

Jack Church and Parker Russ

BUAD 457

December 2, 2025

Pfizer Strategy Assessment

Introduction

Pfizer is one of the world's largest and most influential biopharmaceutical companies. It is known for its extensive global reach, research-driven innovation, and critical role in developing medicines and vaccines. Because Pfizer operates in a dynamic and heavily regulated industry, understanding how Pfizer creates value, sustains competitive advantage, and responds to external forces is essential to evaluating its long-term strategic position.

Using established strategic frameworks, this analysis examines Pfizer's business model, strategic positioning, external macro-environment, competitive landscape, internal resources, and value-adding activities. The evaluation incorporates the Business Model Canvas, a formal strategy statement, STEEP analysis, Porter's Five Forces, a Strategic Group Analysis, VRIO Analysis, and a Value Chain Analysis to provide a view of the organization from an internal and an external perspective. The objective is to highlight the strengths that have supported Pfizer's leadership in the biopharmaceutical sector while identifying strategic factors vital to long-term competitiveness in a quickly evolving industry.

Pfizer Company Background

Pfizer is a New York-based pharmaceutical company that operates worldwide. In addition to hundreds of products currently available, it has 108 candidate drugs in its pipeline at various stages of approval.

Pfizer reported 2024 net income of \$8 billion on its 2024 10-K report. It reported product revenues of \$53.8 billion. It holds \$10.9 billion worth of inventory as of December 31, 2024. Due to operating on an international scale, Pfizer has high risk in foreign exchange rates and government regulations across the world in drug pricing and healthcare. Pfizer's 2024 balance sheet reported current assets of \$50.4 billion and current liabilities of \$43.0 billion, meaning Pfizer can pay off its short-term obligations.

Best known to the public now as the developer of a major COVID vaccine, Pfizer also offers many consumer products. Some of its brands include Advil, ChapStick, Detrol and Viagra (MarketLine 86). Because of these brands, Pfizer has high penetration into the eyes of consumers through products people buy at pharmacies or grocery stores and use every day. For a product such as Advil, Pfizer is the leader in the category and owns the dominant brand in over-the-counter pain relief.

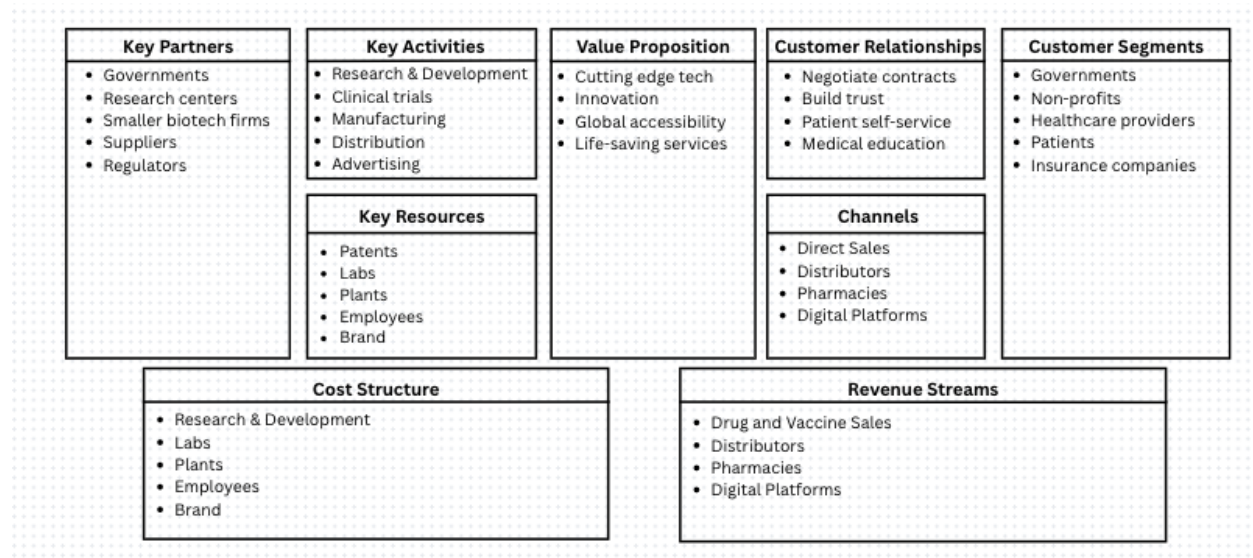
Pfizer's competitors are other major pharmaceutical companies, such as Eli Lilly, AbbVie, AstraZeneca and Amgen (MarketLine 92). These companies all operate in the same space as Pfizer, combining over-the-counter and prescription medicine in their business model.

Pfizer was chosen because of Jack's connection to the biotech industry. He worked at an oncology firm for the past three years. Pfizer's business model is very complex and involves multiple different revenue streams, which presents a strong opportunity for analysis over the course of the semester. Pfizer is also a company which is heavily impacted by outside forces, allowing for a deep understanding of how these forces impact a large firm.

The business model canvas and strategy statement in this paper investigate Pfizer's operations and outcomes, resulting in a deep dive into what Pfizer does well. Our business model canvas identifies the key components of Pfizer's activity and outcomes. The statement of strategy puts together a succinct sentence of what Pfizer seeks to do and how it will do so.

Pfizer Business Model Canvas

The Business Model Canvas is a strategic framework that aims to capture how an organization creates and delivers value. It provides a clear structure for analyzing organizations by examining nine key components to its business: value proposition, customer segments, channels, customers relationships, key resources, key activities, key partners, revenue streams, and cost structure (Fisher et al., 2020). In healthcare, the Business Model Canvas is relevant because it highlights how value creation is not just financial but also tied to real world patient outcomes (Sibaliya et al., 2020). Pfizer is one of the world's largest pharmaceutical companies and this framework clarifies how innovation, global partnerships, and relationships with governments and patients drive worldwide impact and accessibility.



The chart above is formatted in nine distinct blocks to show how each element of a company's business model supports one another. It allows the viewer to visualize the balance between operational inputs and outcomes. Pfizer's Business Model Canvas shows a carefully pieced together approach to delivering customer value.

Pfizer brings value to its customers through cutting edge technology, innovation, global accessibility, and life-saving services. Key partners are relationships that allow a firm to create and deliver value and Pfizer's include governments, research centers, biotech firms, suppliers and regulators. Key activities such as research and development, clinical trials, manufacturing,

distribution, and advertising allow Pfizer to deliver its value proposition. These activities are made possible by key resources such as patents, labs, plants, employees, and brand. Pfizer maintains and handles its customer relationships by negotiating contracts, building trust, patient self-service, and medical education. The company delivers its product to customers through channels such as direct sales, distributors, pharmacies and stores, and digital platforms. Pfizer divides its customers into segments that span governments, non profit organizations, healthcare providers, insurers, and everyday patients. The company's cost structure is dominated by high research development expenses, including its lab and plant operations, its employees, and maintaining its brand. On the other hand Pfizer's revenue streams come from drug and vaccine sales, distributors, pharmacies, and digital platforms.

Based on this framework, one can see that Pfizer significantly invests in global partnerships, advanced research capacities, and intellectual knowledge as its inputs in order to set itself up for long-term innovation. These relationships and investments allow Pfizer to engage in clinical trials, drug development, and manufacturing, which are made possible by patents, labs, plants, and employees. This alignment of partnerships, resources, and activities ensures the company has the necessary infrastructure to compete in an innovation-driven industry (Sibaliija et al., 2020).

At the center of this, the value proposition of the firm positions itself to not only be a major developer of groundbreaking treatments, but also be a company that is committed to being worldwide and widely available through global distribution networks. Value creation is essential in the healthcare industry because of the necessity of differentiating by combining scientific innovation with patient impact.

The outcomes of these activities are demonstrated in Pfizer's ability to reach diverse customer segments. According to MarketLine (2024), Pfizer's scale, diversified therapeutic focus, and brand recognition allow it to balance these high upfront costs with sustainable revenues across oncology, vaccines, and rare disease markets. This aligns with the view that successful healthcare business models hinge on aligning innovation with stakeholder trust and efficient resource deployment (Sibaliija et al., 2020). Pfizer's business model shows that the integration of innovation partnerships, and reach creates sustainable profitability as a global healthcare provider.

Building on the components of the Business Model Canvas, the next step is to condense Pfizer's strategic direction into a concise statement that allows the firm's goals and competitive approach to be evaluated using an established framework that makes the company's intentions clear.

Pfizer Strategy Statement

In their 2008 article, Collis and Rukstad recommend that every company has a statement of strategy that is 35 words or less. This statement should include three crucial parts: objective, scope and advantage. The objective is what the company wants to achieve through its strategy. The scope is the area in which it exists. The advantage is what the company has to allow it to accomplish its objective.

On its website, Pfizer says its 2027 ambition is to “change a billion lives a year”. While this is a vague goal, it is a starting point to identify the objective of Pfizer. A more achievable, but similar goal would be to deliver its products to a billion people every year.

Collis and Rukstad identify three dimensions of scope: customer or offering, geographic location and vertical integration. Pfizer operates with a broad target of customers depending on the brand in question, so there is no true way to define a customer. Pfizer is headquartered in New York but operates globally. Pfizer does have strong vertical integration — it participates in drug development, manufacturing, packaging, branding and delivery. This is very important to Pfizer’s strategy and should be emphasized in the statement.

In a strategy statement, the advantage is what sets the firm apart. This can be divided into two parts, the first of which is the customer value proposition and the second of which identifies how the firm meets that value proposition. A customer would choose Pfizer’s products because they best meet the needs of the particular health situation or challenge they are within. Pfizer is best equipped to meet this by having strong branding that articulates why their products are best for these situations and has a strong supply chain to deliver these products worldwide.

Based on the above, we recommend the following strategy statement for Pfizer: Through our strong supply chain and branding, Pfizer aims to serve a billion customers a year through developing products that serve modern health needs and delivering them worldwide.

This statement of strategy details the objective of serving a billion customers a year. It details that both developing the products and getting them to the consumer are part of its business. It details how the products it develops will serve modern health needs, which is to say it will meet current consumer needs. It also notes how the supply chain and branding are particular strengths that Pfizer has as opposed to its competitors.

The statement aligns with the Business Model Canvas because of the strength of Pfizer’s supply chain. The canvas identifies suppliers as a key partner and identifies research, trials, production, advertising and distribution as key activities. The strategy statement recognizes this as having a strong supply chain that allows it to get its product into the hands of customers quickly and efficiently.

While the strategy statement clarifies Pfizer’s intent, the company’s success is heavily shaped by forces beyond its direct control. The next strategy tool, a STEEP analysis, helps highlight external factors influencing its strategic environment.

Pfizer STEEP Analysis

The STEEP analysis is a framework that is used to evaluate the macro environment in which a business operates. The framework identifies five factors that analyze the environment: sociocultural, technological, economic, ecological, and political. STEEP is useful to a business as a structured way to evaluate trends and forces beyond the confines of the business that have an effect on operations within the firm and the industry.

Sociocultural	● Growing health data access. Larger data pools and real time reporting
---------------	---

factors	tools, accelerate outbreak detection and give biotech firms faster detection of trends in the wellness sector (Indegene). This is a key resource in the industry that further optimizes operations. • The population is aging in middle and low income countries. According to the NIH, by 2050, 80% of older people, aged 60 years and older, will live in low-income and middle-income countries (NIH). This is an opportunity to expand demand for drugs and treatments. • Public trust and vaccine hesitancy. Factors such as political affiliations, cultural beliefs, and concerns about the Covid-19 vaccine are stirring up vaccine mistrust (NIH). This is an ideological threat to a main revenue stream.
Technological factors	• New AI development in drug discovery. This transforms how work is conducted and how decisions are made. Results can include better predictions, faster actions and greater outcomes (PwC). This is an opportunity to optimize research and development. • The development of mRNA vaccines. This is a technological breakthrough that allows rapid development of vaccines. This breakthrough innovation creates new opportunities such as new revenue streams. • Acceleration in knowledge about biology. Data and computing power are allowing better understanding of risk, treatment, and development of medicine (PwC). This is an opportunity to optimize the business.
Economic factors	• Global economic struggles and inflation. Inflation has been on the rise since mid-2020 and has seen costs rise considerably on all fronts (World Bank). This is a threat to profitability and potentially R+D because of less capital and more expensive input prices. • Rising demand for the wellness market worldwide. The Global Wellness Institute estimates that the value of the market will grow by 8% per year through 2027 to \$8.5 trillion, double the 2020 amount (GWI). This is an opportunity for revenue and investment growth. • An upcoming patent cliff means that a large group of patents are due to expire, leading to a large loss of revenue estimated to be \$150 billion in the industry in 2027 alone. This is a threat to revenue streams and the financial makeup of the company (Möller et al.).
Ecological	• Extreme weather patterns affecting disease patterns. Climate change is associated with decreased air quality which can lead to a rise in

factors	mosquito populations and conditions like asthma (Abdulwahab et al.) While this is an objectively bad thing, it is an opportunity for more demand and revenue within the industry. ● Pressure to be sustainable in all aspects of business. Every business in this day and age has pressure on it to prioritize sustainability. This is no different for the pharmaceutical industry. This is a threat because it takes up resources but also an opportunity to get ahead of competitors. ● Natural disasters affecting the supply chain. Climate change has brought about more frequent and more intense natural disasters. As with geopolitical conflicts, this disrupts the supply chain and becomes a threat to the efficiency of companies.
Political factors	● Drug pricing regulation due to policy changes. All around the world and especially in the US, efforts are being made to reduce the price of drugs. These efforts include legislation such as the Inflation Reduction Act and competitive pricing mechanisms (PwC). This is a threat to previous control over maximizing margins on sales. ● Trade policies and tariffs. Import tariffs will affect the affordability of generics prices, increasing the overall healthcare cost (Indegene). This is a threat to margins on various drugs ● Geopolitical instability necessitates an evaluation of manufacturing networks and supply chains. This includes bringing production back to higher-cost areas and incorporating additional redundancies to enhance the resilience of supply chains (BCG). This is a disruption in business as usual and a threat to the status quo.

The STEEP chart was created by first identifying major sociocultural, technological, economic, ecological, and political factors currently influencing the pharmaceutical industry. These factors were drawn from reputable industry reports, government health data, and academic sources. Each element from the original table was then reviewed and classified as either a threat or an opportunity. For example, aging populations were categorized as an opportunity because they expand the market for chronic disease treatments, while patent cliffs were identified as a threat due to the loss of revenue from expiring patents. This structured process ensured that every factor was evaluated consistently across the five categories, resulting in a chart that clearly maps Pfizer's external environment into risks and opportunities.

The STEEP analysis highlights that Pfizer operates in an environment shaped by both opportunities and threats across the factors within the framework. From a sociocultural

perspective, the aging global population and increased access to health data has created increasing demand for treatments, even though public distrust and vaccine hesitancy have put up roadblocks on that front. On the technological side, advances in artificial intelligence, mRNA therapies, and manufacturing improvements provide significant opportunities to accelerate drug discovery and strengthen supply chains. The world economic situation has created headwinds from global inflation, rising research costs, and looming patent cliffs, all of which threaten profitability and increase pressure to deliver breakthrough innovations. The ecological dimension reveals that climate change and extreme weather events are reshaping disease patterns and disrupting supply chains, creating both risks and opportunities, while sustainability expectations add further external pressure. Finally, in the political sphere, regulatory action on drug pricing, trade policies, and geopolitical instability present major challenges that could reshape market access and profitability. Taken together, this analysis shows that while Pfizer must navigate substantial threats in its external environment, it also has numerous avenues for growth if it can leverage technology, innovation, and strategic adaptation to shifting global trends.

Beyond macro-environmental trends, Pfizer's performance also depends on competitive pressures within the pharmaceutical industry. An analysis through this perspective can be done through the Porter's Five Forces model, which offers insight into the industry's overall attractiveness and the challenges faced by firms already in the industry.

Pfizer Five Forces Analysis

The five forces analysis is used to analyze the outside factors that affect the structure of an industry. It analyzes the power of both suppliers and buyers in negotiations, how fierce the rivalry between competitors is and the threat of both new entrants and substitute products. The analysis identifies the profit potential and attractiveness of the industry, which in the case of Pfizer is the pharmaceutical industry.

Negotiating power of suppliers	● FDA regulation sets strict requirements for supplies used in pharmaceutical manufacturing (Lee et al.). This has the effect of limiting the number of suppliers available to drug manufacturers, increasing their negotiating power. ● However, these strict quality requirements restrict the differentiation between inputs. ● Because suppliers in the industry are limited and quality requirements are so high, there is heavy switching costs between suppliers. ● Due to the robust infrastructure necessary, forward integration is not realistic for most suppliers.
Negotiating	● Healthcare providers have consolidated over recent years after the

power of buyers	Affordable Care Act (Karera). This means there are less buyers, increasing their negotiating power. ● Individual clinics have been increasingly taken over by large conglomerates (Karera). This means there are larger deals with a group of organizations as opposed to individual, smaller deals. This also increases the negotiating power of buyers. ● Compared to suppliers, there are still a higher number of buyers (Karera), and there is less infrastructure required to buy. Therefore, buyer switching costs are low. ● Due to regulations, it is very hard to sell pharmaceutical products directly, creating high seller dependence on buyers (Karera).
Level of rivalry between competitors	● Over time, demand has increased in the pharmaceutical industry (Bashirynejad et al.). This facilitates a lower level of rivalry between competitors. ● The industry is growing due to new technological innovations (Bashirynejad et al.). This further reduces rivalry between competitors. ● There are high exit barriers in the pharmaceutical industry due to the amount of investment required (Sertkaya et al.). This increases rivalry between competitors. ● The pharmaceutical industry has continued to grow over time as companies reach new targets, but some customers are expected to be lost due to a large upcoming patient cliff (Möller et al.). This facilitates high rivalry between competitors.
Threat of new entrants	● The pharmaceutical industry has a high level of regulation (Bashirynejad et al.). This limits new entrants. ● The mean cost of developing a new drug has been estimated at \$172.7 million in 2018 dollars between 200 and 2018 (Sertkaya et al.). This high capital requirement limits new entrants. ● Strong infrastructure in pharmaceutical companies creates high economies of scale and makes competition difficult, limiting new entrants . ● Incumbents enjoy many benefits not available to companies entering, further limiting new entrants.
Threat of substitute products	● Patents last for 20 years from the date which an application is filed, and FDA exclusivity lasts for less time than that (FDA). After that time, other companies can copy the drugs developed by

	pharmaceutical firms, presenting a strong substitution product. • Competition within generic drugs has increased over recent years, lowering prices (Nguyen et al.). This further increases the power and threat of substitute products. • Buyers are always looking for cheaper options, creating a high threat of substitute products.
--	--

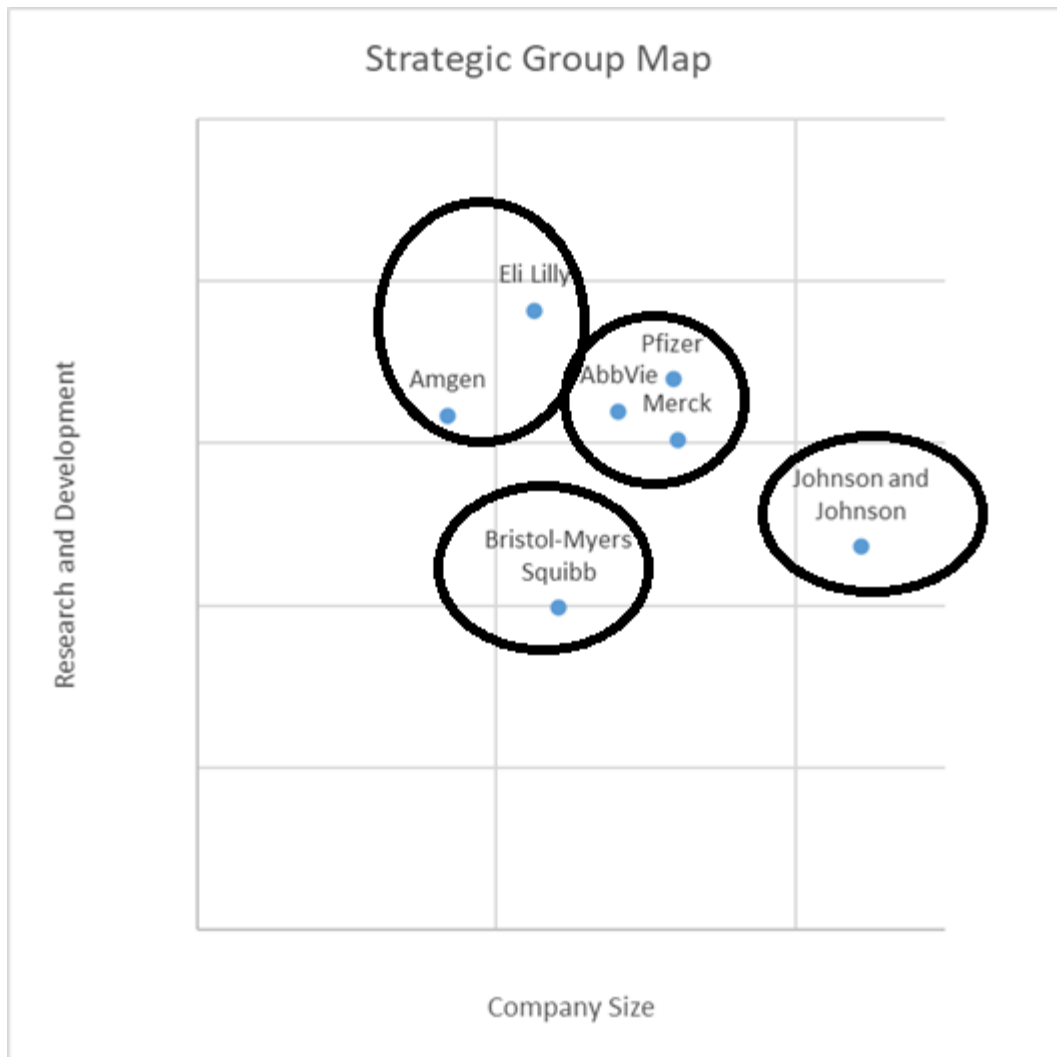
The above chart breaks down the five forces that are to be analyzed along with facts relevant to the force. Then, the facts are assessed to determine their effect on the relevant factor. FDA regulation setting requirements for supplies limits the number of suppliers available but also limits the available differentiation — therefore, the negotiating power of suppliers is neither high nor low. Consolidation of healthcare providers limits the number of buyers, and these large conglomerates are making a smaller amount of larger deals — therefore, the negotiating power of buyers is high. Demand has increased in the pharmaceutical industry, and the industry is growing — therefore, the level of rivalry between competitors is low. A high degree of regulation heavily limits companies from entering, and there is a very high capital requirement — therefore, the threat of new entrants is very low. Expiring patents allow generic drugs to be developed for a much cheaper price, and generic drug competition has increased — therefore, the threat of substitute products is high.

Overall, the five forces analysis demonstrates a medium profit potential and attractiveness for the pharmaceutical industry with some factors being high and some factors being low. This means established players, such as Pfizer, are well within their means of continuing to make a profit while remaining in the industry. Additionally, there is plenty of room for several competitors in the industry to all thrive, but new entrants may struggle. Because of its long-term experience and overall strong position in the industry, Pfizer can withstand the threat of substitute products. It has developed products that have fairly consistently withstood substitute products.

Given profit potential existing in the industry, it's important for Pfizer to recognize its closest competition. It can do so through the strategic group analysis, which looks into where the company stands in the industry.

Pfizer Strategic Group Analysis

The strategic group analysis is a way to map out an industry's competitors and assess if there are untapped areas in an industry. To do this, two axes other than price and quality are set to grade companies. Using the strategic group analysis allows companies to see who their direct competitors are and assess if there are new areas of the industry for which the company to pivot.



The two axes selected were company size and research and development. Company size is determined by the company's revenue, obtained from their annual 10-K reports. Research and development is determined by the amount of project a company self-identifies as within their pipeline divided by revenue, determining how much of a priority research and development is for its overall strategy. The companies selected for the analysis are the seven highest pharmaceutical companies in the most recent Fortune 500, including Pfizer.

The results of the strategic group map suggest AbbVie and Merck are the closest competitors to Pfizer. Pfizer made \$63.6 billion in revenue while Merck made \$64.2 billion and AbbVie made \$56.3 billion. Pfizer's website cites 108 products in its pipeline, while Merck claims to have 97 products and AbbVie claims to have 90. Like Pfizer, AbbVie has some well-known products that have strong penetration such as Botox, while Merck's cancer drug Keytruda is the best-selling drug worldwide (Gibney). All three companies target broad differentiation, trying to make drugs that suit new target markets. Because of patent and exclusivity protections, the firms are not concerned with keeping costs down until those protections expire. These three

firms are the fiercest competitors with one another. Additionally, these three firms make up the main focus group for the pharmaceutical industry because of their strong position and high brand value.

The only untapped space that currently exists among large pharmaceutical companies would be for a firm like Pfizer to pivot away from research and development entirely and transition to a company that solely manufactures and sells drugs that are produced by other companies. Because of Pfizer's strong position in its current strategic group, it does not make sense for the company to do so at this time. AbbVie and Merck are also in a strong position, so there is no need for any company to pivot.

Given the analysis of the pharmaceutical industry being relatively positive, Pfizer must look inward at what it does well and how it can take advantage of its position in the industry. The VRIO analysis looks at resources and capabilities, while the value chain analysis looks into Pfizer's activities. Both analyses strive to find areas of competitive advantage.

Pfizer VRIO Analysis

A VRIO analysis evaluates a firm's internal resources and capabilities to determine which provide sustainable competitive advantages (Fisher et al.). The four dimensions used in a VRIO analysis to help differentiate the importance of a resource are value, rarity, imitability, and organization. These categories help determine whether specific resources enable long-term success or only short-term gains. For Pfizer, this analysis highlights how the company leverages its R&D excellence, intellectual property, partnerships, and global reach to maintain its strong position in the biopharmaceutical industry.

Resource	Valuable?	Rare?	Costly to Imitate?	Organized to Capture Value?	Performance Metrics	Competitive Implication
R&D Capability	Yes	Yes	Yes	Yes	R&D spend: \$11.8B (2024); 90+ products in pipeline	Sustained Advantage
mRNA & Biotech Expertise	Yes	Yes	Yes	Yes	Vaccine revenue share ~45%; expanded pipeline	Sustained Advantage
Patent Portfolio & IP	Yes	Yes	Yes	Yes	77,000+ patents; high exclusivity protection	Sustained Advantage
Global Brand Reputation	Yes	Yes	Yes	Yes	#1 COVID vaccine brand recognition	Sustained Advantage
Global Distribution Network	Yes	No	Yes	Yes	120+ countries served; strong logistics	Competitive Parity
Financial Strength	Yes	No	No	Yes	Cash flow \$15B; strong dividend yield	Competitive Parity
Strategic Partnerships	Yes	No	Partly	Yes	BioNTech collaboration success + other alliances	Temporary Advantage
Regulatory & Compliance Expertise	Yes	Yes	Yes	Yes	Strong approval success rate; limited litigation	Sustained Advantage
Digital & Data Analytics	Yes	Yes	Yes	Yes	AI collaborations; process automation	Sustained Advantage
Human Capital & Culture	Yes	No	Yes	Yes	High retention and engagement scores	Competitive Parity

The VRIO analysis table above shows ten key Pfizer resources and capabilities assessed against the four VRIO criteria. Each resource's performance metrics illustrate how it supports Pfizer's operational or financial outcomes, and the final column defines whether that resource provides a sustained, temporary, or parity-level competitive advantage. Sustained Advantages arise from Pfizer's R&D capability, mRNA and biotech expertise, patent portfolio, global brand reputation, regulatory expertise, and digital analytics. These resources are valuable, rare, difficult to imitate, and fully supported by Pfizer's organizational infrastructure. Competitive Parity is found in areas like financial strength, distribution network, and human capital, which are valuable but not rare enough to create differentiation. Temporary Advantages come from Pfizer's strategic partnerships, such as the BioNTech alliance, which drive innovation but can be replicated or matched by competitors over time.

The VRIO analysis demonstrates that Pfizer's long-term success is built on a foundation of research excellence, intellectual property strength, and strategic organization. In 2024, Pfizer invested approximately \$11.8 billion in research and development, one of the highest figures in the pharmaceutical industry, driving a long list of 110 projects across various areas (Pfizer, 2024). The company's portfolio of more than 77,000 active patents underscores a sustained competitive advantage in innovation and market exclusivity (GreyB Insights & Stats, 2025). Strategic collaborations, such as its BioNTech partnership and AI-driven drug discovery

initiatives, have yielded over 30 co-developed programs, strengthening short-term performance and operational efficiency (PR Newswire, 2025). Meanwhile, Pfizer's \$58.5 billion in 2024 revenue and global manufacturing network contribute to stability but are common among top competitors, offering only competitive parity (SEC.gov, 2024). Overall, Pfizer's integration of scientific expertise, data-driven innovation, and brand trust continues to generate sustained financial growth and market leadership in the global biopharmaceutical sector.

The VRIO analysis' claims are supported through the value chain analysis, which analyzes the company's activities as opposed to its outward strengths.

Pfizer Value Chain Analysis

A value chain analysis allows a company to view each of a company's activities individually to find competitive advantage. This method of analyzing operations looks at these activities in the context of adding value to the firm before connecting them to find potential sources of competitive advantage. Value chain analysis breaks operations into primary activities and support activities. Primary activities, which include inbound logistics, operations, outbound logistics, marketing and sales, and service are directly linked to converting supplies into a finished output. Support activities, which include technology, human resource management and infrastructure, are not directly linked to producing outputs but are still significant parts of any business and an opportunity to find competitive advantage.

Inbound Logistics	Operations	Outbound Logistics	Sales & Marketing	Service
Pfizer is still looking to add to its over 300 external suppliers. It has about 30,000 employees who are dedicated to manufacturing and supply, demonstrating a strong emphasis on developing a strong supply chain.	- Pfizer operates 38 manufacturing sites worldwide, investing over \$1 billion a year into its operations of over 300 drugs currently for sale. - These 38 manufacturing sites touch all six continents, ensuring product delivery is available worldwide.	Pfizer claims to reach over 200 companies and more than 414 million patients. Its stated 2027 ambition of changing a billion lives each year includes goals of continuing to accelerate supply and reach every patient faster.	Pfizer spent about \$3.3 billion on advertising in 2024, \$2.7 billion of which was in the United States. Per its financial statements, this represents about 5% of its revenue. The high ad spend proves Pfizer's desire to generate a competitive advantage in this area.	Pfizer directs all customer service to one phone number or page submission. Pfizer claims to read all messages sent through its form but doesn't guarantee a response.
Support Activities				
Technology: Through its Center for Digital Innovation in Greece, Pfizer is using technology in research and development more than ever. Pfizer has about 500 employees whose sole job is to implement new technological advances into drug development and improving operations. Human Resource Management: With about 81,000 employees worldwide, Pfizer has to be efficient in human resource management. By always looking to stay strong in several areas, Pfizer's human resources must have the capability for quick hiring and onboarding. Infrastructure: Pfizer's 38 manufacturing sites are the result of an impressive infrastructural undertaking. Evidence of strong infrastructure is also present in both inbound and outbound logistics operations.				

Pfizer is best at deriving competitive advantage from infrastructure, outbound logistics and technology. Its infrastructure, which includes 38 manufacturing sites worldwide, allows for

efficient product delivery before even accounting for its outbound logistics. Holding manufacturing sites near several patient areas lets Pfizer get its drugs to its patients. In outbound logistics, Pfizer furthers this goal by trying to continue getting drugs to patients faster. This means creating new partnerships like one in Zipline it created in 2019 to use drones to get products to its patients more efficiently. With the founding of the Center for Digital Innovation in 2021, Pfizer is pouring significant time and resources into improving everything it does with new technology. This sector will give Pfizer the opportunity to push further ahead in the industry.

The value chain analysis demonstrates Pfizer's logistical strength. Its infrastructure allows its heavy research and development expense of \$11.8 billion to be paid off thanks to spending significantly less money on the cost of delivering goods with its outbound logistics. Its research and development also funnels into operations where the drugs it develops can be produced almost anywhere in the world with its 38 manufacturing sites on six different continents. With its high revenue, Pfizer is able to put significant money back into the business to continue to push forward and stay ahead of competitors. By innovating in these areas, Pfizer has generated sustained financial growth and market leadership in the global biopharmaceutical sector. Combined with the VRIO analysis, research and logistics are Pfizer's two main strengths to create sustained competitive advantage.

Conclusion and Recommendations

Through our Business Model Canvas, we conclude that Pfizer is currently striving to be available worldwide through a variety of targeted segments within healthcare and biopharmaceuticals. Pfizer's strategy is to do this through its robust supply chain, developing key partnerships to reach customers in all areas of the world. The STEEP analysis proves that there are more opportunities through technology for Pfizer than there are threats in politics and economics, presenting a chance for the company to find new ways to modernize its operations. The five forces analysis demonstrates that the pharmaceutical industry still has profit potential, especially for an established company like Pfizer. Pfizer is competing with AbbVie and Merck as the focus group in the pharmaceutical industry with road differentiation and a high emphasis on research and development. Research capability is one of Pfizer's sustained advantages as identified through the VRIO analysis, and a value chain analysis highlights how strong the company's logistics are.

Given the analysis of Pfizer's business, its environment and its competitors, Pfizer is in a strong position and doesn't need to make wholesale changes. Continuing to invest in new technology could help Pfizer reduce costs in both logistics and research, but doing so while reducing quality would hurt brand value. Additionally, investing in ways to target new bases would be wise for a company that faces losing customers to old age. Within its strategic group, Pfizer can compete with AbbVie and Merck by continuing to pour money into research and development, beating its two competitors by having a wider breadth of products through its

broad differentiation strategy. Based on the analysis, Pfizer's overall strategy is sound within its business environment.

References

- Abir, M., Vardavas, R., Tariq, Z. H., Hoch, E., Lawson, E., & Cortner, S. (2024). *Impact of climate change on health and drug demand*.
https://www.rand.org/pubs/research_reports/RRA3425-1.html
- Adeniyi Ayinde, A., Yusuff Adebayo, A., Ashiru Mustapha, A., Taiwo, O., Omotayo Faith, O., Agwuna Favour, O., & Ibrahim Abdulmumin, D. (2024). Climate change, vector-borne diseases, and conflict: Intersecting challenges in vulnerable states. *Journal of Infectious Diseases and Epidemiology*, 10(8). <https://doi.org/10.23937/2474-3658/1510326>
- Amgen pipeline. (n.d.). Retrieved October 3, 2025, from <https://www.amgenpipeline.com/>
- Barney JB, & Wright PM. (1998). On becoming a strategic partner: the role of human resources in gaining competitive advantage. *Human Resource Management*, 37(1), 31–46.
[https://doi-org.utk.idm.oclc.org/10.1002/\(sici\)1099-050x\(199821\)37:1](https://doi-org.utk.idm.oclc.org/10.1002/(sici)1099-050x(199821)37:1)
- Bashirynejad, M., Soleymani, F., Nikfar, S., Kebriaeezadeh, A., Majdzadeh, R., Fatemi, B., Zackery, A., & Zare, N. (2024). Trends analysis and future study of the pharmaceutical industry field: A scoping review. *DARU Journal of Pharmaceutical Sciences*, 33(1), 6.
<https://doi.org/10.1007/s40199-024-00550-x>
- Boston Consulting Group. (2025). *Patent cliff threatens biopharmaceutical revenue*. BCG.
<https://www.bcg.com/publications/2025/patent-cliff-threatens-biopharmaceutical-revenue>
- Clinical Development Pipeline | Medicines in Development | Eli Lilly and Company. (2017). Lilly.com. <https://www.lilly.com/science/research-development/pipeline>
- Collis, David J., and Michael G. Rukstad. "Can you say what your strategy is?" *Harvard business review* 86.4 (2008): 82-90.
- Contact us | pfizer. (n.d.). Retrieved October 31, 2025, from <https://www.pfizer.com/contact>
- de la Torre, B. G., & Albericio, F. (2025). The Pharmaceutical Industry in 2024: An Analysis of the FDA Drug Approvals from the Perspective of Molecules. *Molecules*, 30(3), 482.
<https://doi-org.utk.idm.oclc.org/10.3390/molecules30030482>
- Despoinoudi, I., Nikolakopoulos, I., & Katsifis, M. (2025). An in-depth three-year study of a 360 corporate L&D strategy: The establishment and growth of learning & development at Pfizer's Center for Digital Innovation. *Human Resource Development International*, 1–26. <https://doi.org/10.1080/13678868.2025.2560484>
- DrugDiscoveryTrends. (2024). Top 25 pharma R&D spenders in 2024. Retrieved from <https://www.drugdiscoverytrends.com/top-25-investors-in-pharma-rd-in-2024/>

- Fisher, G., Wisneski, J. E., & Bakker, R. M. (2020). *Strategy in 3D*. Oxford University Press Academic US. <https://utk.vitalsource.com/books/9780190081508>
- Flavian, C., & Polo, Y. (1999). Strategic groups analysis (SGA) as a tool for strategic marketing. *European Journal of Marketing*, 33(5/6), 548–569.
- Fortune 500 full list*(2025). (n.d.). Retrieved October 3, 2025, from <https://www.50pros.com/fortune500>
- Global manufacturing network | pharmaceutical cmo | pfizer centreone*. (n.d.). Retrieved October 31, 2025, from <https://pfizercentreone.com/manufacturing-network>
- Global manufacturing, supply & distribution | pfizer*. (n.d.). Retrieved October 31, 2025, from <https://www.pfizer.com/products/how-drugs-are-made/global-supply>
- GreyB Insights & Stats. (2025). Pfizer patents – insights & stats. Retrieved from <https://insights.greyb.com/pfizer-patents/>
- Indegene. (2025). *Global life sciences industry trends 2025*. Indegene. <https://resources.indegene.com/indegene/articles/global-life-sciences-industry-trends-2025.pdf>
- Keytruda represents almost half of Merck's sales, and a new formulation could fend off rivals | PharmaVoice*. (n.d.). Retrieved October 3, 2025, from <https://www.pharmavoice.com/news/merck-keytruda-cancer-oncology-subcutaneous-roche-bristol-myers/733544/>
- Lee, S. L., O'Connor, T. F., Yang, X., Cruz, C. N., Chatterjee, S., Madurawe, R. D., Moore, C. M. V., Yu, L. X., & Woodcock, J. (2015). Modernizing pharmaceutical manufacturing: From batch to continuous production. *Journal of Pharmaceutical Innovation*, 10(3), 191–199. <https://doi.org/10.1007/s12247-015-9215-8>
- MarketLine Company Profile: Pfizer Inc. (2024). In *Pfizer Inc. MarketLine Company Profile* (pp. 1–97).
- New drug development pipeline: Pfizer's medicine, vaccine discovery | pfizer*. (n.d.). Retrieved October 3, 2025, from <https://www.pfizer.com/science/drug-product-pipeline>
- Nguyen, N. X., Sheingold, S. H., Tarazi, W., & Bosworth, A. (2022). Effect of competition on generic drug prices. *Applied Health Economics and Health Policy*, 20(2), 243–253. <https://doi.org/10.1007/s40258-021-00705-w>
- Nwachukwu, G., Rihan, A., Nwachukwu, E., Uduma, N., Elliott, K. S., & Tiruneh, Y. M. (2024). Understanding covid-19 vaccine hesitancy in the united states: A systematic review. *Vaccines*, 12(7), 747. <https://doi.org/10.3390/vaccines12070747>

OECD. (2023). *Artificial intelligence in science: Challenges, opportunities and the future of research*. OECD. <https://doi.org/10.1787/a8d820bd-en>

Paksoy, T., Gunduz, M. A., & Demir, S. (2023). Overall competitiveness efficiency: A quantitative approach to the five forces model. *Computers & Industrial Engineering*, 182, N.PAG. <https://doi-org.utk.idm.oclc.org/10.1016/j.cie.2023.109422>

Pharmaceutical research and development pipeline—Bristol Myers Squibb. (n.d.). Retrieved October 3, 2025, from <https://www.bms.com/researchers-and-partners/in-the-pipeline.html>

Pfizer company fact sheet | key pharma & consumer health products | pfizer. (n.d.). Retrieved October 31, 2025, from <https://www.pfizer.com/news/media-resources/press-kits/corporate-media-kit>

Pfizer Inc. (2025). Annual Review 2024. Retrieved from <https://annualreview.pfizer.com/>

Pfizer Inc. (2025, February 28). Form 10-K. Retrieved from <https://investors.pfizer.com>

Pfizer Inc. (n.d.). Drugs.com. <https://www.drugs.com/manufacturer/pfizer-inc-113.html>

Pfizer—Ad spending, facts and profile. (n.d.). Retrieved October 31, 2025, from <https://adage.com/pfizer/>

Pfizer's center for digital innovation | pfizer's center for digital innovation. (n.d.). Retrieved October 31, 2025, from <https://centerfordigitalinnovation.pfizer.com/>

Pfizer's purpose, core values, and purpose blueprint | pfizer. (n.d.). Retrieved October 31, 2025, from <https://www.pfizer.com/about/purpose>

Pipeline. (n.d.-b). Wwww.abbvie.com. <https://www.abbvie.com/science/pipeline.html>

Pipeline. (n.d.). Merck.Com. Retrieved October 3, 2025, from <https://www.merck.com/research/product-pipeline/>

Pipeline - Development Pipeline | Johnson & Johnson. (n.d.). Wwww.investor.jnj.com. <https://www.investor.jnj.com/pipeline/development-pipeline/default.aspx>

PR Newswire. (2025, June 29). XtalPi and Pfizer expand strategic collaboration to advance AI-driven drug discovery and materials science simulations. Retrieved from <https://www.prnewswire.com/news-releases/xtalpi-and-pfizer-expand-strategic-collaboration-to-advance-ai-driven-drug-discovery-and-materials-science-simulations-302494033.html>

- PricewaterhouseCoopers. (n.d.). *Next in pharma trends 2025*. PwC. Retrieved October 3, 2025, from <https://www.pwc.com/us/en/industries/pharma-life-sciences/pharmaceutical-industry-trends.html>
- Research, C. for D. E. and. (2024). Frequently asked questions on patents and exclusivity. *FDA*. <https://www.fda.gov/drugs/development-approval-process-drugs/frequently-asked-questions-patents-and-exclusivity>
- SEC.gov. (2024). Pfizer Inc. Form 10-K & quarterly expense highlights. Retrieved from <https://www.sec.gov/Archives/edgar/data/78003/000007800325000017/pfe-12312024xex99.htm>
- Sertkaya, A., Beleche, T., Jessup, A., & Sommers, B. D. (2024). Costs of drug development and research and development intensity in the us, 2000-2018. *JAMA Network Open*, 7(6), e2415445. <https://doi.org/10.1001/jamanetworkopen.2024.15445>
- Sibalija, J., Barrett, D., Subasri, M., Bitacola, L., & Kim, R. B. (2021). Understanding value in a healthcare setting: An application of the business model canvas. *Methodological Innovations*, 1–12. <https://doi-org.utk.idm.oclc.org/10.1177/20597991211050477>
- The global wellness economy reaches a record \$5. 6 trillion—And it's forecast to hit \$8. 5 trillion by 2027 -*. (n.d.). Global Wellness Institute. Retrieved October 3, 2025, from <https://globalwellnessinstitute.org/press-room/press-releases/globalwellnesseconomymonitor2023/>
- The Lancet Healthy Longevity. (2021). Care for ageing populations globally. *The Lancet. Healthy Longevity*, 2(4), e180. [https://doi.org/10.1016/S2666-7568\(21\)00064-7](https://doi.org/10.1016/S2666-7568(21)00064-7)
- Value chain analysis for assessing competitive advantage. (1996). *CMA Magazine*, 70(6), 28.