Business Concepts for Life Scientists: Business Development

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BD course objectives

By the end of this talk you will be able to:

1. Define Business Development (BD)
2. Identify the steps in the BD process
3. Understand how Business Development contributes to a business’ vision and goals
4. Describe different vehicles that Business Development can leverage to accomplish their objectives
5. Describe successful deal structures
Defining Business Development

*Business development drives growth and expansion for an organization, product and/or brand*

*The purpose is to identify and execute on opportunities that can drive revenue, profit and/or brand growth*

*BD is one component of a business’ strategy*
# Defining Business Development

<table>
<thead>
<tr>
<th>In biotechnology…</th>
<th>How the company will fill its pipeline, bring products to market and serve its stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>In academia…</td>
<td>How the lab will fill its project pipeline and execute opportunities to publish, fund, and grow the lab</td>
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Overview of BD process

1. Identify the Gap
2. Determine the Vehicle to Fill the Gap
3. Execute the Deal
4. Measure Success
Overview of BD process

1. Identify the Gap
2. Determine the Vehicle to Fill the Gap
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4. Measure Success
Identify the Gap

- What types of gaps are in-scope?
- How are gaps identified?
What types of gaps are in-scope?

Gaps can be diverse

FINANCIAL
• Revenue
• Profit
• Access to capital
What types of gaps are in-scope?

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FINANCIAL
• Revenue
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MARKET
• Market Share
• Geographic footprint
• Access to markets
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STAKEHOLDERS
• Product adoption
• Expertise gaps
Revenue Gap

Novartis Earnings Fall on Slide in Cancer-Drug Sales
Novartis is leaning heavily on new drugs to offset declining revenue from Gleevec - WSJ

Pipeline Gap

Stakeholder Adoption Gap

Market Penetration Gap
Example gaps

Revenue Gap

Pipeline Gap

Eli Lilly has long raised concerns among investors about the future of its drug pipeline…due to expiration of patents [of its] blockbuster treatments - The Motley Fool

Stakeholder Adoption Gap

Market Penetration Gap
Example gaps

Revenue Gap

Stakeholder Adoption Gap

Novartis Heart-Failure Pill Hits Hurdles With Doctors
Drug maker is having a problem in getting physicians to prescribe Entresto

WSJ
Example gaps

Revenue Gap         Pipeline Gap

Stakeholder Adoption Gap         Market Penetration Gap

J&J Global Market Strategy
... a common choke point for the company in [expansion] lies in delivery of services & [expansion into] local markets. - DevEx
How are gaps identified?

Current Business Model Gaps are identified through measuring progress towards Goals.
How are gaps identified?

Future Growth Gaps can be identified through market assessments.
Identifying gaps in the pipeline

Example Pipeline View

<table>
<thead>
<tr>
<th>Product</th>
<th>Indication</th>
<th>Stage</th>
<th>Partnership Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tacrolimus IR</strong></td>
<td>Transplant</td>
<td>Preclinical</td>
<td>Canadian promotional activity</td>
</tr>
<tr>
<td><strong>Vistitan</strong></td>
<td>Glaucoma</td>
<td>Clinical</td>
<td>Canadian promotional activity</td>
</tr>
<tr>
<td><strong>AQS1301</strong></td>
<td>Psychiatric disorders</td>
<td>Approval</td>
<td>Global rights available</td>
</tr>
<tr>
<td><strong>AQS1302</strong></td>
<td>Epilepsy</td>
<td>Marketed</td>
<td>Global rights available</td>
</tr>
<tr>
<td><strong>AQS1303</strong></td>
<td>Anti-nausea</td>
<td>Marketed</td>
<td>Global rights available</td>
</tr>
</tbody>
</table>

Source: www.aequuspharma.ca
Identifying gaps in the market

Example: Commercial Gaps

Adoption

Active users: 24 K Monthly

Average adherence: 86%

People who take Lipitor also take:
- Vitamin D
- Metformin
- Insulin
- Contraceptives
- Etc.

Source: MediSafe via www.slideshare.net
Advanced topics

Identifying gaps can also include:

- Understanding metrics vs. success indicators
- Financial Analysis
- Market Assessment, including Competitor Analysis
- Stakeholder Behavior Analysis
- Root Cause Analysis
Parallels to Academia: Questions to consider

- How does an academic lab utilize BD?

- How do you identify gaps the lab could fill?
  - Gaps in the field?
  - Gaps in the lab?
  - Financial gaps?
1. Identify the Gap
2. Determine the Vehicle to Fill the Gap
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