1. **Problem Statement**–

--What is THE focal problem here?

Failure of Merck to adapt to new changes pharmaceutical

Merck one of the reputed and research oriented pharmaceutical company could not cope up with the trends in marketing strategies to publicize their medicines and loose on the blockbuster section of medicines with a marginal difference. They failed to adapt to the latest marketing changes happening in pharmaceutical industries

1. **Problem Analysis**–

--Use theory to analyze the case vs. just citing a list of problems.

-- In your Problem Analysis you can consider drawing on material we covered to date including,  Human Resources, Strategy and Structure; Organizational  Change and Culture, as well as Decision making.

HR – employees , Researhcers, single Marketing personnel need more, training, motivating and keeping competent employees strategic goals   
Org change –

Culture -

- Merck acted like a monopoly with patent filing and leadership with well known scientists in the chemical engineering field. Led to upsurge in competition. Companies went worked against Merck for development of medicines which cost them a lot in maintaining their status as research oriented business. Smaller companies focused on research oriented medicines in different areas than Merck actually focused on. This gave a setback to Merck with its own position in pharma industry.

- Merck emerged as a huge company which has small sales presence in WWI. After US seized and acquired all German held subsidiaries and confirmed to be one of the US form. Later Merck established its position as Leading paraoh research insititute. The sales doubled and profit tripled over the years. New therapeutic drugs and enhanced its reputation of bringing breakthrough research in medicines / drug market. As the WWII situation continues Merck. Its profitability was at the highest

- Clinical studies outcome studies = focus on drug effect on quality of life & morality and morbidity in populations

- More of Mechanistic approach in dealing with the requested changes by the MRL, they did not accept any changes requested by the sales team since it was not fitting the right formula for the composition of the drug. But that is obviously correct, the sales and marketting should not have asked for something which they cannot control instead provide with a solution which would market the product for high research standards and with correct labels.

- Merck was recognised due to highly qualifies talent and research oriented organic growth. The product quality was driving factor to the market. They built a reputation of building the company based on employee vales, their work is recognised and first rate science is don . This is dream job for most of employees

- MRL led by top scientists providing breakthrough therapeutic categories. Their leadership & Patent filinf manifested success Led strongest of competitors

- Less of marketing strategy more research based work. Employees were given rightful power, need better marketing strategies to improve on.

* - Marketing started in later phases Marketing allowed much later in process

- MRL was core of stratify to continually reinforce the view that breakthrough drugs come from great science – touhprocess needs to be changed, sensitivity training, survey feedback

* Focus on Org development on regular basis chanign focus on attitude and values
* Loosing patent was a huge loss for market launch – half or more of its market shares were lost
* Tech lowered mass needs of effective drugs as the trends changed companies took benefit of this and entered drug business and had collaboration with Merck competitors. New attested drugs & clinically tested cheaper drugs began to enter market
* Smaller companies entered drug business, In collaboration with Merk competitors
* Competitive drugs emerged more rapidly than before
* Less than 6 months product exclusivity
* Company has short windows in which sales of leading drug in their category
* SWOT analysis required
* Scandinavian requested for Phase V research – not rewarded or promoted 4S stdudy was approved.
* Zocor –lowered mortality and morbidity rate
* **LABELED STRESSED EFFICACY**
* **Aggressive in marketing strategies**

**- DTC marketing**

**Detailed high prescribing doctor**

**Cardiac leaders**

* **Aggressive in promoting Lipitor than Merck**

**Bulleted List of Root Causes that you will solve for.**

**--** It is important that the root causes listed in this section are those that were identified in your problem analysis.  In other words, new issues should probably not surface here!

--A bullet-point list is acceptable in this section.  These root causes are what you will solve for when generating your alternative solutions.

**- solve for the sense of urgency , right individuals to market   
- new approaches to culture  
- remove barriers – improve on marketing skills   
- Developing vision & strategy   
-**

**LIST OF ROOT CAUSES  
- No corrective action taken in changing marketing strategies – scandivanian request to conduct Phase V tests run**

* **No dedicated Marketing team**
* **No departments**
* **MRL leads all decisions**
* **Competitive edge , consideration of changing business treds in pharmaceutical industry**
* **Follow the trends, DTC marketing,**
* **Requirement check on me-too drugs as lifestyle changes**

**Missing – Aggressiveness,**

**teams collaboration marketing**

**attention to details**

**stability**

* **External environment – threats resource availability**
* **Internal situation – SWOT analysis necessity**
* **Strategic moves – operational goals,**
* **Org designs – structural form learning vs efficiency, Infor & control systems, prod tech , HR policy , Or utute**
* **Effective outcome – stategy**

**Core competentcies – outperform competitors**

1. **Generation of Alternatives**

 MILES & SNOW strategy

--Look at the root causes, with these in mind, generate two alternative solutions to the case.

--Each alternative should provide a complete solution to the case.

-- Evaluate how well each alternative addresses each of the root causes.

**Division of labor** – duties are divided into special tasks and performed by those with appropriate skills

**Hierarchical structure** – positions are ranked by authority from lower to higher levels

**Authority structure** – the making of decisions is determined by one’s position in the hierarchy, higher ranking employees have the authority

**Formal rules and regulations** - (written) used to control employees’ behavior

**Impersonal treatment favoritism** – all work relationships should be based on objective standards

**Lifelong career commitment** – employment is viewed as a lifelong obligation on the part of the organization and the employee

**Rationality** – the organization is committed to achieving its goals (e.g., productivity) in the most efficient way.

1. **Recommendation**

-- Select the alternative that, in your view, provides the best solution to the root causes and the focal problem.  Provide your rationale for your selection.