How Are Emerging Biotechs Harnessing Strategic Partnerships to Strengthen Their Journey to Commercialisation?

Forecasted to reach $108 billion by 2023, the global pharmaceutical services outsourcing market is currently undergoing incredible levels of growth.

Organisations that are reaping the benefits include contract development and manufacturing organisations (CDMOs), contract research organisations (CROs), as well as strategic commercialisation partners that are helping companies ensure their products achieve their full market potential.

This expansion is the result of a number of key drivers. The impact of the COVID-19 pandemic led to a greater need for expanded capacity across pharmaceutical companies as they sought to meet the demand for vaccines, as well as continue the production of their non-COVID projects.

Growth can also be attributed to the rise in the number of small emerging startup and scale-up biopharmaceutical companies bringing new levels of innovation to the industry. These companies are increasingly seeking support from strategic partners to help them launch their drug products.

But how can these emerging biotech companies work with their partners more effectively to ensure they maximise the value of their assets? Jay Janus, Senior Account Director at Inizio Biotech, explains the rise in strategic partnerships to offer greater support for emerging biotechs in overcoming challenges to thrive in the future pharma landscape.

Current Biotech Market Growth

Expected to reach $3.4 trillion by 2030, the global biopharmaceutical market is set to reach unprecedented levels of growth. Emerging biotechs are responsible for a considerable portion of this expansion. An increasing number of new products are now coming from these companies, with 33% of new drug approvals coming from emerging biotechs in the last few years.

High growth levels for emerging biotech companies come as a result of greater demand for more specialised treatments. Populations in many advanced and emerging economies are aging, meaning there is a greater need for specialised medicines to treat age-related illnesses. These illnesses include cancers, chronic, rare, and orphan diseases, and many emerging biotechs are striving to meet patient needs by bringing innovative new treatments to market.

Biotechs often have an edge over large pharma companies, as they have greater agility and ability to advance their therapies through trials to treat patients with often rare and complex diseases.

Emerging biotechs are in a strong position to advance these treatments due to their innate entrepreneurialism and dynamic company structures. Not only does this allow them to mobilise investment funds faster than larger companies, but they also

have the flexibility to innovate at speed by focusing on one project at a time.

The promise of the biotechs' innovations, combined with their dynamism in advancing them quickly, makes them more attractive to venture capital companies.

In fact, venture capital companies invested in 3,100 biotech startups in 2021, and biotech companies raised over $34 billion. This is more than double the investment secured by biotechs in 2020, highlighting how keen investors are to support these innovators in their journey to market.

The Challenges Facing Emerging Biotechs

However, it takes more than a simple investment to reach commercial success. Emerging biotechs must repay the faith their investors have shown in their business and innovation, by maximising the value of their assets. This can be especially challenging to achieve for a small company that is working alone.

While biotechs may have agility and dynamism on their side, they do have disadvantages in realising the full potential of their innovations compared with their larger peers.

Larger companies with years of experience and investment have far deeper resources, making them more resilient when unforeseen challenges delay their projects. They also have the in-house expertise to optimise the efficiency of their product's development journey. Emerging biotechs must constantly monitor their cash spending, regardless of how much investment they may have secured, to ensure it is being used wisely. They may not always have the expertise within the business to plan an effective development strategy.

The product journey from development through to commercialisation is unique for every biotech. However, many emerging biotechs delay considering their commercial strategies until the later stages of their product launch journey.

This is because many of these companies are hesitant to spend their capital on anything other than product and trial delivery during their early phases, as these are critical to ensuring their asset is truly viable.

Some biotechs decide to delay investing their capital into commercialisation until a fully scaled medical affairs organisation is needed pre-launch, often leaving it too late to have an optimal effect.

By focusing on commercialisation earlier, emerging biotechs are better positioned to demonstrate the value of their assets to investors, highlight the sustainability of their company, and showcase their readiness for launch.

The Benefits of Working with a Strategic Partner

Engaging with an external commercialisation partner with the expertise and capabilities in a chosen therapeutic area gives biotechs a strategic edge across all of these critical milestones.

These partnerships provide access to specialised expertise and support across their therapeutic area and allow biotechs to focus on their core competencies. Biotechs can also access the necessary skills and resources without incurring the cost and time of building them in-house.

By harnessing the specialised services and support of these partners across the clinical development and commercialisation journey, emerging biotechs are able to personalise and coordinate their activities to meet their specific needs and hit their strategic goals.

Working with a strategic partner, biotechs can optimise their launch activities at the right time to help their assets reach their full potential.

Ensuring the success of these activities requires a dedicated partner that not only helps them deliver on their objectives, but also provides the guidance, expertise, and validation required to avoid potential pitfalls throughout their journey and ensure success.

Engaging with Strategic Partners at the Right Time to Maximise Value

Identifying the right strategic partner to work with at the right point in their commercialisation journey is of paramount importance for emerging biotechs.

Many of the areas and activities that strategic partners can add value to need to be done in Phase II to be effective.

These Phase II activities include:

- Mapping the patient journey
- Prioritising key opportunities
- Developing a platform for scientific communications
- Conducting value pricing and access work

Completing these activities in Phase II is key to derisking an asset, communicating its potential value, and differentiating it to a wide range of audiences. This phase is also one that typically experiences a high level of demand from investors, making it a critical milestone to maximise value.

By working with the right strategic partners at this decisive moment, emerging biotechs can harness their specialist expertise, years of experience, and readily available resources, rather than having to recruit for and build this in-house.

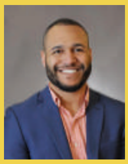
As a result, this will help to lay the groundwork for the success of further milestones and strengthen their appeal to investors.

Finding the Right Partnerships for Successful Commercialisation

The biopharmaceutical market remains highly competitive, and emerging biotechs must adopt a strategic approach as early as possible in their journey to achieve a successful launch.

Engaging a specialist partner as early as Phase II will allow emerging biotech companies to avoid last-minute pressures to hit their milestones in later stages. This support can also help demonstrate the full value of an asset to potential investors, helping to acquire further funding.

With the market becoming increasingly competitive, partnering with a strategic partner is no longer a 'nice to have'. These partnerships are now an absolute necessity for emerging biotechs to achieve commercial success in getting their innovative drug products to patients who need them.



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Jay Janus, Senior Account Director with Inizo Biotech has spent the last half decade advising emerging market biotech companies. Specifically offering fit for purpose solutions, shepparding sponsor partnerships with outside consultancy to help companies power their clincial programs forward.