Exhibit 5

WORKING DRAFT
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OxyContin growth opportunities

Update with John Stewart

Aug 5, 2013

McKinsey&Company

Contents

- **Sales targeting and test & learns**
- Pharmacy and wholesale access
- Path forward

Sales force targeting update

- Over the past three weeks, we have continued to perform retrospective analyses on the current sales force targeting and estimate potential upside; Key findings include:
  - Over 50% of calls for OxyContin are going to low-decile prescribers (0-4), despite untapped opportunity for both increased reach and frequency with high prescribers
  - Coverage is particularly low among high new-to-brand prescribers, who also have the greatest sensitivity to promotion
  - 75% of the OxyContin decline is concentrated in prescribers who Purdue does not call; in all deciles there is substantial sensitivity to promotion

- When combined with the prior sales and marketing findings, we believe the scale of change needed is significant. **As such, rather than addressing the pieces individually, we believe Purdue should embark on a comprehensive sales transformation journey, optimizing across a range of levers.** For example:
  - Targeting: we strongly recommend moving from a decile-based system to the industry best practice of a workload-based system, where additional factors such as NBRx, Gx penetration, and managed care access are used to more precisely identify high-potential prescribers
  - Make re-capturing the "biggest losers" among prescribers an ongoing field imperative
  - Adherence: to capture the value of improved targeting, the reps must adhere to the call list and fundamentally change their operating model in the field to more closely follow targeting guidance
  - Frequency: new physician detailing patterns should be implemented which will likely require higher frequency than today on the most valuable physicians
  - Productivity: total field activity (i.e., calls per year) needs to increase to come in line with best practices and to enable new targeting and frequency goals
  - Territories: Explore redrawing territories based on maximizing OxyContin
  - Incentive compensation: change incentive structure to maximize Purdue near term profitability, likely requiring shift towards OxyContin and away from Butrans
  - Sizing: Analyze the potential of increasing field size to maximize profitable OxyContin growth

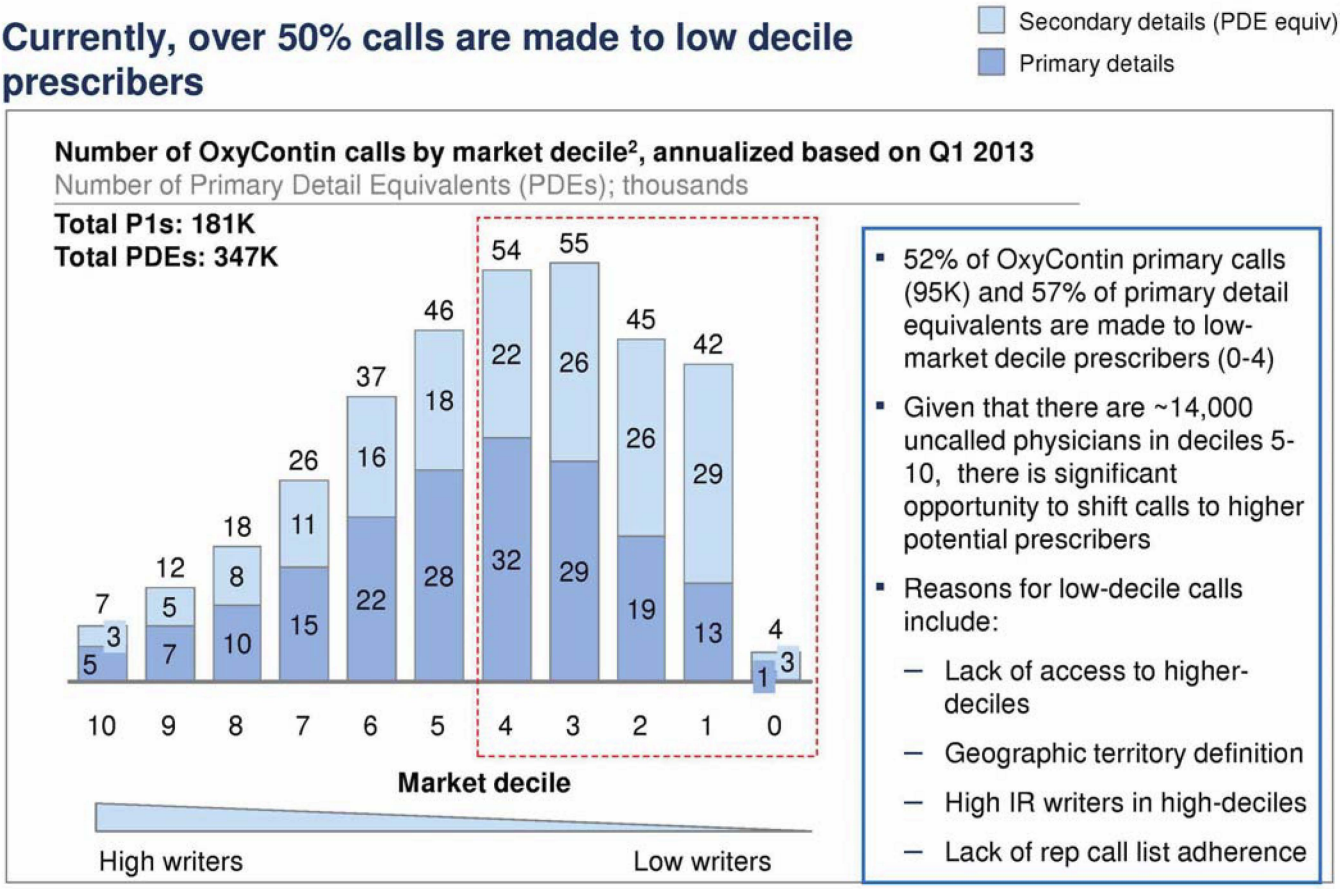
- Based on the experiences of other companies, this journey will require significant further analytics, early recognition of the organizational changes required (e.g., mindsets, behaviors and culture), strong consensus within senior leadership, and commitment to and expectations of at least a 6-9 month timeline

The focus going forward is to move from a decile-based targeting to workload-based targeting more standard in the industry

	From	To
Sales targeting approach	▪ **Decile-based targeting**	▪ **Workload-based targeting**
Description	▪ Use market deciles based on TRx to identify biggest writers ▪ Reps prioritize largest writers and track share over time	▪ Use multiple data sets and state-of-the-art analytics to determine most incremental upside for each call ▪ Target prescribers based on: – New-to-brand writing – Generic penetration – Managed care access – Specialty ▪ Reps prioritize their calls to maximize sales for their territory ▪ Targeting reflects local micro-market conditions

Key success factor in workload system is adherence to call list

Currently, over 50% calls are made to low decile prescribers



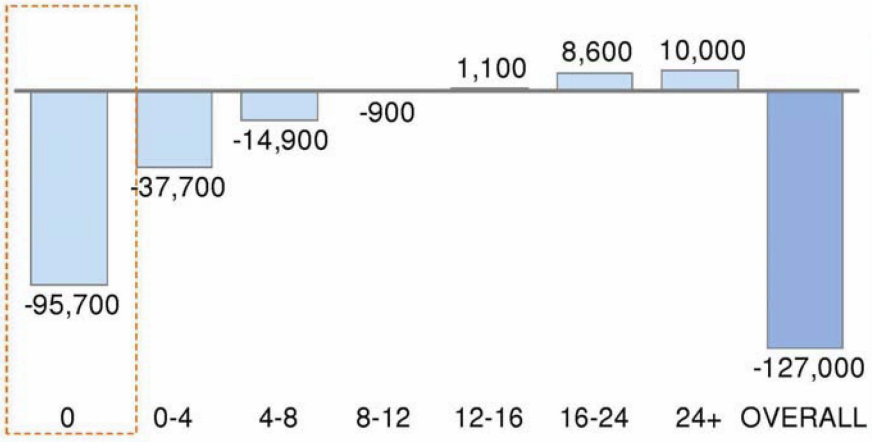
1 PDEs calculated as 1.0 x P1 calls + 0.5 x P2 calls
2 Market decile based on ER-IR market basket as defined by ZS Associates

SOURCE: IMS, Purdue call data

Prescribers who did not receive calls account for ~75% of OxyContin decline

Absolute YoY change in OxyContin TRx[1] by # of PDEs

# of TRx



 # OxyContin PDEs from April 2012-Mar 2013[2]

	0	0-4	4-8	8-12	12-16	16-24	24+	OVERALL
% decline	-10%	-8%	-4%	0%	0%	3%	8%	
# prescribers	343K	43K	16K	8K	4K	3K	1K	417K

- **75% of the decline of OxyContin is concentrated in prescribers that Purdue does not call**
- The impact of calls is particularly strong in high-deciles; **2/3rds of 96K decline is in deciles 5-10**
- Analysis also shows call sensitivity throughout range of PDEs
- This suggests that increased call activity may have a substantial impact on slowing the decline of OxyContin

1 TRx change measured in absolute terms between 6 months ending in March 2012 and 6 months ending in March 2013
2 PDE (primary detail equivalent) calculated using 1.0 weight for a P1 and 0.5 for a P2

SOURCE: Source

We are adapting the test & learns to fit with a pivot towards a more comprehensive journey

- We are still working on refining the list of test & learns to focus on those that will be most impactful
- A good test & learn a) requires field testing to verify impact and ease of implementation, b) can generate results so that a decision can be made in a short enough timeframe (e.g. 3 months) before rolling out broadly, c) cannot be tested without field engagement
- In addition, we continue to run retrospective analysis where possible to look for 'natural pilots' that we can learn from without requiring pilots in field
- The most likely set of test & learns that meet our requirements include
  - In Targeting, we believe the one test & learn should be a shift to 100% OxyContin in the P1 position, accompanied by a commensurate change in incentive compensation
  - In field operations, we fully support the medical training and are continuing retrospective analysis on the others with the hypotheses that many can simply be done vs tested
- Given the need for further planning, we anticipate a start date of 9/1

Contents

- Sales targeting and test & learns
- **Pharmacy and wholesale access**
- Path forward

Interim findings on pharmacy and wholesale access

PRELIMINARY

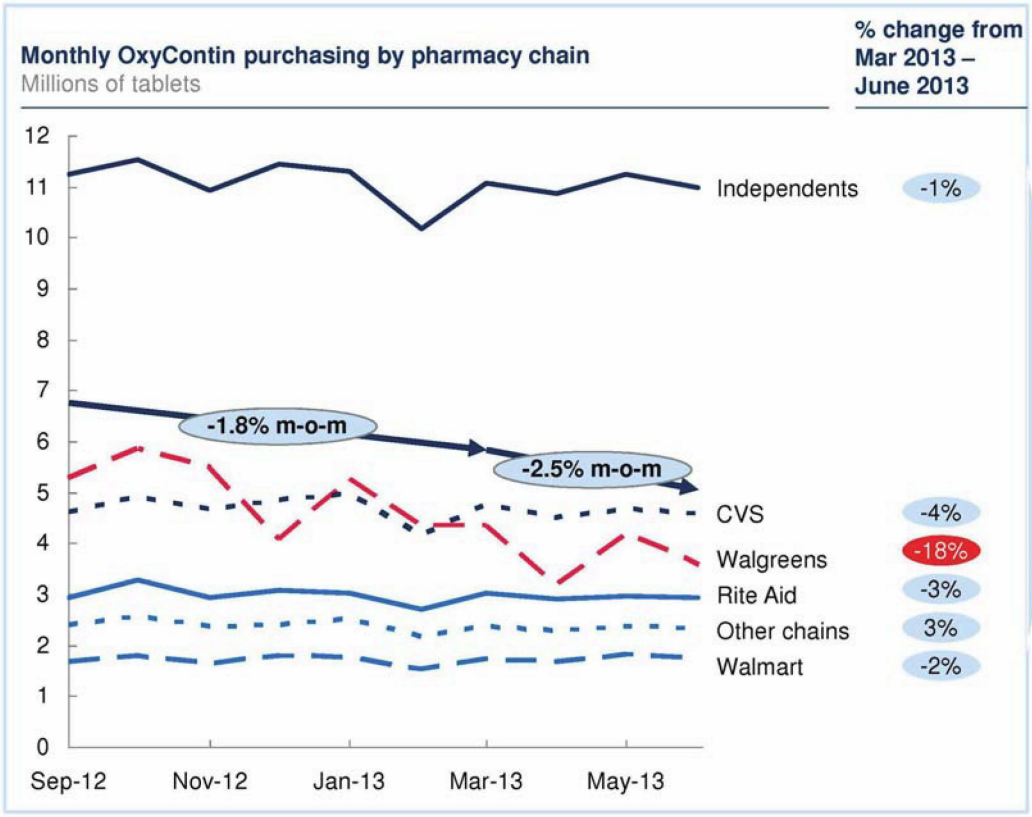
- **There are a number of issues at the pharmacy and wholesale level that are significantly impacting patient access:**
  - **Pharmacists are increasingly turning away opioid patients, especially at chain pharmacies.** Pharmacists are telling patients that they are low on stock, or giving other reasons for not filling a patient's opioid prescription.
  - Major pharmacies have implemented **stringent guidelines on opioid dispensing,** including pill count limits and requirements that patient must have filled same script at same pharmacy previously
  - **Pharmacists increasingly calling back physicians**, creating additional work and hassle for physicians
  - **Walgreen's has eliminated incentives for pharmacists to dispense Class II drugs** as part of its DEA settlement
  - **Wholesalers are keeping a tight hold on supply of all controlled substances**, with pharmacies unable to order more than historical levels without risking being cut off
  - **There are reports of wholesalers cutting off pharmacies altogether**, with Cardinal reporting having cut off ~300 stores between 2008- 2012 and McKesson reporting having cut off ~65 stores in the last month.

- **We have begun a preliminary evaluation of the extent of the access issue**
  - Patient calls to the **Medical Service line on access issues** have been increasing – though this represents only a fraction of the potential impact
  - **Walgreen's purchasing has been declining at a rate far faster than other pharmacies, with an acceleration in the March-June 2013 time period after the Good Faith Dispensing policy was rolled out in full**
    - Walgreen's estimated monthly retail purchasing of OxyContin declined ~18% (in units) from Mar 2013 to June 2013
    - This compares to a 1% decrease over the same period for all other pharmacies
    - Walgreen's accounted for ~50-70% of the OxyContin decline over this period
    - There has been a high decline in overall OxyContin tablets sold in certain zip codes where Walgreen's has stopped dispensing
    - In addition**, fewer Walgreens stores are purchasing high-dosage** (60mg, 80mg) OxyContin

- **There are several recommendations for near-term steps that can be taken to address these issues**
  - Ensure that adequate senior level discussions are taking place with Walgreens
  - Increase efforts with patient advocacy groups to ensure appropriate access for patients
  - Accelerate conversations with potential partners on setting up an alternative distribution channel
  - Purchase more data that allows store-level insight into all major chains purchasing and inventory, and build an internal capability to track this in real-time

Walgreens' purchasing of Oxycontin has fallen significantly

PRELIMINARY - IN VALIDATION



- 50-70% of the decline in OxyContin tablets over the Mar-June 2013 time period is attributable to Walgreens
- Walgreens' decline is accelerating post roll out of the GFD – monthly average change was -1.8% from Sept 2012 to Jan 2013, and accelerated to -2.5% between Mar 2013 and May 2013

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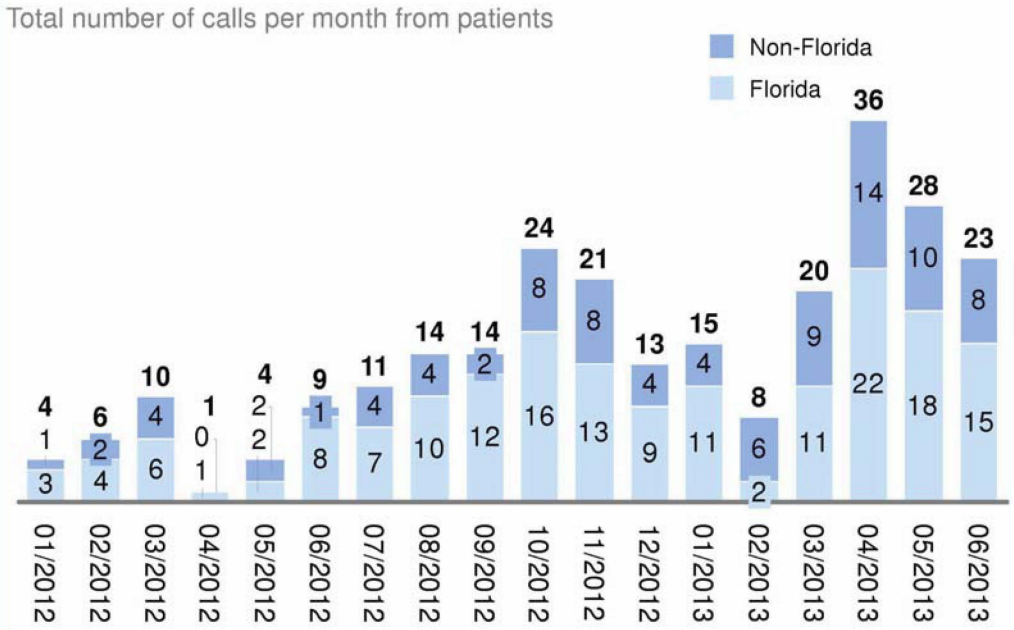
SOURCE: Market Visibility dataset; OMS

The volume of calls to the Purdue Medical Information Line regarding pharmacy-level access issues has been increasing

Number of calls to Medical Information Line reporting trouble filling opioid prescription at pharmacy



- Calls about pharmacy-level access issues rose sharply in mid-2012, and then again in April 2013
- Number of calls from non-Florida states also rose sharply from Mar 2013 onwards

SOURCE: Purdue Medical Services

Calls to the Medical Information Line demonstrate multiple instances of legitimate patients who cannot find a pharmacy that will fill their opioid prescription

Caller had to go **to 8 or 9 pharmacies until caller found a pharmacy that would fill prescription**. One pharmacist told caller that they have the right to refuse any prescription. Some pharmacies say that they can't even get medication because it is back ordered. States that with all the abuse going on and the laws and regulations to try to fix abuse, caller feels patients seem to be caught in middle of the situation and it is frustrating. Legitimate pain patients are having problems getting their medications.

- Punta Gorda, FL (1/27/2012)

Caller is a parapelegic who has been taking OxyContin for 8 years for chronic pain, caller takes very high doses/high quantities and is not able to fill Rx**? Pharmacists are telling caller that they are unable to get in the quantities caller needs**. Caller also takes IR oxycodone.

- Milwaukee, WI (4/8/2013)

Caller unable to fill prescription for OxyContin 60 mg twice daily in Sorrento, FL 32776. Caller has been taking OxyContin taking for 15 years and has recently run into the issue of not being able to fill prescription. Caller explains that over the last few days has not been taking OxyContin q12h because caller needs to make it last until caller is able to get prescription filled. Caller has tried Walgreens and CVS in zip code 32757. Also tried Lake Marie Pharmacy in the next county, but was **told it was on back order due to the reformulation**. Looked into using insurance's mail order pharmacy, but doctor is not allowed to write for mail order in FL. **Caller is working with doctor and considering an alternative product.**

- Sorrento, FL(4/19/2013)

Caller is a 59 year old with RA who has been without pain medications for the last 8 weeks. Caller is regularly on fentanyl, MSER 100 mg, oxycodone and methadone. Caller is **unable to find a pharmacy to fill prescription in the entire state of Pennslyvania and has driven approximately 1,000 miles in last 3 weeks** and even went into Ohio, West Virginia. **Pharmacies are saying that they cannot get the medication from the supplier** and caller's insurance will not fill prescriptions under mail order due to the high dosages.

- Lilly, PA (5/6/2013)

SOURCE: Purdue Medical Services

Pharmacies are calling back physicians to verify prescription and to discuss treatment plan

PRELIMINARY

Pharmacists are calling back physicians more frequently to verify and scrutinize prescriptions...

"It used to be that prescriber decided what drugs patients get, now pharmacists are now questioning the decision… for example, we had a case today where the patient was on IR, and we called the doctor back to suggest he change the prescription to 80/20 ER/IR"
– Former senior pharmacy director at CVS (FL)

"We are now asking doctors to modify prescriptions… for example, if we think the patient isn't opioid tolerant already, we will call the doctor."
– Former Walgreens Pharmacy Manager (KY)

"Pharmacist should look for different flags: In a certain market area? IR and ER? Days supplied? Proximity of the patient to the pharmacy and prescriber? Does the prescription look altered? Is this a valid DEA number? Is this a valid prescriber? … Then he calls the prescriber to validate for every TRx (requirement in the last year or two)"
- Former senior pharmacy director at CVS (FL)

… which leads to increased work and irritation for the physician, potentially decreasing OxyContin prescriptions

"Patients went to many pharmacies [in Manhattan] and most pharmacies don't dispense OxyContin"
– Physician specializing in pain control

Potential for negative feedback loop

"The patient population is annoying, the documentation is annoying. A lot of my colleagues decide to stop doing opioid prescription later in their career (because they are tired of the hassle)"
- Anesthesiologist and Pain Management Physician at major hospital

"PCPS are increasing referrals to specialists, part because of the big hassle around drug testing, pain contracts, and patient monitoring"
– Anesthesiologist and Head/Neck surgeon

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SOURCE: Pharmacist expert interviews during week of 7/15/2013; Prescriber interviews during June and July 2013

Guidelines established by major pharmacy chains and increased work associated with filling opioid prescriptions have restricted patient access

Pharmacy chains are implementing guidelines for which patients can fill opioid prescriptions, increasing pharmacists' risk of filling opioid prescriptions…

Common mandatory requirements	▪ Government ID ▪ No previous failed attempt to fill the prescription at another pharmacy belonging to same chain ▪ Clear PDMP check, in states where available
Additional flags	▪ Has not previously filled a prescription for the same medicine and dosage at same pharmacy ▪ Quantity is 120 units or more ▪ Patient on medication for 6 months or more ▪ Lives far from the pharmacy ▪ Prescription not filled on time ▪ Paid through cash/ credit card rather than insurance

… moreover, pharmacists report increased work and hassle associated with filling opioid prescriptions

- "We kind of discourage [the opioid business]… **it's more headaches than it's worth** for the low profits [and] if you give one patient one prescription [for an opioid], they bring their friends"– *Clinical coordinator at Publix (FL)*
- "Stress load is high- they aren't insuring techs [and] it used to take 10-15 mins to fill a prescription, now it takes a lot longer…Pharmacy also not providing enough support to fill these prescriptions… **80% of the time, they just refuse patients**." – *Clinical coordinator at Publix (FL)*
- "With budget cuts and staffing cuts – we don't have time to handle everything… **it's easier to turn away patients… my personal turn away rate for opioids is about 5%**" – *Former Pharmacy Manager at Walgreens (KY)*

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SOURCE: Purdue; Pharmacy expert interviews

Walgreens has eliminated pharmacists' incentives to fill opioid prescriptions as part of its DEA settlement

Possible that this has already been implemented, given other elements of the settlement (e.g., GFD) appears to have been implemented before the settlement was finalized and made public

Settlement and Memorandum of Agreement
Addendum: Prospective Compliance
Section 6

"Beginning in 2014, Walgreens will **exclude any accounting for controlled substance prescriptions dispensed by a particular pharmacy from bonus computations** for pharmacists and pharmacy technicians at that pharmacy"

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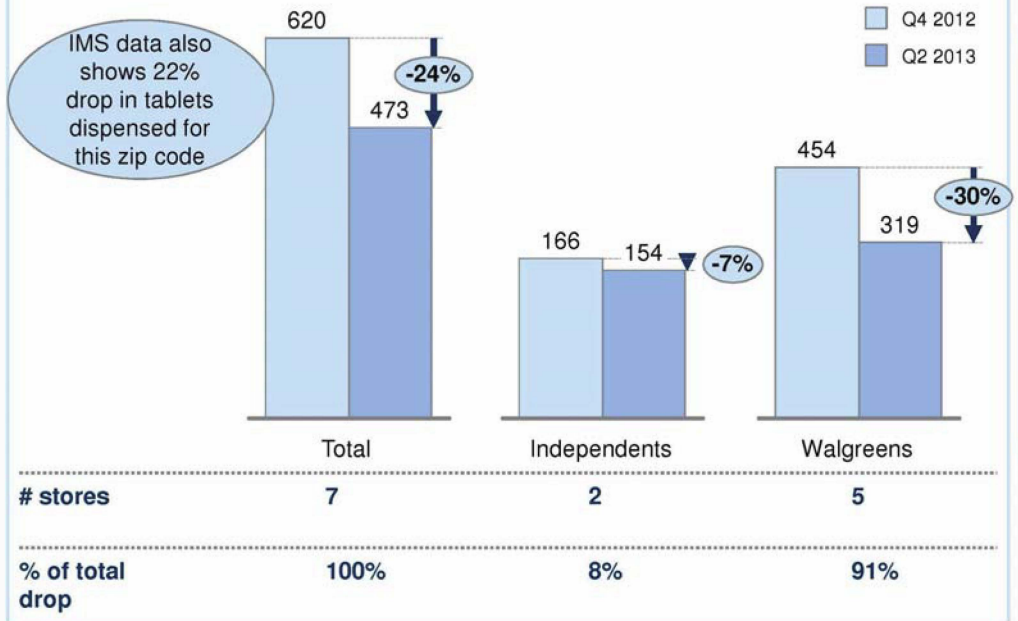
SOURCE: DEA website (http://www.justice.gov/dea/divisions/mia/2013/mia061113_attach.pdf)

There are examples of zip codes with large OxyContin unit declines which appear driven by Walgreens-specific changes

PRELIMINARY

OxyContin purchased by pharmacies in zip 94114 (San Francisco, CA), in Q4 2012 and Q2 2013

OxyContin Bottles purchased



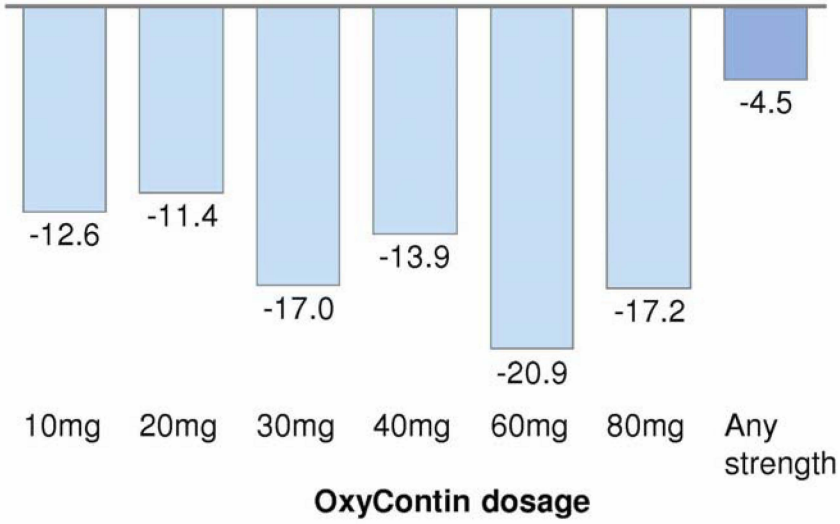
	Total	Independents	Walgreens
# stores	**7**	**2**	**5**
% of total drop	**100%**	**8%**	**91%**

- Walgreens store at #1327 on Castro St went from ordering 315 bottles in Q4 2012 to 136 bottles in Q2 2013
- Other two Walgreens experienced similar declines, with Walgreens store on 18th St going from 83 bottles to 57
- Independents in the area did not increase to pick up the excess demand

SOURCE: OMS data; IMS

The number of Walgreens pharmacies purchasing high-dosage OxyContin has fallen significantly in the past 3 months

Change in number of Walgreen's stores with any purchase of OxyContin, by dosage; change from Oct-Dec 2012 to Apr-Jun 2013
% change



- The number of unique Walgreen's stores that have purchased any amount of high-strength OxyContin over the past 3 months has declined ~17-20% from late 2012
- This may be driving part of the overall decline in high-strengths

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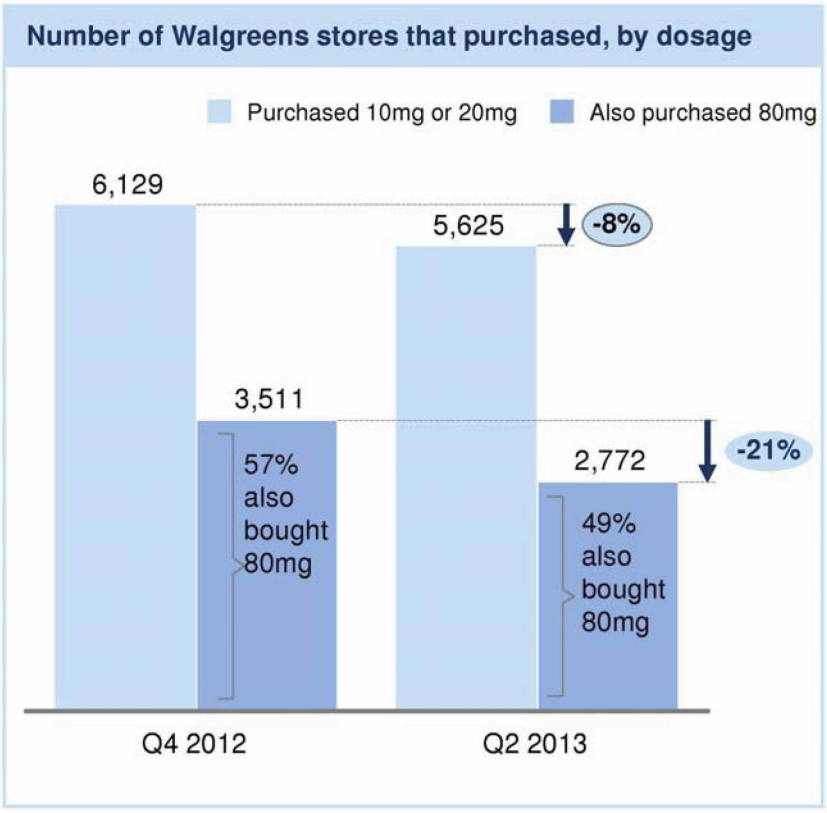
SOURCE: OMS data; IMS

Number of Walgreens pharmacies purchasing 80mgs falls even after controlling for decline in number of pharmacies purchasing 10 or 20 mgs



- There has been a 21% decline in number of Walgreens stores purchasing 80mgs
- The number of Walgreens stores purchasing 10 or 20mg of OxyContin has also fallen 8%, from 6129 to 5625

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SOURCE: Walgreens inventory data from Purdue

Wholesalers have disrupted supply by cutting off C2 drugs to certain pharmacies, and have had entire distribution facilities closed by DEA

PRELIMINARY

	Date	Location	Distributor	Event
Wholesalers cutting off specific pharmacies	2008-2012	Nationwide, with concentration in FL	Cardinal	Cardinal stops shipping controlled medicines to more than 350 pharmacies it determined posed an unreasonable risk of diversion and reported them to DEA (160 in FLA)
	Jan-Jun 2012	Nationwide	Cardinal	Cardinal cuts shipments to a dozen pharmacies in states including AZ, CA, NV, and OK
	July 2013	Nationwide (?)	McKesson	McKesson cuts off 65 top accounts
Distribution facilities closed by DEA	May 2012	Lakeland, FL	Cardinal	Cardinal settles the action brought by the DEA by agreeing to suspend shipments of controlled drugs from its Lakeland, FL facility for two years
	July 2013	TBD	McKesson	McKesson DC stops shipping all scheduled medications (TBC)
Other	April 2011	Nationwide	Harvard Drug	After paying $8mn fine to DEA, Harvard Drug stops selling oxycodone in the US

SOURCE: NYTimes, Cardinal press release, Cardinal website, BusinessWeek, KeyT local news website, Purdue

Workstream view on progress

Primary focus going forward

	Work to date	Next steps	Degree complete
Market landscape & demand forecast	▪ Decomposition of growth ▪ Overall opportunity sizing ▪ Understand systemic efforts to curtail opioid use (including reduced tabs/Rx and mg/Rx)		
Messaging & positioning	▪ Initial physician interviews	▪ Final round of physician interviews	
Segmentation & targeting	▪ Quantitatively estimated macro drivers of performance variation ▪ Analyzed sales coverage and impact ▪ Deconstructed prescriber-level performance (deciles, specialties) ▪ Analytics for workload-based targeting ▪ Analyze potential upside from targeting	▪ Drive toward implementation of workload-based targeting ▪ Refine opportunity sizing ▪ Finalize recommendations and 9-month roadmap ▪ Launch test & learns	
Field execution & focus	▪ Analyzed tenure impact ▪ Vacancy analysis ▪ Call list adherence	▪ Understand reasons for non-adherence and plan forward	
Access & availability	▪ Analyzed managed care access and impact (e.g. plan-level performance) ▪ Conducted pharmacists interviews ▪ Identify key drivers of pharmacy and wholesale access issues	▪ Size access issue ▪ Build recommendations to address pharmacy access issue ▪ Assess planned management of pain class	
Scientific support	▪ Assessed current data/gaps		
Commercial spend levels	▪ Benchmarked spend v. primary and specialty late-lifecycle brands	▪ Benchmark field force v. other large established brands	

Path forward

- Purdue should decide whether to embark on a comprehensive go to market transformation journey – sales and access
- If so, consider additional multi-functional membership for the working team, including potentially additional EC leadership
- Over the next month, we will develop specific recommendations and, if you agree, a and detailed workplan for your team for the transformation journey

Exhibit 6

CONFIDENTIAL

Memorandum to
John Stewart
Russ Gasdia

From
McKinsey & Company

August 8th, 2013

Identifying granular growth opportunities for OxyContin: Addendum to July 18th and August 5th updates

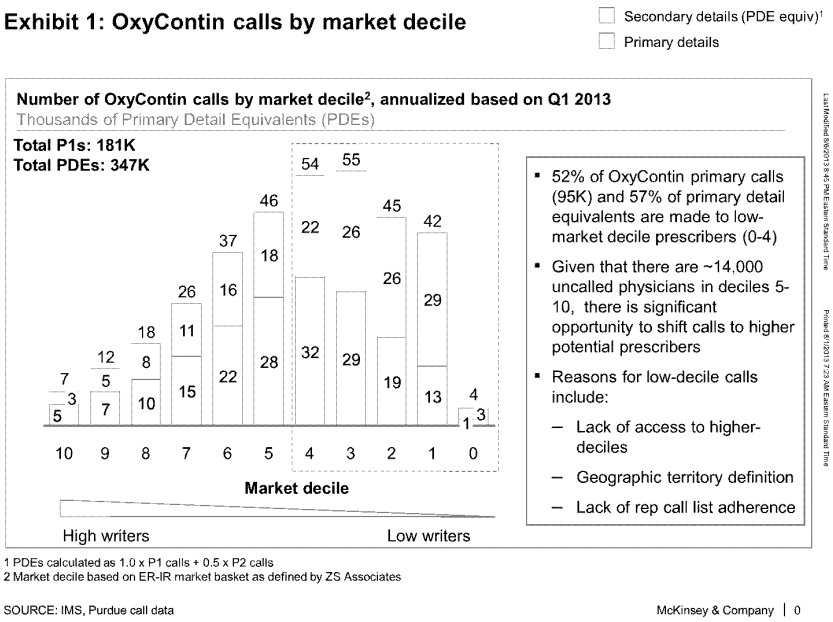
This addendum highlights two additional findings since our July 18th and August 5th updates and specific actions we believe Purdue should take to begin to increase sales.

1. Prescriber Targeting

Our refined analyses confirm significant opportunity to improve sales through better targeting. We believe the upside is >$100 million in annual sales.

Today Purdue spends as much effort detailing the lesser value prescribers (decile 0-4) as it does on the higher value prescribers (decile 5-10). To put this in perspective, the average prescriber in decile 5-10 writes 25 times as many OxyContin scripts as a prescriber in decile 0-4. In Q1 2013 the majority (52%) of OxyContin primary calls were made to decile 0-4 prescribers. Including the secondary calls, 57% of the primary detail equivalents (PDEs) were made to decile 0-4 prescribers. Best practice in the industry is over 80% of effort on higher value prescribers. (Exhibit 1)

Exhibit 1: OxyContin calls by market decile



1 PDEs calculated as 1.0 x P1 calls + 0.5 x P2 calls
2 Market decile based on ER-IR market basket as defined by ZS Associates

SOURCE: IMS, Purdue call data

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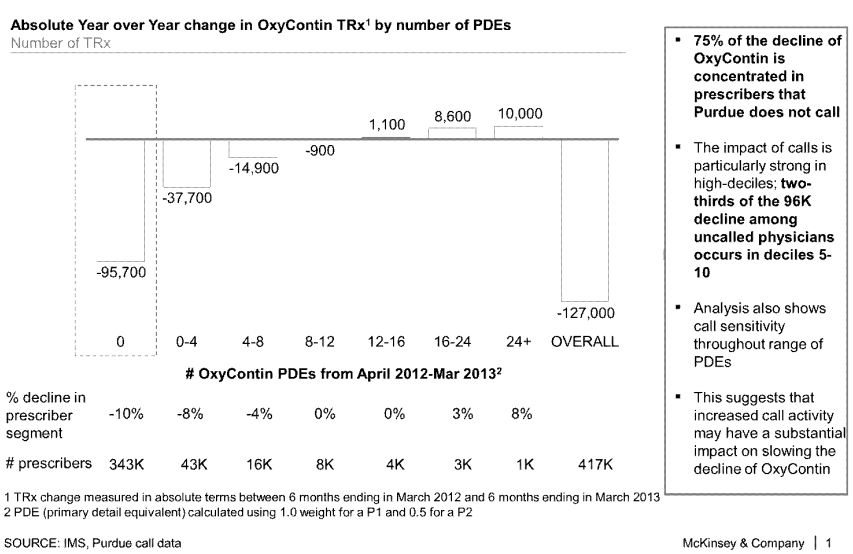
Furthermore, 75% of the decline in OxyContin sales comes from prescribers that Purdue is not calling upon. Two thirds of this decline is from prescribers in deciles 5-10. (Exhibit 2) In addition, the field sales force primary OxyContin calls are running at 65% of goal.

Exhibit 2: OxyContin TRx change at different levels of call activity



- **75% of the decline of OxyContin is concentrated in prescribers that Purdue does not call**
- The impact of calls is particularly strong in high-deciles; **two-thirds of the 96K decline among uncalled physicians occurs in deciles 5-10**
- Analysis also shows call sensitivity throughout range of PDEs
- This suggests that increased call activity may have a substantial impact on slowing the decline of OxyContin

Collectively these findings show significant opportunity to improve targeting and also emphasize the upside from improvement as OxyContin's responsiveness to calls appears significant.

2. Retail access

Access to OxyContin for some patients has become quite challenging in specific local markets. This is due to a combination of factors including: regulations, DEA initiatives, PROP, wholesaler initiatives and local pharmacist perceptions.

There is direct evidence of this reduced access through patient calls to Purdue's Medical Information line which have recorded a 300% increase in instances of patients reporting difficulty filling opioid prescriptions, often needing to travel to multiple pharmacies in an attempt to fill their prescription.

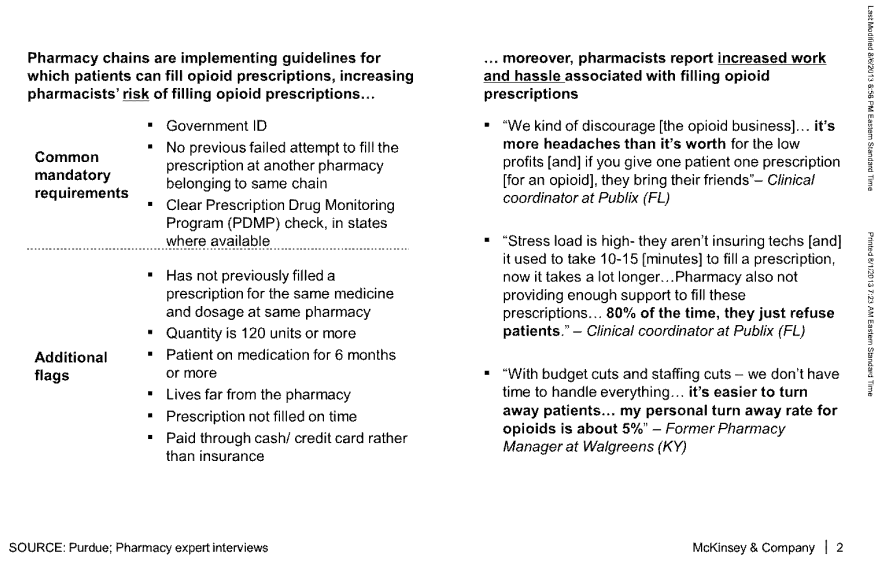
There are reports of wholesalers stopping shipments entirely to an increasing number of pharmacies, causing temporary supply disruptions. Although, it appears that pharmacies are able to secure alternative distributors.

Many wholesalers are also imposing hard quantity limits on orders based on prior purchase levels. This restricts access for new and existing patients, especially in situations when an access challenge arises in a local pharmacy, the wholesaler quantity limits restrict the ability of other local pharmacies to pick up the displaced patients.

While the wholesaler issues are quite visible and real, we believe the daily decisions being made at local pharmacies, while less publicly visible, are in fact creating far greater access issues.

Walgreens, in particular, is having material impact on patients. In April, Walgreens rolled out national opioid dispensing guidelines. These guidelines are quite extensive and include 'flags' for new patients and dose limits which can clearly impact appropriate patient access. (Exhibit 3)

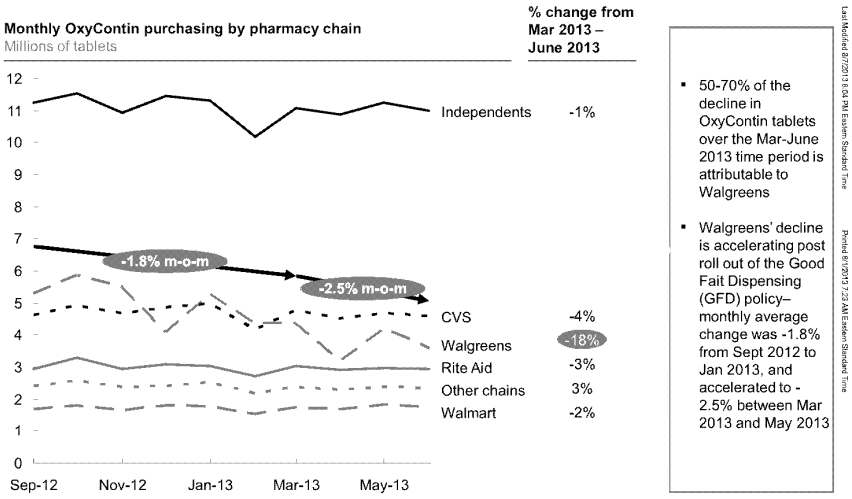
Exhibit 3: Guidelines established by major pharmacy chains for opioid dispensing



Separately, as part of their agreement with the DEA, Walgreens eliminated controlled substances from their bonus calculations for pharmacists. Thus individual pharmacists effectively lose money every time they accept the work of fulfilling an opiod prescription. Thus there is a strong dis-incentive for pharmacists to dedicate the extra time needed to maintain patient access to opiods, even independent of the chain's national guidelines on opioid dispensing.

Deep examination of Purdue's available pharmacy purchasing data shows that Walgreens has reduced its units by 18% in just the last three months. In March – June, the Walgreens reduction alone can account for 50-70% of the total OxyContin decline in units. (Exhibit 4)

Exhibit 4: OxyContin purchasing by pharmacy chain PRELIMINARY - IN VALIDATION



SOURCE: Market Visibility dataset; OMS

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We have examined multiple zip codes where Walgreens is a major supplier, and the other local pharmacies have not seen offsetting increases in purchases – thus it appears that many of these patients are either going untreated or being forced to find alternatives.

Further, the Walgreens data also shows a significant impact on higher OxyContin dosages. Among Walgreen stores that stock OxyContin 20mg, in the last three months there has been a 21% reduction in the number of stores also purchasing the 80mg. It is also important to note that Walgreen's reduction in the 80mg far exceeds the national trend. Their share of national purchases of the 80mg has fallen by nearly 20%. Thus Walgreens is not simply reflecting lower demand, but apparently taking independent action to further reduce 80mg purchasing.

While Walgreens is currently having the most dramatic impact, there is reason to believe that many of the chains either have implemented (e.g., CVS in 2012) or are considering similar policies. Thus the pharmacy access issue is both urgent and broad.

The magnitude of today's patient access issues underscores the need to: (1) take immediate actions to address issues at pharmacies (e.g., ensure appropriate senior level dialogue with Walgreens, increase patient advocacy efforts); and (2) accelerate exploration of potential

innovative alternatives such as direct-to-patient mail order which was described in our prior memo.

3. Specific actions to begin to increase Purdue's sales[1]

When combined with prior findings, the scale of change required in Purdue's sales force model is significant. Rather than addressing the pieces individually, we recommend you take actions to 'Turbocharge Purdue's Sales Engine' and optimize across all elements of the winning sales model – from targeting to territories to incentive compensation.

The rationale to for addressing Purdue's sales model holistically is strong. These findings demonstrate the breadth of issues and how they are inter-related. For example, despite the significant value in improving Purdue's targeting, the value cannot be captured unless the field achieves a higher level of adherence to Purdue's call plan.

While the behavioral and process changes described here are significant, and some incremental investments may be required (e.g., additional reps, Sales analytics capabilities), overall the financial investments are moderate relative to the upside sales potential.

Therefore, we recommend Purdue approve five actions immediately:

1. Create a senior leadership team to lead this effort (no more than three executives within and outside sales) and task them to develop a detailed workplan within 30 days.
2. Establish a revenue growth goal (e.g., $150M incremental stretch goal by July 2014) and set monthly progress reviews with CEO and Board.
3. Shift Purdue's sales targeting from decile to workload (industry norm that more precisely defines the value of physicians)
4. Re-balance field effort dramatically toward OxyContin by increasing field force activity where needed and closely measuring changes in sales
5. Mandate field compliance with targets and align the incentive program to match OxyContin prioritization

Our experience with other pharmaceutical companies suggests that such a comprehensive Sales transformation program takes nine months, although positive impact will be seen within 2-3 months. It is critical that Purdue commits to addressing sales as an organizational journey, not an event. Success requires not only the analytic answer, but even more importantly winning the hearts and minds of the sales force and permanently changing how the company operates, from

[1] Recommended actions to address "retail access" will be included in our final report

HQ to the field. New capabilities will need to be learned and reinforced on a daily basis. The organizational mindset, behavior and culture will all need to evolve along with journey.

Purdue should start work immediately. Additional analytics are needed (e.g., workload and Champions need to be identified). As mentioned above, a detailed workplan needs to be developed within 30 days. While this effort would be focused on OxyContin, the approach and capabilities built would likely have positive spillover to Butrans and the rest of the portfolio.

While it is challenging to quantify the exact impact of such changes in a dynamic marketplace, we are confident that the value at stake is significant – hundreds of millions, not tens of millions. Analysis done during the prior sales force alignment and our own retrospective analysis both showed over $200M of potential opportunity in a single year, even more in cumulative terms. While this did not take into account the negative landscape drivers such as pharmacy access challenges, it also did not consider the positive drivers such as the recent label change. The substantial size of the opportunity is reassurance that the significant effort required will be well rewarded.

Closing

We emphasized this 'Sales Engine' recommendation because we believe it is fundamental to Purdue's near term and longer term success. We strongly believe that a comprehensive approach is the right answer. Success will require real commitment from Purdue leadership and also significant effort from the organization. This program requires substantial capability building at HQ and in the field. The program office described above will require support of an internal cross-functional working group, likely with executive committee engagement, possibly as co-chairs. Our experience is that these kinds of sales transformations are not easy and require real work but the end result is quite rewarding, both for individuals and for the organization.

Our experience makes clear that one fundamental 'must have' for execution success is strong leadership alignment upfront.

Therefore our recommendation is that Purdue makes a clear go-no go decision to 'Turbocharge the Sales Engine'.