

Alcimed

Press Release

Crowdsourcing: issues and benefits for pharmaceutical R&D

Alcimed, consultants in innovation and development of new markets, is preparing a report on the growing use of external innovation strategies, and particularly crowdsourcing by Healthcare companies

Paris, 25 January 2016 – To optimise the R&D expenditure and support growth, pharmaceutical companies must alter their strategies. They are resorting increasingly to external innovation and particularly crowdsourcing to enable them to maintain or supplement their product pipelines.

Outsourcing innovation now forms part of the strategies of Pharmaceutical companies to improve the productivity of R&D

To deal with a fall in productivity of their R&D due to a change in their environment (massive loss of patents associated with numerous generics arriving on the market, increasingly significant place of biotechnology companies), **certain Pharmaceutical companies** have adopted a strategy to outsource their innovation. As examples, Sanofi, AstraZeneca and Merck have, respectively, 72%, 57% and 56% of their portfolio derived from external innovation¹.

Different strategies with increasing use of crowdsourcing

External innovation begins with **acquisition, licensing or partnership strategies**, to boost the portfolio of molecules, from the research phase to the clinical phase.

"This enables them to benefit from the wealth of knowledge and multiple resources around a specific field of research. Success lies in the ability to strike good deals and to draw up sound finance plans", states Vincent Genet, Associate Director of Alcimed.

One of the most-used tools is '**Crowdsourcing**', which consists of calling upon ideas or solutions to respond more rapidly to practical issues. Often in the form of a challenge, this method makes it possible to approach expert research communities or academic institutions.

In this way, GSK, Pfizer and Roche have launched several challenges, with aims as varied as demonstrating the mechanism of action of a particular molecule, identifying best practices enabling early diagnosis of Alzheimer's disease and creating a miniature implantable device to record and stimulate neurological signals. These examples also illustrate that these approaches can fall within all

Key questions to define an external innovation strategy

Each company has different issues and variable budgets to allocate to its external innovation strategy, which is why it is crucial to investigate the right questions when constructing the strategy.

Which stage of research should be targeted? Who are the most suitable partners to assemble to gain the desired expertise and innovations in the therapeutic areas targeted? What working methods to adopt, linked to the available resources and capabilities? What working methods to implement?

It is by working on these key factors that a pharmaceutical company, irrespective of its size, will be able to develop a successful external innovation strategy.

¹ Alexander Schuhmacher Paul-Georg Germann & Henning Trill Oliver Gassmann - Models for open innovation in the pharmaceutical industry (2013)

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the stages of research. To issue these challenges, pharmaceutical companies can either go through a third party offering a crowdsourcing platform, or develop their own platforms.

Shared innovation platforms are also increasing in number, whether in the form of business incubators offering research technologies and dedicated space, or on the web. Among the examples of shared platforms are Pfizer, which has developed several CTI (Centers for Therapeutic Innovation) in the United States, and Lilly with its internet platform dedicated to open innovation in drug discovery.

Most companies combine different approaches and tools to construct their external innovation strategy, based on their need and their field of interest. Depending on the cost and aim, these strategies are not fixed but a tool that can be used occasionally or regularly.

However, *"While a lot of companies have already opted to revise their R&D strategy, it is still too early to assess the resources employed, analyse the benefits of these methods and the impacts on results"*, adds Vincent Genet.

ABOUT ALCIMED

Alcimed (www.alcimed.com) is a consultancy company in innovation and development of new markets, specialised in life sciences (healthcare, biotech, food processing), chemistry, materials and energy, as well as aeronautics, aerospace, defence and Public Policy. Alcimed counts on a team of 180 employees, sub-divided by sector and able to handle extremely varied missions from marketing & sales subjects (market surveys, targeting new needs, positioning a new product, etc.) to strategic issues (development strategy, research & assessment of acquisition targets, organisation of an activity, design/assessment/deployment of public policies, etc.). The company's head office is in Paris and it also has offices in Lyon and Toulouse, as well as in Germany, Belgium, Switzerland, England and the United States.

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