

the Leading**EDGE**

Rx to OTC Switches: game-changers for CPG

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Aristotle said: ***“Excellence is not an act but a habit. We are what we repeatedly do.”***

Yet there are those historic turns of fate; epic moves that make the difference between glory and oblivion for nations, businesses and teams. For example:

In the 1980s, a company named American Home Products (now Wyeth Consumer Healthcare – part of Pfizer) was a distant number three player in analgesics, dwarfed by Bayer and fast growing Tylenol. AHP realized their Anacin brand would not survive, so in 1984 they *‘bet the company’* to secure the rights to market ibuprophen as the blockbuster new OTC drug we know as: Advil. This proved to be a very good bet.

Rx to OTC switches are the lottery draft picks of the CPG world. Switches change the rules of the game and can reinvent categories with billions in upside potential! Sure they don’t always pan out. For every Advil you have a Nuprin, for every Prilosec OTC you have an Axid. With OTC Switches, when you win, you win very big! It’s easy to understand why OTC manufacturers and retailers get so geared up for the next blockbuster switch.

Retailers view switches as major launches that drive significant incremental growth:

***“Growth will come from... Claritin-like products.
We should have these kinds of products (switches) every
other year!”***

Source: Edgewood Switch Best Practices study

Look at this table of leading RX to OTC Brands successes to see the kind of lottery jackpots these represent to OTC manufacturers and retailers.

Top 20 Rx to OTC Switches over the past 20 years

Sales Rank	Brand	Category	OTC Approved	2008 Sales (\$millions)
1	Mucinex	Cold/Allergy/Sinus	2003	\$357.0
2	Claritin	Cold/Allergy/Sinus	2002	\$329.0
3	Prilosec	Antacids	2003	\$314.3
4	Zyrtec	Cold/Allergy/Sinus	2007	\$238.5
5	Aleve	Analgesics	1994	\$172.9
6	Alli	Diet Aids	2007	\$115.5
7	Pepcid	Antacids	1995	\$109.8
8	Plan B	Contraceptives - Women	2006	\$100.6
9	Zantac	Antacids	1995	\$99.5
10	MiraLax	Laxatives	2007	\$86.6
11	Abreva	Lip Balm/Medications	2000	\$77.2
12	Nicoderm CQ	Smoking Cessation (Patch)	1996	\$57.6
13	Rogaine	Hair Care (Growth)	1988	\$48.4
14	Lotrimin	Foot Care	1989	\$41.8
15	Alavert	Cold/Allergy/Sinus	2003	\$32.6
16	Lamisil	Foot Care	1999	\$31.5

Source: Mass Market Retailers Magazine; IRI US Food, Drug & Mass excl. Wal-Mart 52 weeks ending 12/28/08.

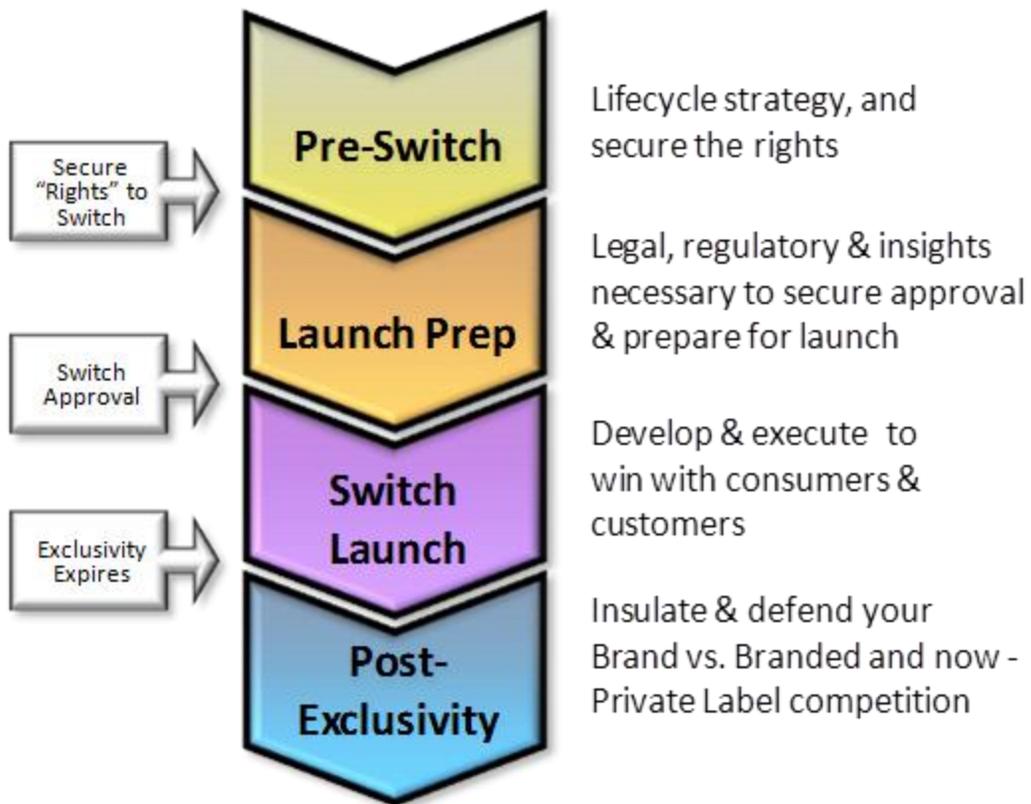
Switch approval dates from Nicholas Hall

In this high stakes game where billions can be made or millions lost, understanding Switch Best Practices is of the utmost importance for manufacturers and retailers. Why are some switches blockbusters while others fade? Edgewood has taken the initiative to identify Best-In-Class capabilities and lessons learned from prominent Rx to OTC Switches to enhance our clients' competitive advantage. Edgewood has helped Brands and their retail partners succeed with insights, strategies & programs that generated award winning results with consumers and at retail.

We've helped leading pharmaceutical and OTC companies, and their retail partners with:

- Developing Rx to OTC lifecycle strategy
- Global commercialization strategy
- Introducing successful switches
- Defending against competitive switches
- Defending against Private Label after loss of exclusivity

Edgewood has identified best practices from successful switches, and lessons learned from those that underperformed. The following are Edgewood's Rx to OTC Lifecycle and Best Practices principles:



Switch best practices aren't just about repeated hard work, they're mostly about working smarter.

If you would like to learn more about Edgewood's Rx to OTC Switch Best Practices and see our case studies, please Israel Rodriguez at irodriguez@edgewoodcg.com or 973 644 9788. You'll also receive a complimentary copy of our **OTC Switch Best Practices** manual.