

Sproxil, Inc. Teams with IBM to Help Consumers, Industry, in the Fight Against Drug Counterfeiting

IBM

CAMBRIDGE, MA and ARMONK, N.Y. - 01 May 2012: Sproxil is using IBM technology to help the pharmaceutical industry reduce drug counterfeiting and allow consumers to verify the authenticity of prescriptions in seconds with their mobile phones.

Through its collaboration with IBM, Sproxil is extending manufacturers' ability to view and analyze real time consumer data to detect and prevent drug counterfeiting in developing countries, where 25 to 50 percent of medicines are believed to be counterfeit,¹ costing the industry \$75 billion a year.² With the collaboration, Sproxil also uses IBM's cloud service to provide clients with secure, reliable data access virtually anywhere.

Sproxil's pharmaceutical clients, such as Merck and GlaxoSmithKline, have been able to combat counterfeiting by using the company's Mobile Product Authentication (MPA) solution to affix a scratch-off label with a unique code to each package of medication. Upon purchase, consumers scratch the label to reveal the code, which they then send via a free text message to a telephone number provided on the package. Within seconds, consumers receive a return text message from Sproxil letting them know if the medication is genuine.

As a part of this process, Sproxil's MPA solution produces a large, rapidly flowing stream of information concerning pharmaceutical sales and suspected incidences of counterfeiting that pharmaceutical manufacturers have access to through Sproxil's client portal.

To make it easier for its clients to view and analyze this market data, Sproxil turned to IBM's ILOG Elixir software, which provides rich visuals such as advanced charts and graphics. Using these and other new capabilities, pharmaceutical manufacturers around the world will be able to better manage and analyze petabytes of transaction data in real time. Now, pharmaceutical companies can more easily identify patterns in counterfeiting and deploy their resources accordingly. Sproxil's new portal featuring ILOG will be launched during the second quarter of 2012.

"Many of our clients are in locations where high-speed Internet connectivity is unreliable or nonexistent," said Sproxil Chief Executive Officer Dr. Ashifi Gogo. "Through our work with IBM, we can enable our clients to render charts with high-

speed, even in low-bandwidth situations. Through IBM's cloud service, we are also able offer clients secure and reliable application availability no matter where they are located," he said.

"Sproxil continues to advance its MPA solution to make it easier for us to successfully prevent consumers from being subjected to counterfeit medications," said Chokri Ahmadi, business director, Merck Group, West Africa Region. "The new dashboard will allow us to make better use of the data we receive through the client portal, which in turn should help our business and our customers."

Counterfeit medicines have become a critical issue for developing nations, with an impact measured in lives. For example, of the one million malaria deaths that occur worldwide each year, 200,000 are reportedly the result of counterfeit anti-malarial drugs. Additionally, the WHO indicates that 700,000 Africans die annually from consuming fake anti-malarial or tuberculosis drugs³

"Sproxil and IBM share a commitment to using technology to protect the health and safety of people around the world," said Paul Chang, supply chain solutions leader, IBM. "With the help of IBM, Sproxil and its clients are making prescription drugs safer for millions of people who live in areas where counterfeiting is rampant."

Sproxil has been working closely with IBM since 2010, when it was named the winner of IBM SmartCamp Boston and then received honorable mention in IBM's SmartCamp World Finals. SmartCamp is an entrepreneurial contest that introduces start-up companies to venture capitalists, academia, government and industry leaders who can help them grow their businesses. After Sproxil's strong performances in the SmartCamps, the company received an investment round of funding earlier this year from the Acumen Fund. Sproxil is also a member of IBM's Global Entrepreneur initiative, which assists start ups with product development and speeds their time-to-market.

Using IBM SmartCloud, Sproxil is benefiting from the cost savings and scalability associated with a cloud environment while preserving the ability to take advantage of the security, existing applications, reliability, management and support services more typical of a private cloud.

IBM has deep expertise in the pharmaceutical industry and works with most of the world's pharmaceutical and life sciences companies in support of their discovery and development processes and providing business analytics to help deliver more personalized treatments.

For more information on IBM's offerings for companies in the healthcare and life sciences industries, visit

http://www.ibm.com/smarterplanet/us/en/healthcare_solutions/ideas/index.html?re=spf [1]

To combat counterfeiting in the regions where it is most widespread, pharmaceutical manufacturers around the world – including several of the top 10 as well as small firms – are teaming with Sproxil to offer consumers a simple and quick

way of making sure their medication is authentic.

About Sproxil, Inc.

Sproxil is a venture-backed, social enterprise that provides world-class brand protection services in emerging markets. Through the company's Mobile Product Authentication™ (MPA) solution, brand owners can connect with their customers in a way not previously achieved, by helping to ensure the goods they purchase are not stolen or counterfeit. Sproxil's patent-pending product verification service allows individuals to text message a single-use item-specific code found on products using MPA technology, and receive a rapid response confirming the product's genuineness or alerting the consumer to report incidents of suspicious activity to the brand owner. Sproxil's solution is compatible with any tangible item, and it is already widely used by leading pharmaceutical companies to curb the multi-billion dollar counterfeit drug industry. Recognized as innovative and instrumental in the battle against counterfeiting, Sproxil has won the IBM SmartCamp Boston Award and the 2009 Clinton Global Initiative Outstanding Commitment Award, as well as received regulatory endorsements from the National Agency for Food and Drug Administration and Control in Nigeria and the Pharmacy and Poisons Board in Kenya. The company is headquartered in Cambridge, Massachusetts, United States and continues to expand its presence in multiple countries across Asia and Africa. For more information, please visit www.sproxil.com [2].

Note to journalists and bloggers: You can view and download video interview with Sproxil CEO Ashifi Gogo, visit www.thenewsmarket.com/ibm [3].

The video is available in HD, standard definition broadcast and streaming quality. [registration available online]

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1 [4] . World Health Organization, [WHO Drug Information, Vol. 20, No. 1, 2006](#) [5].

2. Centers for Medicine in the Public Interest, [21st Century Healthcare Terrorism: The Perils of International Drug Counterfeiting](#) [6]. September 20, 2005.

3. Global Edge Business Review Vol. 5, No. 6, 2011. "The Health and Economic Effects of Counterfeit Pharmaceuticals in Africa," Jeremy M. Wilson and Roy Fenoff.

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Links:

[1] http://www.ibm.com/smarterplanet/us/en/healthcare_solutions/ideas/index.html?

re=spf

[2] <http://www.sproxil.com/>

[3] <http://www.thenewsmarket.com/ibm>

[4] http://www.ibm.com/press/us/en/pressrelease#_msocom_1

[5] http://whqlibdoc.who.int/druginf/20_1_2006.pdf

[6] <http://www.cmpi.org/uploads/File/21st-Century-Terrorism.Report.pdf>

[7] <http://www.ibm.com/press/us/en/pressrelease/37579.wss>