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Pharmaceuticals

Bitter pill

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The failure of a future blockbuster drug squeezes Pfizer

THIS was supposed to be a good week for Jeffrey Kindler, who took over as the boss of Pfizer, a drugs giant, in July. He has repeatedly promised to shake things up at the famously hidebound and bureaucratic firm, and it looked as though he was making good on his promise. First he announced plans to sack a fifth of the firm's sales force. Then on November 30th he hosted an open day for analysts at the firm's research laboratories in leafy Groton, Connecticut, a short drive from the firm's headquarters in New York.

At his instigation, Pfizer's secretive boffins unveiled details of the firm's drugs pipeline, disclosing information for the first time on more than half of its 30 research programmes. Financial analysts, who helped to push Mr Kindler's arrogant and aloof predecessor from his post, cheered the new openness.

But then things started to go awry. The new boss pointed to torcetrapib, a cholesterol drug in late-stage trials, and gushed that it could "redefine the way we treat the world's number-one killer—cardiovascular disease." Here was Pfizer's best chance of making up for the drop in profits when Lipitor, today's blockbuster cholesterol drug, goes off-patent in a few years.

Two days after the Groton event came the bombshell. Pfizer suddenly shut down the trial of torcetrapib and announced that the drug would not make it to market. More patients on the new drug were dying than in the control group taking Lipitor. When markets reopened the news wiped some \$20 billion off Pfizer's market capitalisation.

Bad news—but there may yet be a silver lining. Mr Kindler is due to unveil his new strategy for the firm in late January. There had been speculation that the new boss would not be able to win over the old lags to his vision. But torcetrapib's failure could be the bitter medicine that Pfizer's entrenched bureaucracy needs to make it accept change.

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