The competitive environment in the pharma sector is characterized by a high level of risk, affected by large number of stakeholders, dynamic industry, and high intensity. TEVA Pharmaceutical Industries Ltd. considers 19 pharmaceutical manufacturers and biotechnological companies, including Pfizer, Merck, Mylan, Eli Lilly, Novartis, Gilead Science and others as its direct competitors. Competition in the generic drug market is mainly of product pricing and market share as to the innovative pharmaceutical market which is focusing on innovation and development of new drugs, the creation of business value added and the strengthening of its marketing position vis-à-vis competitors. Profit growth and market positioning can be generated by organic growth of internal efficiency in small pace over a relatively long period, or by adopting Merging and Acquisitions (M&A) strategy, which can significantly increase in relatively short period of time. The SWOTCLOCK™ model can be used to characterize TEVA's share price fluctuations behavior until 2017.

The SWOTCLOCK™ model suggests the following strategic cycle of 4 consecutive types: 'GROWTH', 'RESPONSE', 'SURVIVAL', and 'LEVERAGE'. In early 2013, TEVA found itself in a tough competition affected by the early expiration of its Copaxon20mg drug patent with the sharp drop of its share value, adopting the SWOTCLOCK™ 'SURVIVAL' strategy. The 'SURVIVAL' strategy followed by the 'turning point' of the replacement of TEVA CEO and several board members. This ‘turning point’ was the beginning of the SWOTCLOCK™ ‘LEVERAGE’ strategy that continued during the 1st half of 2014 (see Figure 1). Investors felt much more confident in the company and the share price started to peak up. TEVA continued intensively to apply its M&A policy having the SWOTCLOCK™ ‘GROWTH’ strategy implemented until the end of 2015. The ‘GROWTH’ strategy included the dramatic acquisition of Actavis for 37 Billion USD, which resulted with a financial leverage ratio of 5.4 of the long term debt to EBITDA index. This acquisition created a "twisting point" of distrust of the investors who perceived it as substantially high risky move. Since 2016, the stock price had sharply dropped and the company found itself in a state of "strategic drift" having adopted the 'RESPONSE' strategy. At the end of 2016, TEVA was forced to use the 'SURVIVAL' strategy when the restraining measures were not sufficient and the share price declined by 75%, enforcing the company to take a drastic measures. Common 'SURVIVAL' strategy measures that are utilized include operation contraction, divestiture, assets liquidation, personal retrenchment etc.

![Figure 1. SWOTCLOCK™ analysis for TEVA's share price fluctuations behavior between 2013 and 2017.](image)

During the 1st quarter of 2017 and still under the 'SURVIVAL' strategy, TEVA took significant tactical steps including: 1) the resignation of Erez Vigodman and his temporary CEO replacement by Yitzhak Peterburg, 2) pulling back 1.2 Billion NIS investment of the Company Headquarter, 3) internal efficiency and productivity operation, 4) effort to successfully integrate Actavis with TEVA, and 5) the attempt to liquidate capital assets such as Mylan shares while
adhering to the dividend distribution policy. The acquisition campaign over the past two years has led to an increase in the number of employees from 43,000 in early 2015 to 57,000 at the end of 2016 and denied rumors that it intends layoff personal. It is Dr. Hayden, CEO of the Innovative Business Division who declares that; ..... "the next four months will be the most interesting in the history of TEVA". However, investors are still very skeptical and cautious having Standard & Poor's lowering the credit rating to BBB level while the share price continues to drop to as low as of 32.76 dollars, lower than it was in 2014. Whilst TEVA is looking after appropriate person to take permanently its CEO position, another signal that TEVA operates in the 'SURVIVAL' strategy is shown by Bloomberg announcement that TEVA nominated Morgan & Stanly Investment Bank to approach a potential buyer for its Women's Health Division for 2 Billion USD, planned to start on May 2017.

For TEVA to exit the ‘SURVIVAL’ strategy and advance to the ‘LEVERAGE’ strategy, it has to strengthen its weaknesses, exploit and create new opportunities primarily in the innovation of new products. Within this context, TEVA announced on April 4th the FDA approval of AUSTEDO™ Tablets for the treatment of Chorea associated with Huntington's Disease with a potential volume of sales of 750 Million USD which can ease its critical cash flow. Another opportunity is the warning letter of FDA to the approval of Momenta's 40mg generic version to TEVA's 40mg Copaxone drug. It was a welcome indication for TEVA to get few months longer to gain market value with no competition, although it may not be enough for the long run.

TEVA announced that it will release its 1st quarter business results on 11th May. This specific date can indicate a 'turning point' whether the company can leverage and move from its current 'SURVIVAL' strategy to the 'LEVERAGE' strategy.

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Nathan Tirosh is the developer of the strategic model SWOTCLOCK™, a researcher and consultant in strategic management and business development, ntirosh@swotclock.com, www.swotclock.com