

The Symbiotic Relationship of Big Pharma and Biotech

The biotech industry is perceived as the “little guy” in the overall scheme of delivering new medicines. Biotech companies are small and lack resources but are portrayed as quick and agile. They are thought of as decisive, not bureaucratic; scientifically smart, not stuck-in-the-mud. Big Pharma are contrasted as slow Goliaths. It is common to read a commentary on R&D in which Big Pharma is urged to focus on the manufacture and marketing of new medicines and let biotech do innovative research. In fact, many drugs to treat AIDS, cancer, infectious diseases, heart disease etc. have been discovered by Big Pharma.



However, biotech firms do play an important role in the search for new medicines. Start-up companies provide a venue for the exploration of more speculative ideas. The first biotech companies had their roots in bioengineering techniques designed to discover protein therapeutics – work that was outside the scope of Big Pharma. Biotech then moved into other forms of protein - based therapies such as antibodies. Now small biotech companies can be founded on a whole gamut of new ideas from the exploration of new technology platforms to the search of a small molecule inhibitor of a newly discovered target hypothesized to play a role in the evolution of a specific disease like diabetes.

A mutual dependency has grown between biotech and Big Pharma. This is no surprise. Big Pharma has historically generated about one-third of its revenues from products licensed from other inventors. No matter how much money a company invests in R&D, this is just a small percentage of the funds invested in R&D globally. It is arrogant to believe that any one company has a monopoly on the best ideas. Thus, Big Pharma will often look to biotech companies to help fill its pipeline. But small biotech companies have their own needs. The development of major new medicines is a time - consuming, expensive and risky endeavour. Most biotech companies do not have the wherewithal to advance a compound beyond the early clinical stages. Thus, they will seek to partner potential new drugs with Big Pharma in order to realize the full potential of these compounds by taking advantage of Big Pharma’s resources, expertise and experience.

In reality, the imaginary line between biotech and Big Pharma is blurring. Big Pharma is now devoting a lot of resources to discover and develop protein therapeutics – a domain that had been exclusive to biotech. Likewise biotech companies are building their capabilities in small molecule drugs. The rationale for this is quite simple. All of these companies are trying to bring new treatments to patients. To treat diseases like Alzheimer’s, cancer or diabetes, a patient may require a biologic, a pill, or maybe both. These companies are in search of medical breakthroughs regardless of how they are packaged. One should expect, therefore, that the bond between Big Pharma and biotech will continue to strengthen in the coming years.

About the Author

Dr. John LaMattina is the Chairman of the Corporate Advisory Board at Bilcare Global Clinical Supplies (GCS). He is responsible for endowing the team with independent scientific industry proficiency, thereby assisting in the execution of scientific and business objectives of the company. His expertise has proved to be an asset to the research and innovation initiatives at Bilcare.

Dr. LaMattina previously served as the Senior Vice President of Pfizer Inc. and also as its President of Global Research & Development. During his tenure he was responsible for drug discovery and development efforts of over 12,000 colleagues in the United States, Europe and Asia.

Having authored various scientific publications and U.S. patents, Dr. LaMattina serves on the Board of Trustees of the Boston College and Worcester Polytechnic Institute and as a director of the Terri Brodeur Breast Cancer Foundation. He is the recipient of the 2004 American Diabetes Association Award for Leadership and Commitment in the Fight against Diabetes. Dr. LaMattina graduated from Boston College with a B.S. in Chemistry and received a Ph.D. from the University of New Hampshire in Organic Chemistry.

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