

Beyond capital -- what it takes for biopharma startups to succeed

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January 15, 2021 -- Investors are more interested in the biopharmaceutical sector than ever before. But success for biopharma startups means more than just securing investment funds -- it requires successful product commercialization. A panel of biopharmaceutical and finance executives discussed the factors that go into ensuring success on January 12 at the Biotech Showcase virtual event.

Launching a new drug is the culmination of a long, complex, and costly development process. Emerging pharmaceutical and biotechnology companies often integrate project, program, and portfolio management plans into their product commercialization life cycle to bring a new product to the market.

Due to favorable market conditions, small- and medium-sized companies have easier access to capital than they have in the past. With an average price tag of \$80 million to \$125 million to commercialize and launch a product, financial backing is critical in this high-risk environment. Without appropriate funding, companies are likely to fail at launching their products.

But how can biotech companies best use the investment funds at their disposal? They should start thinking about commercialization strategies as early as three years prior to product launch, according to executives from contract research organization Syneos Health. The organization moderated the session.

Critical success factors and how to achieve them

For small companies working toward launch of a product, there are several strategies that they can employ to maximize their odds of success, according to the panel.

First, planning is crucial. Companies benefit from developing a commercialization strategy years ahead of launch. Defining a strategy involves conducting market research to identify product value, learning how it is differentiated in the marketplace, and developing a value proposition. This is in addition to understanding patient, physician, and payor perceptions of your product.

As a company, there are factors that are in your control and others that are not, said Ram Aiyar, chief executive officer of Korro Bio, a developer of RNA editing technology. For instance, the cash position and specific financial situation of the company may not be something that executive leadership have influence over or the ability to change prior to launch.

Moreover, clinical and regulatory outcomes (and the resulting data supporting the product) are developments that can't be controlled. Aiyar explained that companies must find a way to work around these factors to ensure success.

The earlier that a company can begin to think about and implement commercialization strategies prior to launch, the better, noted Adele Gulfo, chief business officer and commercial development officer at Sumitovant Biopharma.

Furthermore, small companies do not often have access to the resources that big pharma companies have. To focus, it can be extremely helpful to identify the one or two things that the company will be the best at.

For instance, a company can prioritize consumer engagement and advocacy, or be dedicated to providing frictionless access to product, according to Aziz Mottiwala, chief commercial officer at Tarsus Pharmaceuticals. This strategy can help focus energy and resources, and is beneficial when articulating a value proposition to potential investors.

Another sentiment that was articulated by the panel is the importance of ensuring that the commercialization team has the right expertise around them. Launching a product is a team sport and requires coordination of the entire team. This includes medical affairs, clinical, and regulatory personnel. It is also important to establish a governance structure between teams to promote cross-collaboration and synchronization of efforts.

It's crucial to gain external support for commercialization efforts from key opinion leaders from industry. It is important to develop these relationships early and incorporate these thought leaders into the development life cycle and commercialization strategies to help build confidence in the product.

From a different tack, product advocacy can also be useful for building momentum leading up to launch. To launch a product, it takes more than clinical or scientific expertise. Companies should focus on building brand awareness and gaining advocates for products that target unmet patient needs. This can help will elements of product development throughout the life cycle, resulting in an even more persuasive commercialization story.

The panel closed with the following advice for biotech developers: plan early, secure the right talent, and allow for agility and flexibility during the years prior to launch. Done right, these factors will help emerging companies prepare for their first product launch.