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Midterm – Part 2 – Sample Queries and Executive Summary Report

**Grab**

At Pharma4All we pride ourselves on making the cheapest possible drugs first and foremost. We currently outsource our manufacturing to the lowest possible bidder, ensuring the patient pays the lowest out-of-pocket cost. We avoid auditing any suppliers or staffing extraneous employees, like a Quality Assurance department, as these could eat into the customer’s potential savings. Keeping money in the pocket of the patient is our mission, and we are willing to make any sacrifice to make that happen.

**Problems and Solutions**

The cost of prescription drugs continues to rise, as a result of stricter government regulations and higher manufacturing costs. As a company in the drug manufacturing business, Pharma4All can only control one of these two variables. Regulations will only continue to strengthen as more drugs hit the market, so we look to offset that by lowering the manufacturing costs wherever and whenever possible. With that in mind, Pharma4All is looking to expand its in-house manufacturing into a new, and cheap, territory.

**Company Description**

Pharma4All is a contract manufacturing organization. We primarily enter into contracts with other companies who are looking to get their products manufactured at a reasonable price. If it is cheaper to outsource that manufacturing to a third-party, we will pursue that route. Established in 2017 as a direct result of the incredible price hike of the Epipen, Pharma4All vows to never price another patient out of a necessary treatment.

**Mission Statement**

Sacrificing it all to ensure no patient is priced out of a life-saving, life-improving – or really any type of improvement – drug.

**Business Expansion**

Rationale

Regulations within the United States continue to tighten, which directly impacts the cost of manufacturing drugs. Pharma4All has no control over these regulations, and any interference with the agencies will only result in higher costs, as additional staffing and resources would need to be directed to the cause. We hope to combat the continual rise in price by finding a new, cheap, location to build a new manufacturing plant.

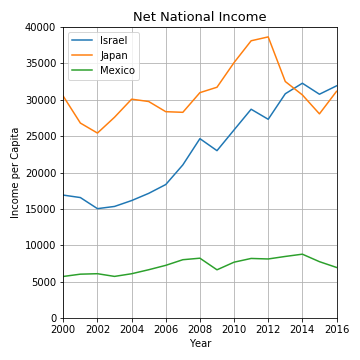
Criteria for Expansion

As we looked at various locations for the business expansion, four main criteria were considered:

1. Net national income per capita
2. Infant mortality rates per 1000 live births
3. Successful terrorist acts per year (success as defined by Global Terrorist Database)
4. Educational expenditure as a percent of gross domestic product

Many countries were considered, with three countries ultimately reaching the final list: Israel, Japan and Mexico.

**Net national income**

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**Figure 1. Net national income per capita.**

Net national income per capita was considered for the obvious reason of paying competitive salaries at the plant. Note that competitive in this case is considered from the perspective of Pharma4All, meaning the lowest possible salaries in the name of cost cutting.

As can be seen in Figure 1, income has steadily increased in Israel since the year 2000. Japanese income has fluctuated quite a bit, rising from 2002 to 2012, before taking a sharp downturn, and actually falling below Israeli income in recent years. Finally, Mexican income has remained largely stagnant, at a rate far below the other two countries.

Based on this data from the turn of the century, one can expect Israeli and Japanese per capita income to continue to rise at a rate that far outpaces Mexican per capita income. For this reason, Mexico would be an ideal location to minimize worker salary, which would promote lower cost manufacturing.

**Infant Mortality Rates**