Building Biotech Technology Transfer Opportunities

Sponsor and developer strategies for success

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Report overview

Drug developers have long been under pressure to introduce new products in an environment of escalating R&D costs, blockbuster patent expiration and resulting generic competition. Current weak economic conditions have exacerbated these challenges with sweeping R&D staff and budget reductions. In order to remain competitive, drug makers must now do more with less. Technology transfer, particularly of new biotechnologies that offer novel means to address unmet medical needs, offer a way to cost effectively address these challenges. They also provide technology developers with a mechanism to monetize their inventions.

However, while some drug makers and technology developers have optimized their biotech technology transfer methodologies and have developed sophisticated processes to select, monitor and manage a wide range of relationships, many other biotech technology transfer projects fail. A large proportion of these failures could be averted as many of the most common reasons for failure are preventable problems relating to due diligence failures, shortcomings in deal structure, management changes, cultural challenges, and inappropriate project organization and expectations. This report provides details on how to avoid these common pitfalls with case studies that illustrate best practices.

“This report provides an in depth analysis of the types of different biotech technology transfer relationships, their advantages and disadvantages. It also provides forecasts of industry-wide biotech technology transfer through 2015, and a discussion of trends during this time...”
Key findings

After a decline in 2008 to 53 deals from 74 deals in 2007, biotech technology transfer volume for human medicines spiked in 2009 to 121 deals.

More than half of biotech technology transfer deals fail.

However, some firms experience very low failure rates of less than 10% while others report very high failure rates in excess of 70%.

Many biotech technology transfer failures can be traced to an inability on the part of the sponsor to adequately perform initial due diligence.

Over the next five years, the role of biotechnology in drug development is expected to expand strongly as biotech drug sales rise by 17.7% per year while small molecule drug sales grow by just 2.9% annually.

However, the very high prior rate of biotech technology transfer deal value growth is expected to decline from 27.1% per year to 18.5% per year as technology valuations become more closely aligned with actual market potential.

Use this report to...

- Understand the driving forces behind biotech technology transfer.
- Save time and money with the report’s succinct compilation and analysis of current biotech technology transfer trends.
- Learn how biotech technology transfer will evolve over the next several years and why.
- Assess your competitive position vis-à-vis other technology sponsors or technology developers and learn about biotech technology transfer best practices via detailed case studies.
- Understand the reasons behind biotech technology transfer success and failure.
- Develop strategies to optimize your biotech technology transfer methodologies and protocols.
**Key issues...**

**The drug development industry is undergoing a significant change** which may permanently re-shape product development activities. Many industry experts believe the industry is shrinking; at the very least, the focus is shifting from large in-house research teams to smart approaches, strategic outsourcing and technology transfer.

**Although cost cutting has previously not been a concern for R&D departments,** the current economic environment has brought expense reduction programs into research labs. Most of the leading drug makers have recently undertaken and/or are currently in the midst of broad R&D cost cutting programs.

**Biotechnology offers a means to address unmet medical needs,** particularly via personalized medicine, which small molecule approaches do not. With more than 3,500 biotech drug companies around the world, many have developed unique technologies and approaches to drug development.

**Because drug makers must continue to introduce new products,** maintaining high productivity is the key. Biotech technology transfer offers a means to achieve this by providing technology sponsors with access to new technologies.

**Many biotech technology transfer sponsors maintain relationships with a multitude of technology developers.** The savviest sponsors utilize a comprehensive, deliberate approach while many others enter and manage biotech technology transfer relationships in a slipshod, ineffective fashion that results in high project failure rates.

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**Discover...**

- Why is biotech technology transfer rising so quickly?
- Which types of biotech technology transfer approaches are currently most common?
- Which trends will further boost biotech technology transfer in the future?
- What are the most common reasons for the failure of biotech technology transfers?
- What is the most common pitfall of biotech technology transfer, even on well structured projects?
- Which major drug makers have achieved significant success as sponsors in biotech technology transfer?
- Why is biotech technology transfer to Asia growing so quickly?
- Why will future biotech technology transfer deal values growth decline in the future?
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