



# MOVING THE INDUSTRY TOWARDS COLLABORATION

Collaboration has long been considered an effective approach and is employed by many high-functioning organizations. In business and in communities, the strategic value of aligning yourself with other groups that have a shared vision, where each collaborator brings something to the table and is willing to work together to get there is now seen. Collaboration between different groups - within and outside the enterprise - makes for a changed dynamic. It is a commonly held view that stakeholders in collaboration are at their best, fully invested and engaged, even if conflict situations arise.<sup>1</sup>

## Why is collaboration so beneficial?

The simple answer is: the breaking of 'silos'. Much of the modern world functions in silos. Collaboration helps tackle duplication, simplifies processes and widens reach. That brings with it knowledge sharing, greater capacity, more comprehensive offerings, efficiency that comes from greater coordination and better workflows, all leading to the end goal: Innovation.

Driving your industry forward. For the greater good of the industry and its customers.

Alan Kennedy, Founder, Team-Up Global, and a speaker at our upcoming 15th Annual Global Forum says, "It is time for pharma-logistics to step outside its comfort zone and take a hard look at developments in other service sectors. Only by adopting a more collaborative approach to pharma-logistics can the pharma industry extract the benefits that are being routinely achieved by more progressive sectors."

## The BioPharma challenge.

"With most pharmaceutical companies' research and development (R&D) department struggling at the time, 90% of drugs that make it to the clinical testing stage are failing. The inefficiencies of the R&D process have also extended the average time to market for new medicines to anywhere between 10 and 15 years."<sup>2</sup>

Pharma also faces increasing cost pressures due to several factors. These include:

- The higher costs of production today,
- An increasingly global world in which there are costs of complex international operations (This means consistency in the way the company connects with people no matter where they are, movement of things across the network and creating the end to end supply chain that delivers the brand's promise efficiently and cost effectively.)
- As well as drugs coming off patents, which increases generic competition.



## A landmark year that brought with it collaboration.

In the pharma and life sciences industry, 2015 was a landmark year. Many acquisitions were announced. While companies bought each other out and merged to differing degrees, another smaller trend was born – collaboration. Pharma companies, particularly big Pharma, started working together, sometimes even with competitors. The motivation for this was rooted, as it always is, in innovation. Whether done in foundations or as independent partnerships, when pharma companies work together, they advance drug discovery efforts and take things further than any one enterprise might have been able to individually.

Alan says, "Executed correctly, a structured approach to supply chain collaboration can deliver transformational benefits. Technological and strategic challenges such as supply chain visibility, agility, security and patient-centricity can all be delivered more effectively through structured B2B collaboration."

## Understanding the opportunity and overcoming challenges.

The global pharmaceutical market will be worth 1.2 trillion in 2022.<sup>3</sup> Collaborations can create exponential efficiencies. In one of the industry's earliest efforts to collaborate, a company called Trancelerate was formed with the goal to 'identify and solve common drug development challenges, starting with clinical study execution.'<sup>4</sup>

"TransCelerate BioPharma was created by ten companies—Abbott, AstraZeneca, Boehringer Ingelheim, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Johnson & Johnson, Pfizer, Genentech (a member of the Roche Group), and Sanofi—all of which pooled financial, personnel, and other resources to solve industry-wide challenges in a collaborative environment."<sup>5</sup>

Large sums of money are invested into research and development as part of the drug discovery process of bringing promising new candidates to the market. The high expenses and much more stringent regulatory environment mean that the margin for error or failure is little to none.

While acquisitions were made to fix the discovery concerns, a more evolved model came out shortly. Like the asset swap between Novartis and GSK,<sup>6</sup> where they had a multibillion dollar exchange of oncology, vaccines and consumer health interests.

### What's the downside?

Despite many great efforts, the industry still has some way to go before true collaboration is achieved. While much coordination exists between companies towards specific shorter term goals and outcomes, the need for smooth sailing and harmony often makes for a somewhat diluted efforts.

Many networks are now making efforts to coordinate; especially in the supply chain space. Third party logistics providers are driving the smaller players to stick to a more consistent set of shipping and storage guidelines. This approach, if built more strategically into the industry, can prove extremely effective. (See more in point 4).



## True collaboration can be powerful.

It comes from building strong relationships and putting in place systems and processes to work towards a greater goal than the sum of its individual parts. Often, it starts with something as simple as common spaces to open up dialogue and discuss issues in an effort to overcome them as a group. A place where you can seek and share knowledge, experience, successes and failures.

Towards that end, here are our thoughts on six ways in which you can bring collaboration to your own enterprise and on into the industry to help move it forward, collectively.

### 1 Encourage collaboration internally for innovation

In keeping with traditional wisdom, one of the most basic ways to start collaboration as a practice is on the inside. Brainstorm drug discovery ideas without silos, discuss the tools and resources you need to get you to your goal successfully, think about who might bring value to a potential partnership and instill the values of collaboration into your thinking as an organization. This will make the transition easier when you take that thinking outside the enterprise. While this might seem like a relatively easy exercise, it comes with its challenges, particularly for larger companies like big pharmaceuticals.

Breaking down silos even within an organization is hard. People are comfortable in their hierarchies and their understanding of the chain of command and how that might impact their efforts. Starting to share knowledge, bringing people together for discussions, making your systems more transparent in the real time data and insights that can be pulled from it at different levels all go a long way towards cultivating a collaborative culture. Open up your problems to solutions from everybody.

Crowdsourcing solutions to challenges has been done successfully by companies like Lilly and Pfizer who have internal technology in place to solicit this wisdom.<sup>7</sup> Take your internal collaboration into your logistical tasks as well. Use the same service providers for your storage and movement needs and work out different models of pricing to get the best deals. Consider consistency in the ordering of your basic supplies. Every little step towards collaboration will deliver rewarding benefits that fuel further thinking.



## 2 Think precompetitive, not proprietary

In Europe, the precompetitive efforts being made in big pharma are exemplary. The European Lead Factory is a collaboration that involves compound generation and sharing.<sup>8</sup> Before this effort, sharing only occurred for 'safe' activities like patient outcomes. This stems from the industry's somewhat notorious culture of staying insular and protecting proprietary information that is related to drugs that could be a sure shot, spelling high revenues. The change in attitudes towards solving the challenges in drug development R&D goes a long way towards making a difference in the lives of consumers. The focus needs to stay firmly on moving the industry forward, delivering innovation and, in the end, saving lives.

## 3 Consider collaboration with academia

Collaboration doesn't always need to be in conflict with a competitive advantage. Multiple models exist. One key area for collaboration is academia. This recent piece in the Wall Street Journal summarizes an important step: "Scott Gottlieb, the new Food and Drug Administration commissioner, is focused on scientific innovation and "finding better treatments for a lot of costly diseases." In Senate testimony last week, he talked about facilitating approval of targeted genetic cancer therapies and medications for rare diseases, known as orphan drugs. To streamline the discovery process and avoid duplication, Dr. Gottlieb (says) the FDA will emphasize the need to 'better integrate academic discoveries with industry'."<sup>9</sup>

## 4 Be a part of the greater standards of your industry

The need for global standards is an urgent one. While biopharma is perhaps held to some of the strictest regulatory standards that exist, collaboration can bring with it many benefits via standardization. At the head of the efforts are the regulators who are advised on the benefits of creating a global harmonization of guidances and standards through industry-led working groups. When standards scale up from department to organizations to countries to globally, the greatest benefit that will become apparent is cost savings. For example when it comes to your temperature controlled supply chain, we have plenty to learn from global 3PLs.



They follow specific standards, often the same across several 3PLs, that customers globally follow too. This brings with it economies of scale in materials and processes (allowing things like automation) that is then passed along to the users of their cold chain in reduced prices. Think what this could mean if industry heavyweights like Pfizer and GSK were to put in place sets of easy to adhere to standards for packaging for instance!

Often, one smart investment can save millions of dollars in other areas, as with the example of the TSS (temperature monitoring software) helping to identify package over-design, saving GSK \$4 million in packaging.

More recently, groups like Align Biopharma, a group of 7 of the top 25 global pharmaceutical companies, have come together to set 'technology standards that will make it faster and easier for healthcare professionals (HCPs) to connect with the life sciences industry'.<sup>10</sup> These efforts will form the corner stone in creating a framework of global standards for the pharmaceutical industry.

## 5 Create knowledge sharing platforms for 3rd party content

Following from our second point on starting your collaboration with non-proprietary sources of content, consider creating or contributing to knowledge sharing platforms. With the abundance of digital content that exists today, finding and sharing information has become easier than ever. Meaningful contribution and support from the industry to 3rd party platforms and mutual sharing of valuable information is an easy start for nearly any organization. More sophisticated content delivery would include the creation of collaborative portals with a crowdsourcing component. Hold yourselves to a high standard of content. To take things even further, if you have information of value to the industry that is not bound by intellectual property restrictions, consider publishing it digitally. The access to research data, discovery insights, workflow and logistics models including how you might be leveraging efficiencies on your supply chains, and more, could benefit smaller players and take innovation to new levels.

## 6 Collaborate to save human lives

At its most basic, collaboration involves getting together to avert crisis. Sending bulk shipments together, like GSK and Merck did to send Ebola vaccines to Uganda make logistical and financial sense in terms of the resources and time you are saving by making the best of your supply chain. Community efforts are another good place to start.



For more information on what collaboration in BioPharma can come to mean in your organization, please take a look at the agenda for the 15th Annual Global Forum - Temperature Controlled Life Science Supply Chains in Chicago (link) from September 25-29, 2017.

### Main Conference Day 1 | September 27

#### **Collaboration and Standardization Panel Discussion: *Improving Last Mile Distribution through End-to-End Supply Chain Collaboration from a Manufacturer, Wholesaler, Dispenser & 3PL Perspective***

- How can the industry collaborate to get products to patients quicker without sacrificing quality
- Best practice standards that can be easily implemented with patient safety as the end goal
- How the growth of personalized medicine impacts traditional distribution channels and supply chain
- Is there a need for further classification of “immediate needs” shipping? Chronic versus temporary meds?

Led by: William Crates, VP QRA, **Cardinal Health**  
& David Bailey, Director of Trade Relations, **VitaMed/ Therapeutics MD**

### Main Conference Day 2 | September 28

#### **BREAKFAST BRIEFING B: NIIMBL’s Innovative Approach to Manufacturing and Supplying Existing and Emerging Biopharmaceuticals**

- Discuss the mission of NIIMBL which was recently funded by the Department of Commerce
- Hear how NIIMBL is working with federal agencies to create manufacturing innovations
- Support end to end optimization for biologic drugs with cold chain delivery as a crucial link
- Learn what organizations are a part of NIIMBL and how to get involved

Led by: Dr. Kelvin Lee, Director of the National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL) and Gore Professor of Chemical Engineering, **University of Delaware**

#### **BLUE SKY ROOM: Industry Think Tanks: Next Generation Of Cold Chain Management**

##### ***Creating Industry Standards through End-to-End Integration & Elective Communication Between Key Stakeholders***

- Discuss the TEAM-UP initiative to foster a more innovative approach to pharma logistics
- Break the organizational siloes by opening up communication channels between supply chain partners
- Review what is considered proprietary and what could & should be shared openly
- How will increased communication & collaboration between stakeholders better ensure quality at the patient level

Led by: Alan Kennedy, Founder, **TEAM-UP Global**



1. <https://hbr.org/2017/01/if-your-team-agrees-on-everything-working-together-is-pointless>
2. <https://www.hcltech.com/blogs/recalibrating-pharma-rd-process-through-precompetitive-collaboration>
3. <http://pharmaceuticalcommerce.com/business-and-finance/global-pharma-market-will-reach-1-12-trillion-2022/>
4. <http://www.bio-itworld.com/2012/09/20/new-pharma-collaboration-focuses-clinical-standards.html>
5. <http://www.bio-itworld.com/2012/09/20/new-pharma-collaboration-focuses-clinical-standards.html>
6. [http://www.pmlive.com/blogs/the\\_editors/archive/2023/march/gsk\\_and\\_novartis\\_asset\\_swap\\_a\\_tale\\_of\\_two\\_companies\\_677593](http://www.pmlive.com/blogs/the_editors/archive/2023/march/gsk_and_novartis_asset_swap_a_tale_of_two_companies_677593)
7. <http://sloanreview.mit.edu/article/how-to-find-answers-within-your-company/>
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