

How to Power Pharma and Biotech R&D with Sharp Commercial Insights



Pharmaceutical research and development (R&D) organisations and pre-revenue biotechs aim to discover and develop medicines that will make a meaningful difference to patients' lives. Such medicines will generally be those that are 'commercially' successful. 'Commercial insight' is therefore a must-have for any effective R&D effort.

Pharma R&D functions can draw on commercial insight from multiple well-staffed internal functions that have expertise in new product planning, patient affairs, public affairs, medical affairs, market access, marketing, sales, and business development. Biotechs do not have many of these functions, yet they also manage to create successful medicines. We explore why and how.

Early-stage R&D requires commercial insight



The reality of creating medicines for diverse therapeutic areas is complex: the commercial outcome from a successful product is highly uncertain. It depends on many factors including the unmet need, the standard of care at the time, competitor products, payer priorities, and not least, how compelling the data is that can be generated by the asset as it is developed and post-launch.

The need for commercial insight is greatest when there is complexity. Strategic guidance or mapping of preferred therapeutic areas and indications can help, for example, with pharma companies that have multiple options for their assets. However, ultimately it is an integrated, contextual and forward-looking view that is the foundation for great decision making in the early stages of R&D. This enables companies to make the big calls on scientific approaches, clinical endpoints, and the key pieces of data that payers will value.

Commercial insight resides in people



Commercial insight that matters at the asset level is not readily available in the public domain. It is people that have deep expertise in the art of developing commercially relevant medicines that are highly valuable in both biotech and pharma. Such people draw on the best functional expertise available both inside the company and outside to create contextual insight. They have diverse and rich networks that enable them to access expertise across the pharma ecosystem.

Biotechs typically do not have the well-staffed functions of pharma that cover the diversity of commercial insights required to enable effective decision making in R&D. They rely on a small number of individuals with both a high level of integrated understanding of all the classical pharma functional disciplines and access to great networks of people with deeper insight in specific areas. These individuals can create synergies between scientific and business acumen. They also understand the commercial intent of small biotech and how it can be different to pharma, for example, seeking a good licensing partner with a good clinical proof of concept rather than a commercially successful launch.

Interestingly the people that are best at creating commercial insight can come from any of the classic pharmaceutical functions. They could be project leaders, business development executives, strategic marketing leaders, market access specialists or all the above. They are most likely to be deep generalist drug hunters and developers rather than technical specialists.

People need a sharp focus with role clarity



With so many people offering a diverse set of views and value to add, pharma can struggle to come to clear decisions rapidly and then commit wholeheartedly to them.

Well informed and courageous cross-functional governance bodies clearly help. Those that have aligned on a sharp focus for the asset being developed have a framework for rapid decision making. Some biotechs can decide more quickly than pharma, relying on insight from fewer people albeit with the risk that important factors are not considered.

For pharma R&D, the challenge is to integrate relevant perspectives from all functions, which requires role clarity in terms of who is responsible for what: duplication and overlap can create issues. Cross-functional collaboration, preferably driven by leadership, is essential, to avoid silos and encourage the sharing of relevant information gathered from networks. Leaders can set the tone here. For example, by implementing an 'obligation to share' following conference visits, or mandating market access involvement in early-stage project decision making.

Biotechs have less of an integration issue. Typically, they do not have the traditional commercial functions such as marketing, sales, market access, or the medical affairs function comprising medical professionals who interact with physicians routinely regarding marketed products. For such companies the most natural source of commercial insight is the business development function. Good executives in this function tend to have diverse experience and have developed a sharp, commercial, and strong business acumen. They are also able to use networking to gather valuable intelligence concerning market dynamics, competitor assets and potential partner requirements.

Rapid and high-quality decision making beats endless discussion



While applying commercial insight to R&D is undoubtedly powerful, it must not become an obstacle to progress and decision making. Too many rules, governance bodies and functional inputs can easily lead to delay and poor-quality decisions.

Paralysis by analysis with siloed functions each providing detailed perspectives in the absence of a bigger picture is clearly a danger for pharma. But so is extinction by instinct for both pharma and biotech.

Pharma R&D functions and biotechs must therefore integrate high quality commercial insight from multiple sources, be those deep generalist individuals, functional experts, or preferably a balanced blend of the two.

