Case Study

Scientific Portfolio Review

Objective subject-matter input to drive unbiased decisions for a €1.3 Billion R&D portfolio

The main benefits of a structured, periodic portfolio review include:

- **Making timely and informed decisions**
- **Including all functional perspectives**
- **Leveraging technical and quantitative data**
- **Factoring in qualitative data**
- **Enabling adherence to an overarching strategic plan**

This company recognized the annual review of the €1.3 Billion R&D portfolio was one of the most critical processes that they conduct during the year. An objective, external expert helped remove the emotion and focus on the key scientific and commercial factors.

A continuing challenge for pharmaceutical/biotech companies is to objectively assess each asset in development and decide which products are most likely to succeed. Each asset is evaluated individually and then in aggregate to identify the most promising prospects aligned with the company's strategic goals. This information guides decisions regarding R&D expenditure and resource use and is pivotal to shareholder interest. This process, while extremely detailed and systematic both quantitatively and qualitatively, is subject to emotion, bias, and group-think.

OPPORTUNITY: EXTERNAL PERSPECTIVES ON PORTFOLIO

A mid-sized European pharmaceutical firm needed to conduct an external portfolio innovation advisory board meeting to review the company's pipeline. The participants included internal and external experts in health economics, regulatory, therapeutic area specialists and valuation.

The objectives of the portfolio review meeting were:

- Validate key strategic elements with the key stakeholders and experts
- Understand the market implications of the proposed portfolio strategy
- Obtain C-suite-level feedback

The client requested the YourEncore expert to participate in the advisory panel meeting to discuss the pros and cons of the R&D portfolio as an additional source of validation across the panel.

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APPROACH

The lead expert reviewed all of the materials prior to the meeting and participated in the session by:

- Providing advice and second opinion on the risk-benefit of the pipeline with regard to specific assets and the overall portfolio
- Identifying critical issues warranting further analysis
- Identifying untapped upside potential
- Identifying any overlooked opportunities to further innovate and optimize the portfolio

As a follow-up to the meeting, the lead expert provided a written summary of the integrated portfolio assets.

The client was so pleased with the expert's objective assessment that this "external challenger" role has been included in all future annual reviews.

OUTCOMES: A NEW STANDARD FOR PORTFOLIO REVIEWS

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In addition to the in-session insights and feedback, the expert prepared an assessment report for each asset evaluated, which included:

- **Target product profile:** indication, route of administration, expected benefit to patient, duration of treatment, advantage over competition
- **Technical excellence:** level of novelty, credibility of technical information (e.g., mechanism)
- **Clinical trial challenges:** trials required for registration, length of trials, number of patients to reach conclusion, existence of biomarkers
- **Financial potential:** cost of goods, cost to market, likely price, market size, competition and competitive advantage, likely cut of market
- **Regulatory environment:** Registration requirements, orphan / rare disease designation
- **Intellectual property:** Patent life, type of patent. Likely period of dominance in the marketplace
- **Probabilities of success:** technical, regulatory, clinical, commercial and overall
- **Expansion opportunities:** beyond the target indication/use, complimentary acquisitions / partnerships, opportunities to optimize portfolio assets

Deployed Expertise: Lead Expert

Chemical Research Strategy Expert

- PhD, Organic Chemistry.
- This expert has 38 years of Pharmaceutical experience, including 5+ years as an independent consultant in areas of drug discovery, project management, project evaluation, and research organization.
- Former VP of Global Research and Development, Pfizer, Site Head for Chicago area, member of the Pfizer Global Technology Board, member of the Steering Committee for Global Informatics, and a member of Chemistry Globalization Technology Working Group.
- At Pharmacia, served as the Global VP of Discovery Chemistry, responsible for Structural and Analytical Chemistry, Medicinal and Combinatorial Chemistry, Computational Chemistry, and Chemoinformatics. Responsible for a global staff of approximately 750 people. Worked with Combichem and library design strategies and oversaw a 600,000 compound screening library.
- Core competencies include: medicinal chemistry; drug discovery; risk management in research; synthetic chemistry; patent strategy; and development strategy.
- Member of the Board of Directors of ADMETRx and MHTSC (Michigan High Throughput Screening Center) and serves as a member on many Scientific Advisory Boards—including CINRG (Cooperative International Neuromuscular Research Group), Deciphera, Verseon, Reaction Biology, CeeTox, Lycera, Scripps, and PharmaOptima. Founding Member of the Scientific Advisory Board of Avaant Pharmaceuticals and a Co-Founder of Bioenergenix.

(Expert #7434)

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