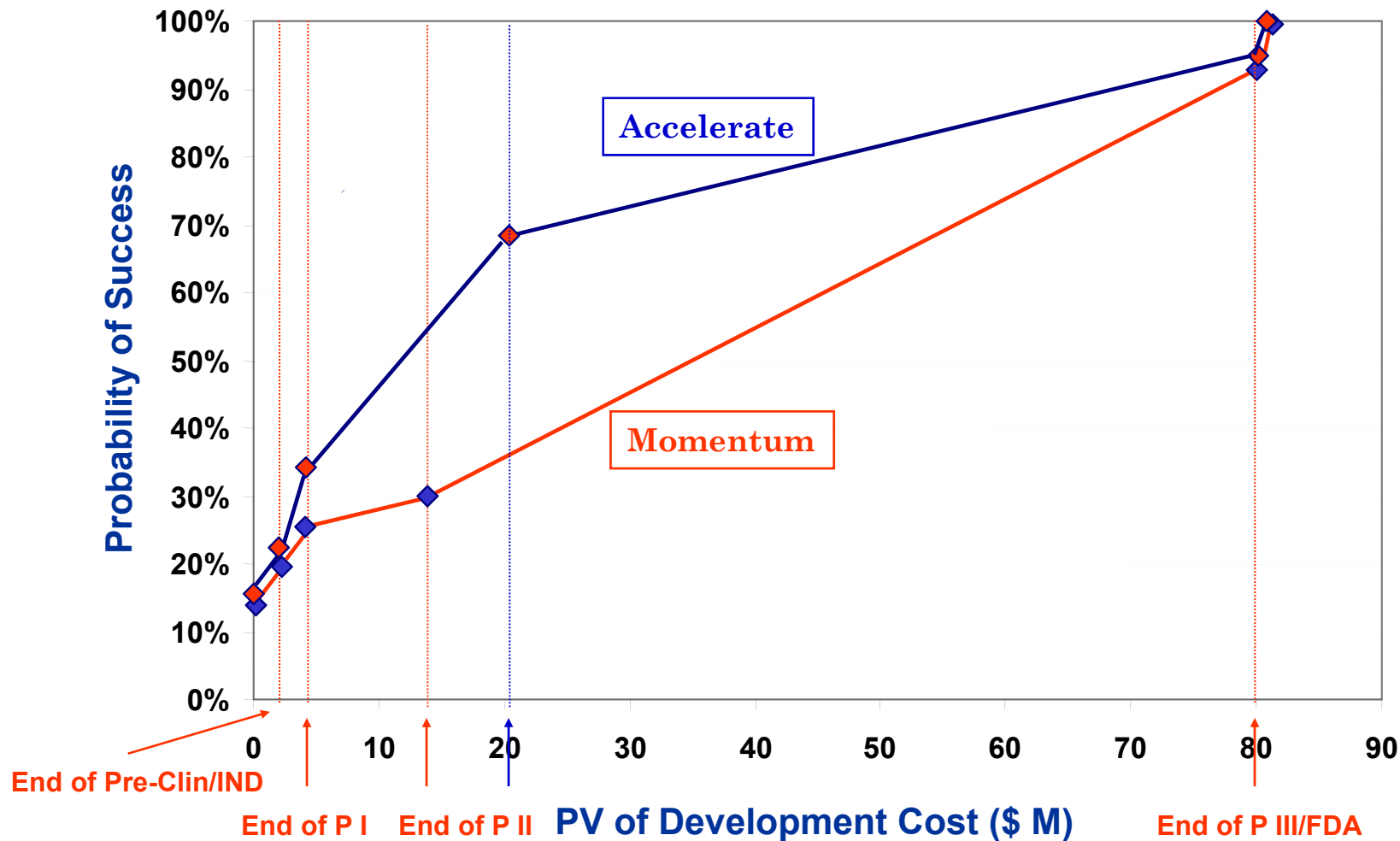
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RISK RESOLUTION CURVE



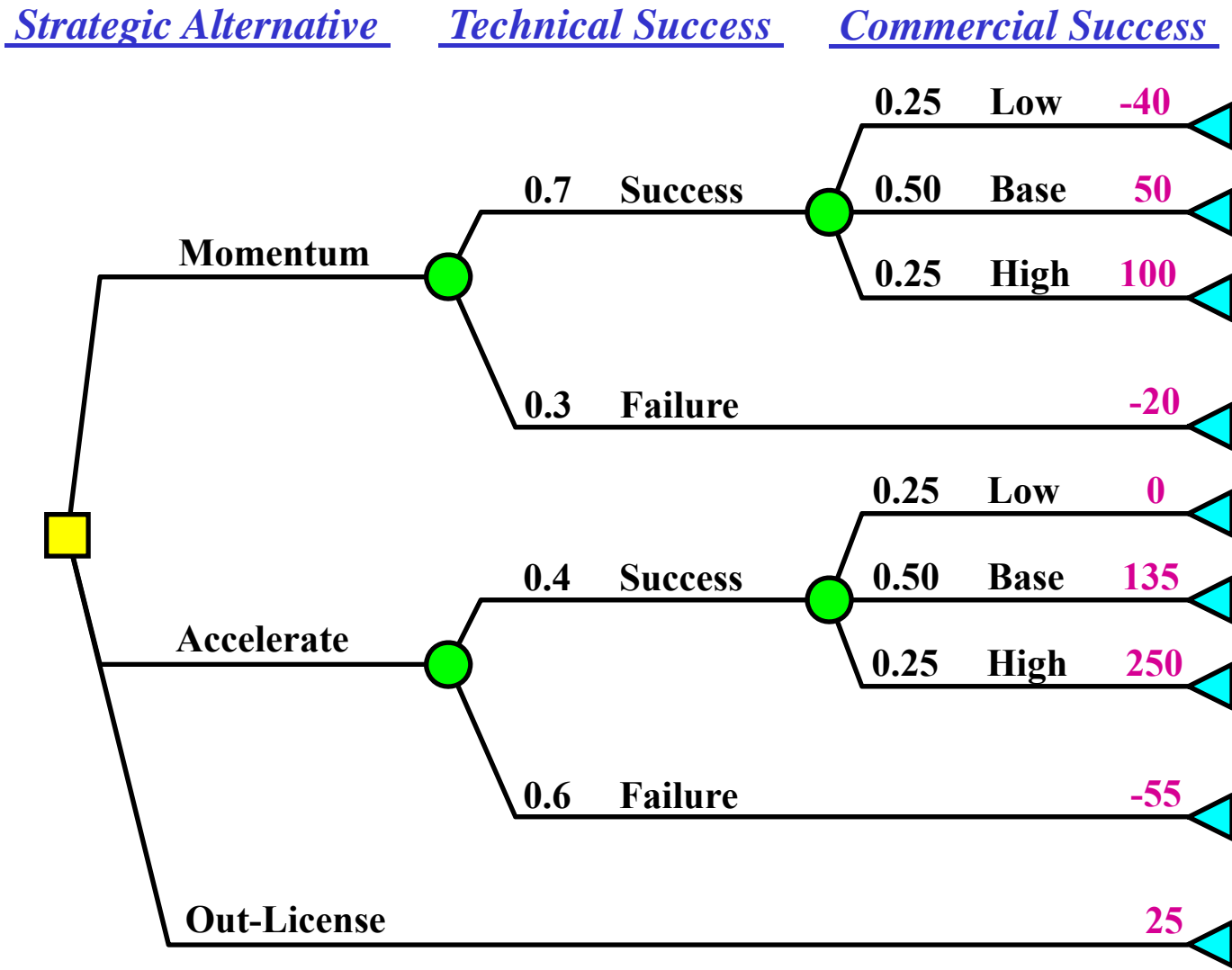
The resolution of technical uncertainty by phase of development as a function of investment requirements is critical to understanding the Value Of Information



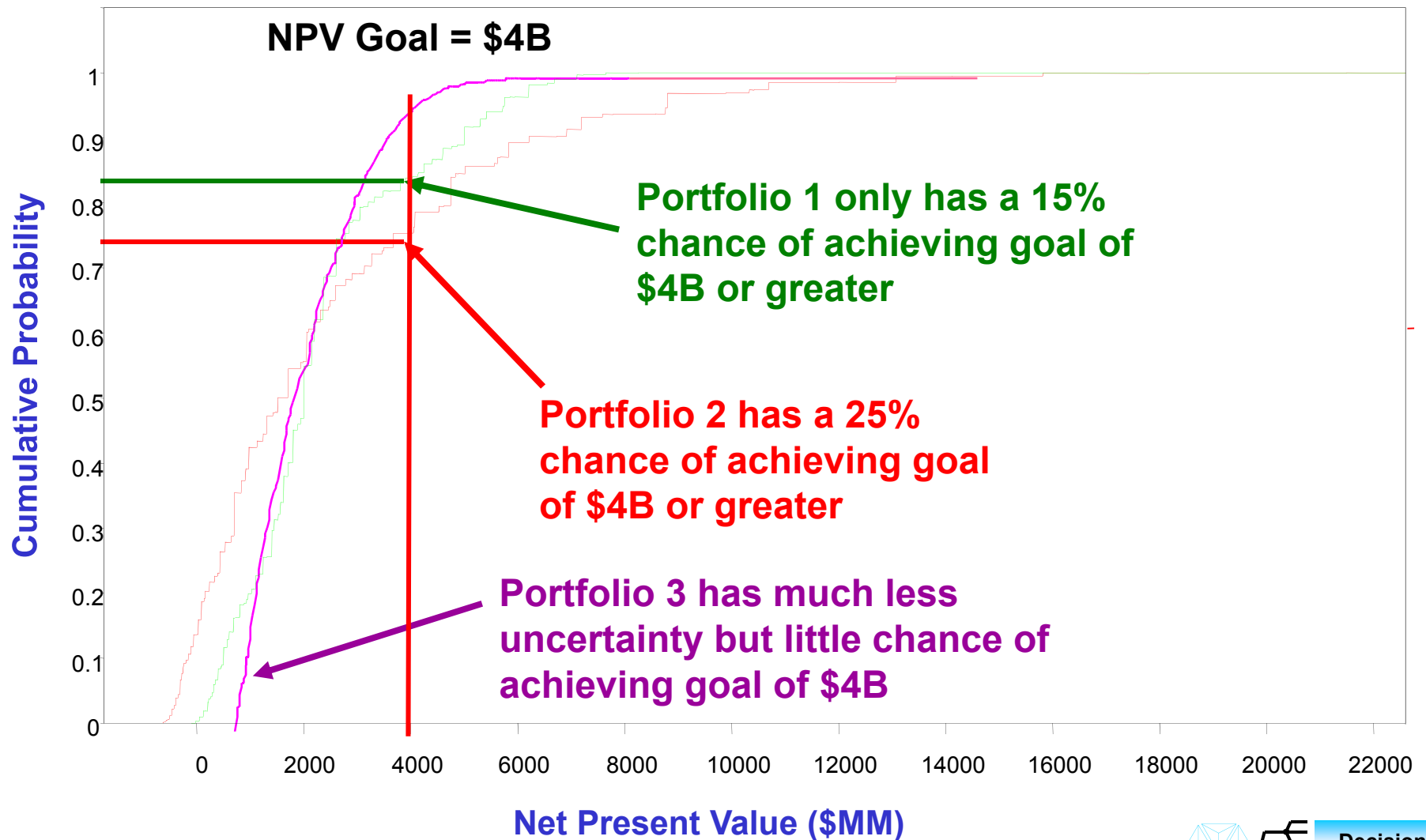
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CUMULATIVE DISTRIBUTION FUNCTION

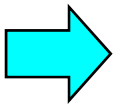


Portraying the entire distribution of outcomes for different Strategic Alternatives is a necessary prerequisite to enable defensible decision-making



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CONCLUSIONS

- **Decision Analysis & Portfolio Management tools of various forms, shapes and sizes exist**
 - △ **Make sure you understand them before you try to help decision-makers understand them**
 - △ **Use them wisely**
 - △ **Don't generate too many different views of the same data**
 - △ **If the culture won't embrace them, don't use them**
 - △ **Ask the perennial question and ask it frequently**
- “What do you need to know to enable you to make the decision?”***