A marriage of minds

Making biopharmaceutical collaborations work
IBM Institute for Business Value

IBM Global Business Services, through the IBM Institute for Business Value, develops fact-based strategic insights for senior executives around critical public and private sector issues. This executive brief is based on an in-depth study by the Institute’s research team. It is part of an ongoing commitment by IBM Global Business Services to provide analysis and viewpoints that help companies realize business value. You may contact the authors or send an e-mail to iibv@us.ibm.com for more information.
Our research shows that collaboration is a key element of innovation. Yet, in a survey jointly conducted by IBM Institute for Business Value and Silico Research, more than half of all biopharmaceutical alliances did not work. Three traits are required for a successful alliance: internal alignment of the strategies, structures and scientific goals of the partners; properly managed boundaries; and lasting commitment. New tools and technologies can also play a major role in helping people within the extended enterprise communicate across time and space.

Introduction
As an increasing number of pharmaceutical companies embrace the potential of targeted treatments, the biotechnology (biotech) sector is playing an ever more important role in the research and development (R&D) of new medicines. In 2006, for example, four of the 22 new therapies approved by the U.S. Food and Drug Administration were biologics, and industry experts believe that biotech-inspired products now dominate the early-stage pipeline.

The biotech sector’s growing financial strength reflects these changes. Between 2002 and 2006, revenues in the global pharmaceuticals, biotech and life sciences industries rose at a compound annual growth rate (CAGR) of 8.6 percent, to reach US$738.1 billion. The biotech sector accounted for US$137.3 billion – or 18.6 percent of this sum.

Analysts predict that the industry’s sales will increase at a CAGR of 7.9 percent for the next five years. So, if the biotech sector maintains its share of the market, it will generate sales of more than US$200 billion by 2011.

A decade of heavy spending on biotech R&D is also beginning to pay off. Accountancy firm Ernst & Young reports that the revenues of the world’s quoted biotech companies collectively surpassed US$70 billion in 2006. Net losses fell by 37 percent in Europe and, had it not been for expenditure of more than US$4 billion
on acquired in-process R&D charges, the U.S. publicly-traded sector would have shown an aggregate net profit for the first time in its history.

The balance of power in the biopartnering business is shifting accordingly (see sidebar, What is biopartnering?). At one time, Big Pharma could virtually dictate its own terms. Today, biotech companies can be more selective and drive a much harder bargain.

Yet fewer than half the respondents in the latest biopartnering survey jointly conducted by the IBM Institute for Business Value and Silico Research say that the alliances on which they have embarked met their expectations.

Given the size of the biopartnering market, this means that the life sciences industry is spending more than US$15 billion a year on licensing and co-development deals that are ultimately unsuccessful. Better collaboration could help salvage many of these arrangements and enable them to realize their full potential.

What is biopartnering?
Biopartnering is the sourcing, formation and management of alliances. The most efficient life sciences companies proactively source the best deals and enable prospective partners to reach them easily, thereby building a reputation for being a “partner of choice.” They use the due diligence, valuation and negotiating process to build a relationship of mutual trust, and realize the value of the alliances into which they enter by creating and executing robust alliance business plans, and organizational and governance arrangements.
A marriage of minds

Making biopharmaceutical collaborations work

The changing face of biopartnering

Biopartnering is now a multibillion-dollar business. Between 2004 and 2006, the number of alliances remained fairly constant, but their value tripled from US$30 billion to US$90 billion. Some US$30 billion worth of new deals were announced in 2006 alone (see Figure 1).

However, Pharma accounted for a shrinking percentage of these arrangements. Biotech-biotech partnerships represented nearly 60 percent of all the deals struck in 2005-06, compared with just over 40 percent in 1997-98 – further evidence, if any were needed, that the biotech sector has truly come of age.

U.S. biotech companies still dominate the industry, and European firms remain the preferred partners of those operating outside North American borders. But the Asian biotech sector is also expanding rapidly, as changing regulations and better access to large patient populations make the region a more attractive place in which to conduct Phase I trials.

Given the rising value and increasing geographic spread of the biopartnering market, the ability to create successful alliances is becoming vital. In 2006, we therefore conducted our fourth survey of biotech and pharmaceutical companies to identify the key alliance-making trends (see sidebar, Biopartnering survey methodology). Our survey draws on the responses of 312 individuals from 235 companies. Seventy-four percent work for biotech companies and 26 percent for pharmaceutical companies. Fifty-two percent are based in the U.S., reflecting the composition of the sector by market share.

FIGURE 1. The value of biopartnering has soared over the past two years.

Source: Recombinant Capital (www.recap.com).
**Biopartnering survey methodology**

This is the fourth in a series of biopartnering surveys, with the first performed in 1999. It aims to give participating life sciences companies a unique insight into their strengths as partners and the nature of their interactions with those partners.

Two survey questionnaires, long and short, were distributed to senior executives in biotech and pharmaceutical companies. The long survey went to alliance sponsors and their partners, asking for detailed feedback about each partnership with the sponsoring company. Respondents in partnership with more than one sponsor were asked to provide data about one relationship at a time. The short form was sent to other executives in the sector, who were asked to nominate between three and 10 of the largest 50 life sciences companies with which they were most familiar. They were then asked to rate each company in five respects:

- Its skills in initiating alliances
- Its skills in negotiating alliances
- Its skills in managing alliances
- Its attractiveness as a partner; and
- How readily they would recommend the company as a partner to colleagues.

**Emerging trends in biopartnering**

The results of the 2006 survey confirm a troubling trend that first appeared in 2000. Despite the maturing of the biopartnering market, biotech companies reported that 52 percent of the alliances in which they had participated during the previous five years failed to live up to their expectations (see Figure 2). This is marginally better than the situation at the start of the decade, when the failure rate was 59 percent. But it is hardly encouraging.

Why, then, did so many partnerships fail? In our earlier surveys, respondents pointed to the sluggish speed at which the results of the alliance materialized and to changes in the sponsor’s management team as the main grounds for being disappointed in their hopes.

But our latest survey suggests that the root causes are more subtle. In part, it seems, the problem stems from the fact that many companies are not using the right selection criteria when choosing partners.

When they were asked their most important reasons for entering into an alliance, more than two-thirds of respondents cited the terms of the deal and scientific expertise. Cultural compatibility, the relationship between the two companies and the relationship between the executives negotiating the deal came much lower down the list (see Figure 3).
Yet culture and communications proved far more accurate factors in predicting the success of an alliance than “hard” financial or scientific criteria. We asked respondents to weight various attributes on a scale of one to five, where one represented the lowest and five the highest rating. As Figure 4 shows, it is the quality and consistency of the partner’s staff, the degree of cultural compatibility between the two companies and the sponsor’s willingness to discuss problems that play the biggest role in making alliances work.
There was also a decline in the standard of the deal-making and deal-management skills many alliance sponsors were deemed to have displayed between 2004 (when the previous survey was conducted) and 2006. The average score for *skill in initiating deals* dropped from 3.34 to 3.23, that for *skill in making deals* dropped from 3.38 to 3.18, and that for *managing alliances* dropped from 3.44 to 3.15 — although part of the fall in the figures is probably attributable to higher expectations rather than a genuine deterioration in performance.

Moreover, one of the five most preferred partners was a biotech rather than a pharmaceutical company – and even the top five organizations fell well short of perfection (see Figure 5). U.S. and European pharmaceutical companies received especially heavy censure, whereas Japanese pharmaceutical companies were generally seen as more attractive partners.

Closer analysis of the specific features on which these scores are based confirms the extent to which good communications underlie any effective alliance (see sidebar, *The secrets of success*). The two most important attributes respondents identified when asked about their partners’ deal-making skills, for example, were *the quality of their input into the structure of the alliance and the quality of their communications before signing the contract*.

Similarly, the two most important attributes they identified when asked about their partners’ deal-management skills were *the degree of collaboration in planning and decision-making and the clarity of the lines of communication between their respective organizations*.

The comments respondents made in the course of being interviewed reinforced these points. “The sharing of knowledge on some projects was woeful,” said one individual. The “technical and clinical discussions were one-sided. Our partner listened without giving us any feedback,” said another, while a third complained of a “dogmatic” attitude and a fourth of having to deal with a “very closed and secretive” sponsor.

---

**FIGURE 5.**

*Even the most highly rated companies could do more to make their alliances successful.*

<table>
<thead>
<tr>
<th>Company</th>
<th>Score (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma 1</td>
<td>4 (51)</td>
</tr>
<tr>
<td>Biotech 1</td>
<td>4 (38)</td>
</tr>
<tr>
<td>Pharma 2</td>
<td>4 (91)</td>
</tr>
<tr>
<td>Pharma 3</td>
<td>4 (67)</td>
</tr>
<tr>
<td>Pharma 4</td>
<td>4 (60)</td>
</tr>
<tr>
<td>2006 Average</td>
<td>3.68 (1155)</td>
</tr>
</tbody>
</table>

Source: IBM Institute for Business Value, Silico Research.
A marriage of minds: Making biopharmaceutical collaborations work

The secrets of success
Two companies shot up the rankings between 2004 and 2006 to feature among the biotech sector’s five most favored partners. What did they do to make such a spectacular improvement? The evidence suggests that they have learned a lot from previous alliances. They now disclose their research efforts to their partners, jointly identify the projects on which they want to collaborate and split the development costs 50/50. Either party can opt into or out of the development process at the start of each phase and the royalties are divided accordingly, along predetermined lines. Both companies also score well above the average for their deal-making and deal-management skills. In particular, respondents praised the flexibility with which they approach negotiations, the clear way in which they communicate, the speed with which they make decisions and the realism with which they estimate the funding requirements of their partners.

Several respondents also stressed the damage that can be caused by cultural differences. “All our partners exhibit arrogance towards biotechnology companies…. Functional staff often forget that senior biotechnology staff have previously held senior positions in big pharmaceutical companies. We are constantly leading our big pharmaceutical colleagues through the development process. They are excessively risk-averse and decision-making is painfully slow,” said one particularly eloquent interviewee.

Of course, no large pharmaceutical company can operate at the same speed as a small biotech firm employing a few hundred people, and it would be unrealistic to assume that it could. But both the quantitative and qualitative evidence shows that it is not finances, structure or processes that determine the success of biopartnering arrangements. It is, rather, cultural compatibility, flexibility and open dialogue. Many life sciences companies place little weight on such factors when they are looking for a partner – but they ignore them at their peril.

A framework for creating effective collaborations
Other research shows that there is a close correlation between collaboration, innovation and financial performance. In the IBM Global CEO Study 2006, more than half the companies that collaborated with others to a large, or very large, extent enjoyed greater revenue growth than their competitors.

But though most CEOs recognize the value of collaboration, many admit that it is “easier said than done.” While 76 percent of the CEOs participating in the study said that they thought collaboration was very important, only 51 percent believed that their companies collaborated with others on a regular basis.

In fact, collaborating effectively involves a number of major challenges, including the need to build trust, navigate the difficult channels of intellectual property protection and manage cultural, political and regulatory differences. Our experience suggests that the best building blocks for addressing these challenges are alignment, boundaries and commitment.

The “ABC framework,” as we have called it, provides a way of aligning an organization and its strategy, both vertically and horizontally, to support alliances; defining
and managing boundaries throughout the extended enterprise; and maintaining an ongoing commitment to collaboration. Some of the new Web-based tools and technologies now emerging can also play a valuable role in helping people within an extended enterprise work together.

Alignment: Making collaboration part of the corporate strategy

The starting point for any biopharmaceutical company is the vertical alignment of its business strategy and organizational strategy with its R&D goals. It can then create an organizational structure that aligns every business unit and function with those goals (see Figure 6). This may call for significant changes in how the company sees itself, how it accomplishes its aims, what it asks of its employees and how it measures its performance.

Focusing on how work will actually get done helps a company to clarify its strategy, translate that strategy into a set of operational objectives, and synchronize its structures and processes accordingly. It also enables the company to dispense with practices that may once have been useful but now impede collaborative innovation.

Eliminating such practices often requires the modification of supporting operations like human resources and IT. It may, for example, be necessary to adopt new recruitment, training and compensation procedures or to implement new IT platforms and applications.

However, many biopharmaceutical companies fail to get past this preliminary stage. “There is a chasm between [our partner’s] research and corporate divisions. Neither ever knew what the other was doing,” said one participant in our survey.

Another commented on the “complete disconnect” between his partner’s corporate function and the arm of the business with which he was working. “I would only enter into another

---

**FIGURE 6.**

Internal alignment, both vertical and horizontal, is a prerequisite for successful collaboration.

*The strategy and organization must be aligned vertically to support the business strategy...*

- Collaboration that enables innovation is founded in business strategy
- Innovation targets are defined to support that strategy
- Organizational strategy operationalizes collaboration within and beyond the enterprise to enable desired innovation

*...the organization must also be aligned horizontally to enable collaboration for innovation across functional groups*

- Organizational strategy
  - Align organization structure within and across functions
  - Establish organizational elements to support innovation
  - Modify or redefine HR, IT operations and other processes

*Source: IBM Institute for Business Value.*
agreement with our partner if the entire agreement from inception to commercialization were laid out in excruciating detail with penalties for early withdrawal," he concluded.

**Boundaries: Defining the scope of the partnership**

Establishing a vertically and horizontally aligned organization reduces the barriers between different divisions, functions and locations. But it is equally important to define the boundaries – both the boundaries among different parts of the organization and the boundaries among the different organizations within an extended enterprise (see Figure 7).

This process can be broken down into five key steps:

- Defining the goals of the alliance
- Finding the optimal partner
- Identifying the optimal kind of relationship
- Solidifying the alliance; and
- Monitoring the partnership.

**Defining the goals of the alliance**

The first step is to define the goals of the alliance – its intended purpose or purposes and the sort of resources required to support it. A company’s business strategy and innovation agenda should determine the partnering strategy it adopts and the sort of partnerships it seeks.

**Finding the optimal partner**

The next step – identifying the most suitable partner – involves looking at the history, culture and aspirations of all the candidates, and assessing the potential impact of these features on individual and collective working practices. The most effective partnerships are those in which the partners have something in common. They may be part of the same business ecosystem, use similar IT infrastructures and standards, have shared interests or provide complementary offerings.

**FIGURE 7.** Clearly defined boundaries – both within the organization and among the organization and its partners – are crucial.

Note: **Co-opetition** is collaboration with competitors. It can augment innovation but requires careful management of data sharing.

*Source: IBM Institute for Business Value.*
They are also willing to learn from each other’s processes, structures and management styles, and to share risk. Conversely, alliances between business rivals, companies with competing technologies and companies that insist their partners cannot work with anyone else are rarely successful.

Other clues as to a candidate’s suitability include its expertise, flexibility and geographic reach. Quality awards, relevant certifications and client references are indications of expertise. Case studies or more subtle signs – like willingness to adapt its services – will also provide some evidence of how flexible a company is, while the number and location of its operations, including any offshore locations, will show whether it can add value in other ways.

Again, many of the criticisms participants in our survey levelled against their partners had to do with rigid working practices. “The attitude was: ‘This is the way we do things. We’re paying. You do what we want you to do,’” said one individual.

A second complained of how the staff tried “to impose their culture and bureaucracy on their partners,” while a third talked of the lengthy “discussions and arm-twisting” that were required to deviate in any respect from the manner in which the sponsoring company thought things should be done.

**Identifying the optimal kind of relationship**

At this stage it is necessary to evaluate how well the business strategies, innovation agendas and attitudes of the two companies match. Consider, for instance, whether both organizations are risk-seeking or risk-averse, open or closed; how any differences in attitude might complement or hinder the relationship; and whether such differences could be harnessed for positive ends. It is also important to decide what type of relationship – a joint venture, strategic alliance or consortium – would work best; and how long it should last.

**Solidifying the alliance**

Once the relationship has been initiated, the two parties will have to verify that it sits on solid foundations. They will need to agree on a governance structure, define the responsibilities of each party and determine how to divide ownership of intellectual property or other assets. Outlining precisely how an alliance is to be managed and how the assets will be split helps avert future conflicts.

As the experience of survey participants illustrates, a number of alliances flounder because the companies concerned have not decided exactly what each will be doing, nor have they codified and documented all the details of the agreement. One respondent reported, for example, that “Our partner changed its strategy midstream,” while another wryly observed: “A decision-maker in our partner is an oxymoron.”

The two parties will also have to put enabling technologies in place, since an integrated technological infrastructure and data visibility are vital to the smooth running of any collaboration, particularly those in which the partners are based in different places. Among other things, they will need to decide whether they want to interact physically, virtually or via a mixture of the two, and what tools they will require to support their interactions. Audio- and video-conferencing, e-mail and Web-based communication tools can all facilitate long-distance contact and accelerate the speed at which an alliance gets off the ground.
**Commitment to the collaborative culture entails three components that must be ongoing throughout the course of an alliance:** proper leadership, performance management and incentives, and continuous learning.

**Monitoring and managing the partnership**

However, no alliance can just be “wound up” and left to run on its own. A successful partnership requires management and monitoring throughout its lifetime, not just during the crucial launch phase. It is essential, for example, to confirm that all the management and staff involved in the partnership actively support it, and that initial enthusiasm does not give way to indifference or covert sabotage as soon as any obstacles emerge.

Moreover, although pharmaceutical companies incurred the brunt of the criticism in our study, they are by no means always to blame in this respect. “There seemed to be more interest in closing the deal and collecting the money than in converting the assets into value,” said one respondent whose experience of sponsoring a biotech firm had obviously proved disappointing. Biotech companies typically need sponsorship to expand, but different agendas can be as damaging as different cultures.

And even the most successful alliances eventually come to an end. It is therefore necessary to start planning the dissolution of the partnership well before it has accomplished its goals. A properly drafted “prenuptial” plan for terminating the arrangement can ease the transition for everyone concerned and pave the way for further collaboration at a later date.

**Commitment: Creating beginning-to-end engagement**

Lack of support from their partners also featured high on the list of features about which participants in our latest biopartnering survey complained. One respondent described the frustration and embarrassment that resulted when upper management at the sponsoring company essentially went missing during the course of a joint effort.

Another noted that “constantly changing players on our partner’s side of the alliance made communication and continuity difficult,” while yet another observed: “Our partner gave up at the first sign of technical difficulty.” But, without ongoing commitment from both sides, no partnership can fulfill its promise.

So what does commitment entail? Three ingredients are crucial: proper leadership, performance management and continuous learning (see Figure 8).

**FIGURE 8.** 
Creating a collaborative culture happens over time through leadership, learning and performance management.

- **Leadership**
  Leadership shows ongoing commitment with a focus on collaborative climate, removal of barriers and strategic marketing of the innovation agenda.

- **Learning**
  The organization defines and builds needed capabilities based on a philosophy of learning and improving the collaboration approach.

- **Performance and incentives**
  Owning outcomes and recognizing desired behaviors and results reinforces collaboration.

*Source: IBM Institute for Business Value.*
Senior management sets the direction, objectives and tone of the partnership (either directly or indirectly by creating a broad framework for establishing alliances). It defines the cultural attributes required to foster internal and external collaboration, communicates the importance of the alliance to participating staff and encourages them to cooperate with the other stakeholders.

It also eliminates any organizational elements that could act as barriers to collaboration, and can sometimes rescue a deal that might otherwise go sour. One survey participant reported, for example, that “We had a rocky start but, once senior management stepped in, the negotiations were very efficient and effective.”

Performance management helps ensure that senior management’s vision is realized. It provides a consistent way of handling alliances, benchmarking the results, detecting problems when they surface and rapidly correcting them.

It also encourages desirable forms of behavior. When the performance of the partnership in which they are involved plays a part in determining how employees are remunerated, for example, they are far more likely to put their hearts into the project.

Objective measures are essential, but subjective measures – such as an open attitude, honesty and transparent communications – are equally significant. So is a system that shares the rewards between staff in both organizations and is sufficiently flexible to treat everyone fairly.

Lastly, continuous learning helps a company improve over time. Establishing avenues for the generation of new ideas, creating processes for capturing the information that has been gained from the alliance and sharing that information with authorized personnel within the extended enterprise – through joint training and shared access to knowledge management systems – verifies that such knowledge can be used to greatest effect, both during the project and in subsequent collaborations.

These ABCs may sound easy, but many companies experience considerable difficulty in implementing them. Turf wars, technological differences and operational issues can all impede the internal alignment of an organization’s strategy, structure and goals, for example, or derail what would otherwise be a productive relationship.

One respondent noted: “It was either our partner’s IT systems or nothing,” even though it is now quite possible to integrate different systems and data sources, and make them available for use independently of the applications and computing platforms on which they run.

Similarly, unilateral changes in direction and conflicts over intellectual property or governance can make it very difficult to manage external boundaries, while lack of resources and differences in the size, power, leadership styles and cultures of the partners can erode their commitment to the alliance. However, good communication and careful initial planning can help eliminate many of these problems before they crop up. Active monitoring and continuous learning can nip others in the bud.
In conjunction with the ABC framework, new technologies can support biopharmaceutical alliances spanning different countries by facilitating collaboration and providing a platform for information sharing.

**Technologies that span time and space**

New technologies are also beginning to transform the way in which organizations and individuals communicate, collaborate and innovate. They can never replace the human touch that is intrinsic to the formation of any good relationship, but they can play a vital role in sustaining established relationships. And as the number of biopharmaceutical alliances spanning different countries or regions grows, the industry will become increasingly dependent on modern communication technologies to make such partnerships work.

The first element is a flexible computing framework such as that provided by a service-oriented architecture (SOA). SOA supports breaking down applications into common, repeatable business tasks or “services,” enabling them to communicate with each other independently of the computing platforms a business and its partners are using, or the locations in which the applications are based.

Collaborative innovation requires the opposite: a hard center and soft outer shell. Using virtualization and overlay technologies, it is possible to create a protective wrapper around each of the computing entities used to perform a task, regardless of the particular hardware, software or network configuration involved. Accidental or malicious damage to one entity can then be contained within that entity and prevented from spreading to other applications, either internal or external.

These technologies provide the sort of computing environment that is required to maintain permeable perimeters. Meanwhile, today’s Internet and Web 2.0 technologies are producing new tools for spanning time and distance (see Figure 9).

With shared workspace software, for example, the members of a team can create a secure place on the Web, where they can share documents without compromising the confidentiality of the materials. Similarly, with

---

**FIGURE 9.**

Enabling technologies can greatly facilitate communication.

- **Different Place**
  - Audio and video conferencing
  - Web casts
  - Virtual classrooms
  - Jams
  - VoIP programs
  - Instant messaging

- **Same Place**
  - White boards
  - Flip charts
  - Face-to-face
  - Decision support tools
  - Video

- **Same Time**
  - e-mail
  - Voice messaging
  - Shared storage
  - Shared workspace software
  - Online brainstorming
  - Collaborative learning

- **Different Time**
  - Workstations
  - Bulletin boards
  - Kiosks
  - Team rooms

*Source: IBM Institute for Business Value.*
synchronous communications programs, they can “talk” in real time, regardless of where they are located, using Voice over Internet Protocol (VoIP) or instant messaging. And with enterprise information portals, they can integrate data and business processes across different time zones and sites, via a single entry point.

Several tools have also been developed specifically to facilitate online brainstorming. Innovation jams – where thousands of participants all over the world conduct a parallel conversation about a problem and post ideas for solving it – are the virtual equivalent of musical “jams” on a massive scale. They are different from online communities in that they focus on a single issue; follow an agenda; take place at a particular time; last for a pre-determined number of hours or days; and have an ultimate purpose.

In other words, innovation jams culminate with the assessment and ranking of different ideas, and the allocation of resources for researching or implementing those that look most promising. Jams are a highly effective way of collecting suggestions about how to address pressing business problems and information about what constitutes best practice. In addition, they cultivate a sense of connection within a geographically scattered population and can help catalyze people into action.

Other systems also exist for harnessing human creativity and collaborating on a global scale. One such approach, based on a concept that combines wikis, online communities and jams, has already been put to commercial use by Eli Lilly, which used it to solicit external solutions to internal research challenges. The forum was subsequently successfully spun off as a separate problem-solving company called InnoCentive, dedicated to collaborative scientific research (see sidebar, Social networking for scientists).

Social networking for scientists
Social networking isn’t confined to MySpace anymore. Thanks to InnoCentive, companies with scientific problems can tap the brainpower of individual bench scientists, academics, graduate students and retired researchers in various disciplines all over the world. The companies pay a fee to post a description of their problems on the site, and pay a one-off reward for any solutions they use.

This process generates far more effort than the sponsor can dedicate to the issue, as well as encouraging innovative thinking “outside the box.” InnoCentive’s secure Web portal protects the privacy of all concerned, and protects the intellectual property rights of anyone who produces a workable solution. To date, nearly 30 percent of the problems posted on its Web site have been solved.

Lastly, collaborative learning supplements all these tools by enabling staff to update their skills and knowledge “on the fly.” Users can learn online at their own pace in an interactive environment, share materials and discuss the materials in real time via Web conferences and chatrooms. Collaborative learning also enables an employer to update course materials easily and economically, and integrate them with other learning resources on the desktop.
A marriage of minds: Making biopharmaceutical collaborations work

Used in conjunction with the ABC framework, such technologies can play a major part in facilitating collaboration, both among people in the same organization and among people in different organizations working toward the same goal. They can provide a platform for sharing information in a secure environment and conversing easily across time and space.

Assessing the potential for constructive collaboration
In evaluating a potential alliance, the following questions can help you determine whether your company and your proposed partner have the right ingredients for a successful collaboration:

- Is there open, constructive communication between the parties during the preliminary negotiations? How willingly does your intended partner share information?
- How compatible is your proposed partner’s corporate culture with your own? How open is it to new ideas?
- Does your management system include clearly defined roles and responsibilities, measures and rewards that support collaboration?
- Do you have a methodology for identifying, classifying and assembling the diverse skills required to support collaboration?
- Do you and your intended partner have tools and technologies to facilitate the effectiveness and efficiency of the alliance?
- How accessible are the decision-makers in the company you are planning to work with? How much effort do you think they will put into verifying that the alliance has sufficient resources, managing any conflicts that arise and steering the course of the alliance to a successful conclusion?
- How easy is it to work with your intended partner’s staff? Do you believe that they will be able to form part of a team that is more productive collectively than the members would be individually?
- Do you and your proposed partner have processes, governance and operating guidelines designed specifically to facilitate the sharing of information, and to resolve or avoid conflicts over intellectual property ownership or other core issues?
- Have you or your intended partner previously embarked on any alliances and, if so, what have these experiences taught you?

Asking such questions while you are negotiating the terms of the alliance will help provide you and your partner with a stronger basis for collaboration. Monitoring the situation throughout the life of the alliance will help ensure that it remains healthy.

Asking the right questions prior to entering a biopartnering alliance can help companies evaluate their own readiness for such an arrangement, establish a stronger basis for collaboration and improve the odds of selecting the right partner.
Conclusion
Collaboration is difficult – as the failure of so many biopartnering arrangements demonstrates. But most senior executives now recognize its importance in generating new ideas; they understand that there is no such thing as a monopoly when it comes to innovation.

Unlocking this intellectual capital requires that a company align its strategy and structure with its scientific goals, learn how to manage internal and external boundaries, and remain committed to the shared enterprise. Enabling tools and technologies are also crucial for enabling all the participants to communicate and collaborate, unimpeded by distance.

To learn more about this IBM Institute for Business Value study, please contact us at iibv@us.ibm.com. For a full catalog of our research, visit: ibm.com/iibv

About the authors
Heather Fraser is a pharmacist with over 20 years of industry experience and has held positions within R&D, consultancy and community pharmacy. She is currently the global leader of the Life Sciences team at the IBM Institute for Business Value. Heather has published a variety of articles on pharmaceutical industry issues in publications including Biopartnering Today, Drug Discovery and Development, Pharmaceutical Technology and PharmaFocus Asia. She has also spoken at a number of industry conferences, including the DIA Annual World Conference. Heather can be contacted at hfraser@uk.ibm.com.

Stuart Henderson is the Americas Life Sciences R&D leader of IBM Global Business Services. He has more than 10 years’ experience in the life sciences industry, covering business and IT capabilities across the value chain. He has successfully spearheaded numerous global multidimensional projects focusing on the alignment of business and technology. He has also worked on business and IT strategy, market analysis, solution development, solution implementation, post-merger integration and post-implementation review. Stuart is a key member of the IBM Life Sciences thought leadership team. He contributed significantly to the “Pharma 2010” series, and was the principal author of “Pharma 2005: Silicon Rally – the race to e-R&D.” Stuart can be contacted at sthender@us.ibm.com.

Acknowledgements
Our thanks go to Emmett Power at Silico Research for his significant efforts with the biopartnering survey. We also wish to acknowledge our IBM colleagues Amy Blitz, Helena Enahoro and Salima Lin for their contributions. Finally, we would like to thank Helen Kay for her editorial assistance with this paper.

About IBM Global Business Services
With business experts in more than 160 countries, IBM Global Business Services provides clients with deep business process and industry expertise across 17 industries, using innovation to identify, create and deliver value faster. We draw on the full breadth of IBM capabilities, standing behind our advice to help clients innovate and implement solutions designed to deliver business outcomes with far-reaching impact and sustainable results.
References


5. Ibid.


7. Ibid. There were signs of the extent to which the biotech sector had matured in 2004. For further information, see Cortada, Dr. James W. and Heather E. Fraser. “Learning the biopartnering game: How to achieve more from your biotech alliance.” IBM Institute for Business Value. October 2004. Available at http://www-935.ibm.com/services/us/index.wss/ibvstudy/imc/a1005825?cntxtId=a1000060.


13. Ibid.


17. Ibid.