



SUCCESS STORY

COMPETITIVE INTELLIGENCE TO FIND NEW AVENUES IN THERAPEUTIC INNOVATION

How Merz Therapeutics is expanding its product portfolio using a tech scouting platform

Merz Therapeutics is part of the Merz Group, a family-owned company founded in 1908 by pharmacist and chemist Friedrich Merz in Frankfurt, Germany. Merz Therapeutics set itself the goal to improve patients' health - bringing better outcomes to more patients.

From the very beginning, innovation has been a core element of Merz's corporate culture and strategic direction. Through the Merz Corporate Venture Capital Initiative, Merz is offering partnering and supporting a company or technology across all of Merz's focus areas. In 2020, Merz created three independent businesses: **Merz Aesthetics, Merz Therapeutics** and **Merz Consumer Care**. The new structure will allow for more specialized customer focus and will increase

operational agility and speed to market. The creation of three separate businesses is expected to continue fuelling the strong growth.

The Technology Scouting and External Innovation Teams at Merz Therapeutics are responsible for establishing and evaluating the competitive landscape of the current product portfolio. Which new products and companies have entered the market? Which emerging technologies could be used to further grow the portfolio?

Since 2018, technology scouting has been supported by ITONICS' tools to more transparently gather and evaluate insights on activities in the business environment in order to make informed decisions to expand the company's portfolio.

60+
users

400+
companies

800+
products

300+
patents, publications
and news

170+
clinical trials

“The ITONICS Innovation Platform supports us in scouting new technologies and products for our pipeline. The huge amounts of data generated in this process are easily searchable for the colleagues involved and can be supplemented and evaluated together.”

– Dr. Maarten Ruitenbergh, Head of Technology Scouting & Operations, Merz Therapeutics



THE CHALLENGE

Accelerate portfolio expansion through competitive intelligence

Market situation:

- **Rise in chronic diseases:** Instances of chronic diseases are increasing; demand for medicines is growing more rapidly.
- **Patent cliffs:** Patents expire and products lose exclusivity.
- **Fierce international competition:** Startups are posing threats, but also new opportunities for established market players.
- **Digital transformation:** The rapid changes of business and society are forcing every organization to innovate at an accelerating speed.
- **Technology advancements:** The thresholds for non-traditional providers to enter the market are getting lower.

Tech scouting at Merz Therapeutics:

- The Merz Therapeutics Technology Scouting **Process** is illustrated in Figure 2.
- **Technology scouting** is an essential part of establishing and expanding the competitive landscape of Merz Therapeutics.
- Based on the Scouting and Screening Team’s suggestions for **business opportunities**, the Business Development (BD) Board can take strategic decisions on the company’s portfolio expansion.
- Involved departments (R&D, Tech Scouting, Marketing, Corporate Development) used to work in **silos** and collect information separately.
- There was no **single point of truth** for competitive intelligence.
- **Rigid tools** (e.g. Excel lists) led to heavy workload and data loss.

Objectives:

- **Staying up to date:** Are other companies developing similar products? Is the competition becoming a threat to us?
- **Expanding the portfolio:** Are there technologies or products that fit the portfolio to grow? Can we co-develop these with other companies?
- **Fostering collaboration:** How can silos be broken down? How can knowledge around competitive intelligence be leveraged across departments and partners?

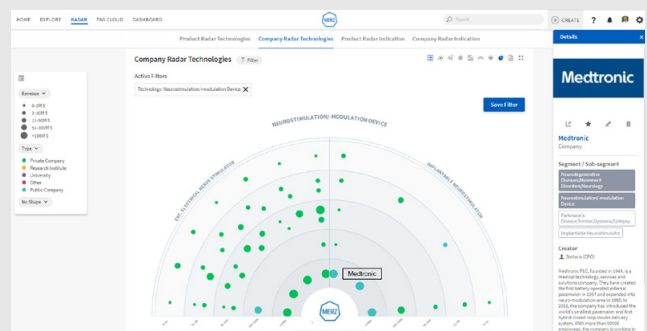


Figure 1: Company Radar

THE WAY FORWARD WITH ITONICS

Merz Therapeutics Tech Scouting Process

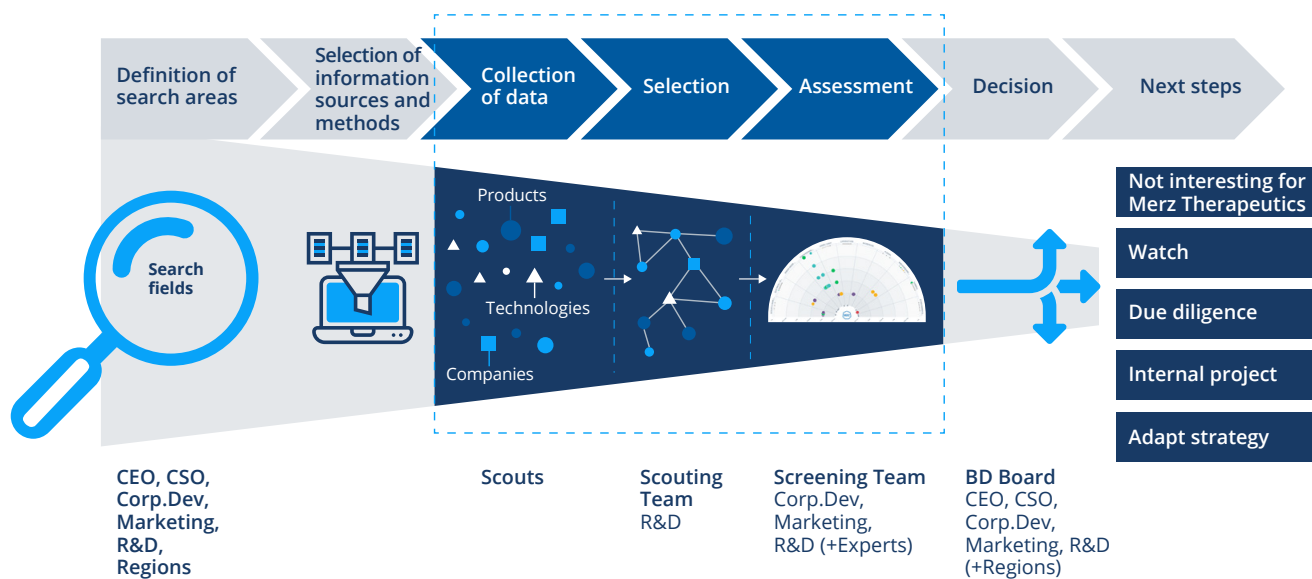


Figure 2: Merz Tech Scouting Process supported by ITONICS

1. Data collection

To determine the competitive landscape of the current portfolio, predefined search fields are used to collect a wide variety of information on the scouting platform. Knowledge is bundled from various sources:

- Information about companies and their (pipeline) products as well as clinical trials, patents and publications is fed into the platform from **external databases**.
- Information obtained from **internet searches, press releases, conferences** and **market reports** is also fueled into the scouting platform.
- As part of **scouting campaigns**, employees are asked to collect and/or assess findings for individual topics, e.g. for indications like parkinson's disease or for technologies like neurostimulation/-modulation devices.
- External service providers** are given access to the platform to additionally provide information on new products and technologies.

2. Selection

The collected insights are enriched by the **AI-enabled signals feed**, which automatically adds relevant market signals to the scouted products and companies. Other departments can additionally access, edit, and supplement the data. The most relevant products and companies are assigned to a specific technology field or indication and selected for further evaluation.

3. Assessment

The hits are evaluated by the Scouting Team and experts from other departments. Evaluation criteria include, for example, the efficiency or the safety of a treatment. The evaluated results can be visualized in different Radars and provide the Screening Team and Business Development Board with evidence to make better **strategic decisions** on portfolio expansions.

“Monitoring the activities of our competitors is crucial in order to adapt to a changing competitive environment at an early stage. ITONICS’ Innovation Platform helps us to collect, evaluate and internally distribute information and press releases about competitor companies, competitor products and related clinical studies.”

- Nico Kusterer, Market Intelligence Analyst, Merz Therapeutics



“The ITONICS Innovation Platform allows us to easily share information about external innovation opportunities across departments and countries. By being able to use a single system for data search (including search routines), storage and sharing, our interdisciplinary evaluation teams are empowered to quickly review and assess opportunities.”

- Iris Manneck, Head of Corporate Development/ M&A, Merz Therapeutics



ACHIEVEMENTS

A single point of truth for competitive intelligence and sound decision-making

Fostering collaboration

- With the Technology Scouting Platform, a **single point of truth** was created to break down silos, bundle competitive knowledge, and drive faster decision-making across Merz Therapeutics.
- Controlled access allows different interest groups (other departments as well as external service providers) to **work collaboratively** on mapping the competitive landscape.

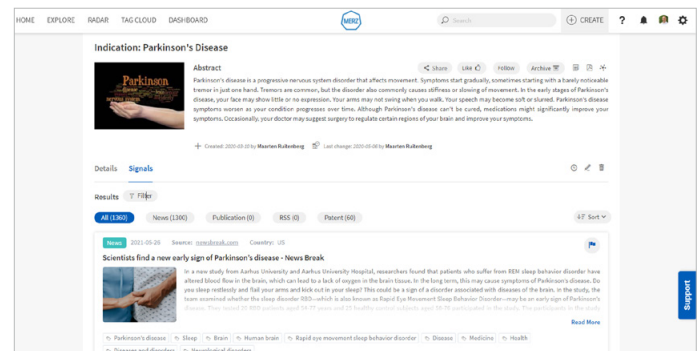


Figure 3: Indications with Signals Feed

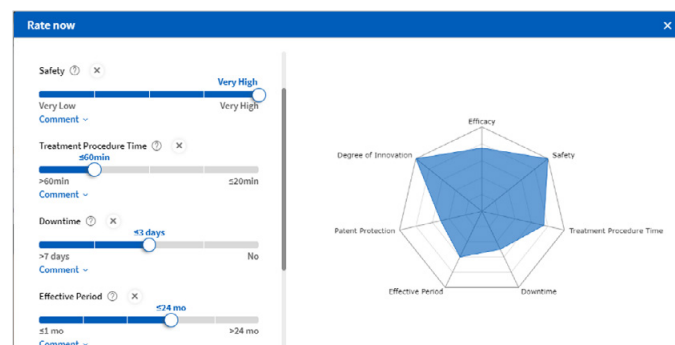


Figure 4: Rating of a Product

Expanding the portfolio

- The Technology Scouting and External Innovation Teams can now provide the BD Board with the **most interesting business opportunities** in the field of therapeutic innovations.
- Portfolio expansions are **proactively** triggered by the accumulated and evaluated knowledge on the platform.
- Decision-making on acquiring new products or partnering with other market players remains **traceable** by preserving the history on the platform.

Staying up to date

- Competitive information and activities are easier to find, simpler to filter, and presented in a visually appealing way in the **Radars**.
- Emerging technologies, companies, and competing products that offer value can be **discovered at a faster pace**.
- The **Signals Feed** enriches products, technologies, and companies in the platform automatically with additional relevant information.

OUTLOOK

Merz Therapeutics and ITONICS are working together to further promote interaction within the platform and enable a larger group of users to actively engage in the scouting process in the future. The tool will be rolled out to other teams to increase awareness and its relevance at Merz Therapeutics.

About ITONICS

ITONICS is the leading provider of software solutions and services in innovation management. Founded in Nuremberg in 2009, the company employs around 100 people at four locations.

In addition to its headquarters in Nuremberg, ITONICS has offices in Germany (Berlin), the USA (New York), South Africa (Cape Town) and Nepal (Kathmandu).

With the modular software suite, companies can design and manage their entire innovation strategy. By combining profound industry know-how and scientific expertise, ITONICS creates the conditions for the development of disruptive innovations and sustainable strategies.

Large and medium-sized companies worldwide rely on ITONICS including adidas, Audi, CISCO, DZ Bank, Intel, Johnson & Johnson and SAP.

Why ITONICS

- **Strategic approach:** The ITONICS methodology and tools link strategy, innovation, and execution.
- **Perfect match:** The customizable software modules can be configured to your individual needs.
- **Partnership for excellence:** Our best practice workshops, health checks, and trainings ensure sustainable growth.
- **Global engagement:** We manage and operate global open innovation challenges and enable worldwide technology and trend scouting projects.
- **Trust:** Protecting your data assets is one of our major obligations. Getting certified in ISO/IEC 27001:2013 underlines this ongoing endeavor.
- **24/7 support worldwide:** You can rely on our team of experts 24/7 and receive individual support and advice.

Our Customers



Germany

Nuremberg

Emilienstr. 9
90489 Nuremberg
T +49 911 600 60 550

Berlin

Wallstr. 15a
10179 Berlin
T +49 30 577 02 200

USA

New York

80 Pine Str, Floor 24
New York, NY 10005
T +1 212 7523011

Nepal

Kathmandu

Hanumansthan,
Anamnagar
Kathmandu 44600, Nepal
T +977 1 4239294

South Africa

Cape Town

50 Harrington St,
2nd floor, 7925
T +27 21300 6677