



eBook

Everyone's a Scout



Rise of the Biotechs

A half century ago, the world's pharma giants were fierce competitors. Conversations at industry conferences were guarded and tense given the omnipresent threat of industrial espionage. With almost all drug discovery taking place inside pharma companies and the best researchers drawn to their powerful, well-funded laboratories, sharing a little too much even a little too early could turn out to be incredibly costly.

Then the landscape changed.



Rise of the Biotechs

[In 1976 a researcher and his partner both tipped \\$500 each into a new company they called Genentech.](#) Despite starting with no assets, no equipment, and only a little money, within a couple of years they were able to produce the human hormone insulin - something that big pharma had previously had to extract versions of from pig and cow pancreases. On the back of this success, Genentech went from a one-thousand-dollar company to a company that raised \$35 million in its 1980 initial public offering, effectively kicking off the rise of the biotechs.

Pharma companies began setting up research and development (R&D) facilities in cities like [Boston](#) and [San Francisco](#), places where there was a strong sense of innovation in biotechnology but little historical or significant big pharma engagement. Universities, spin-off biotechs,

government laboratories and venture capital-backed startups became [hubs for biopharma development](#) and big pharma investments followed fast.

[Drug Discovery and Development](#) revealed that by 2024, 52% of all drug sales will be the result of a pharma-biotech partnership. The number of academic-industry partnerships exploded, too, more than [doubling in just five years between 2012 and 2016](#), with 50% of all those partnerships being in the life sciences.

In short, an era of competition had been supplanted by a new age of competition for collaborators.

Competing to Collaborate

The shift to pharma-biotech partnerships and the search for external collaborators heralded a concurrent shift in the places that new therapies and technologies would be sought. Instead of developing next-generation medicines in their own labs, pharma companies needed to exit their offices and seek out innovation where it was happening.

Search and Evaluation (S&E) and Business Development (BD) experts started investigating the best science where it was happening. They attended conferences, networked with biotechs, reviewed pitches, and searched out promising research on university campuses, biotech boardrooms, and at partnering events worldwide.

And the number of places to look for leads just kept increasing.

Writing [in Business Development for the Biotechnology and Pharmaceutical Industry](#) in 2008, Martin Austin listed just a sample of the places that BD professionals would seek out innovation including “licensing and partnering conferences, websites and journals, specialized agencies acting as clearing houses and the technology transfer offices of the major universities and hospitals.” He continues,

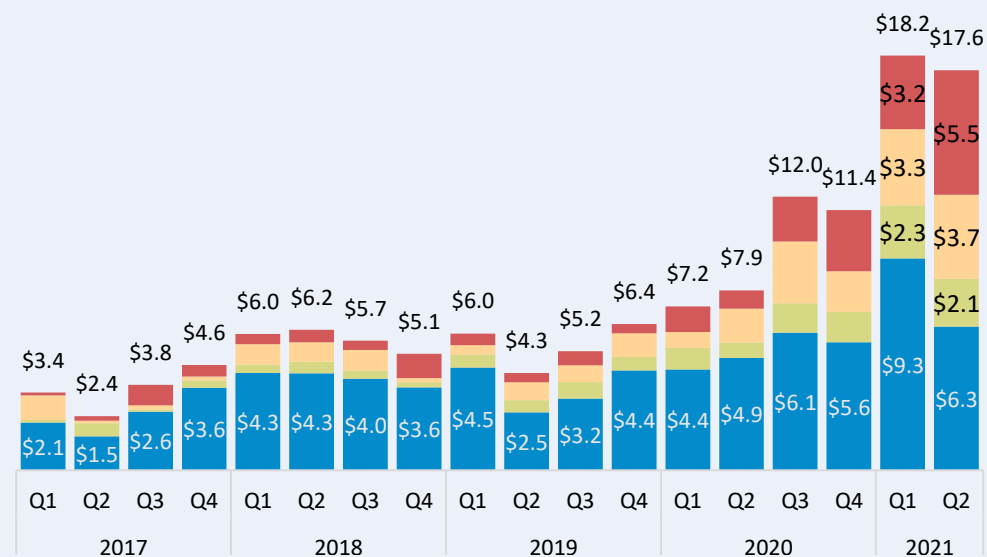
“The range of opportunities is extremely broad, varying from product ideas to marketed products and from novel drug targets to complex devices and technologies to enhance the practice of medicine. Patents may range from covering a surgical procedure to the invention of a new chemical compound, and on to a gene, to the design of a device or, the software that runs it.”

Competing to Collaborate

As 2020 dawned and COVID-19 spread, [the rate of collaboration](#) accelerated exponentially. BD teams came under increasing pressure to source new therapies earlier and faster. At the same time, competition for those therapies increased as interest soared not only in the big pharma boardrooms but also among venture capitalists eager to invest in emerging approaches.

To ensure they got to the best new leads first, scouting needed to adapt quickly – and it did.

Recording-Breaking Venture Capital
Venture Totals into Healthcare and Life Sciences by Subsector (\$B)



Source: DealForma Database. Financials based on disclosed figures. Data through 6/21/2021



Everyone is a Scout

In recent years pharma companies have begun supplementing the opportunities sourced by their BD and scouting teams with leads sourced elsewhere. [Online opportunity portals](#), for example, became commonplace and biotechs are encouraged to self-submit their therapies and technologies for review by potential pharma partners.

Yet it is a cultural evolution in lead scouting that has transformed the practice of business development in biopharma. That evolution is known colloquially as **everyone's a scout**.

In the 'everyone's a scout' era, lead scouting is no longer a task reserved for S&E or BD teams alone.

Instead, pharma companies encourage all their teams across departments to be constantly on the lookout for potentially promising therapies and technologies.

A research scientist might pass a poster at an academic conference or come across a new approach in an industry journal. An executive might hear about a new startup at an evening cocktail party. Any lead – no matter the source – is passed to the S&E or BD teams for a deeper review.

Accelerating this approach are three converging realities in the biopharma industry:



Reality 1:

The digital revolution:

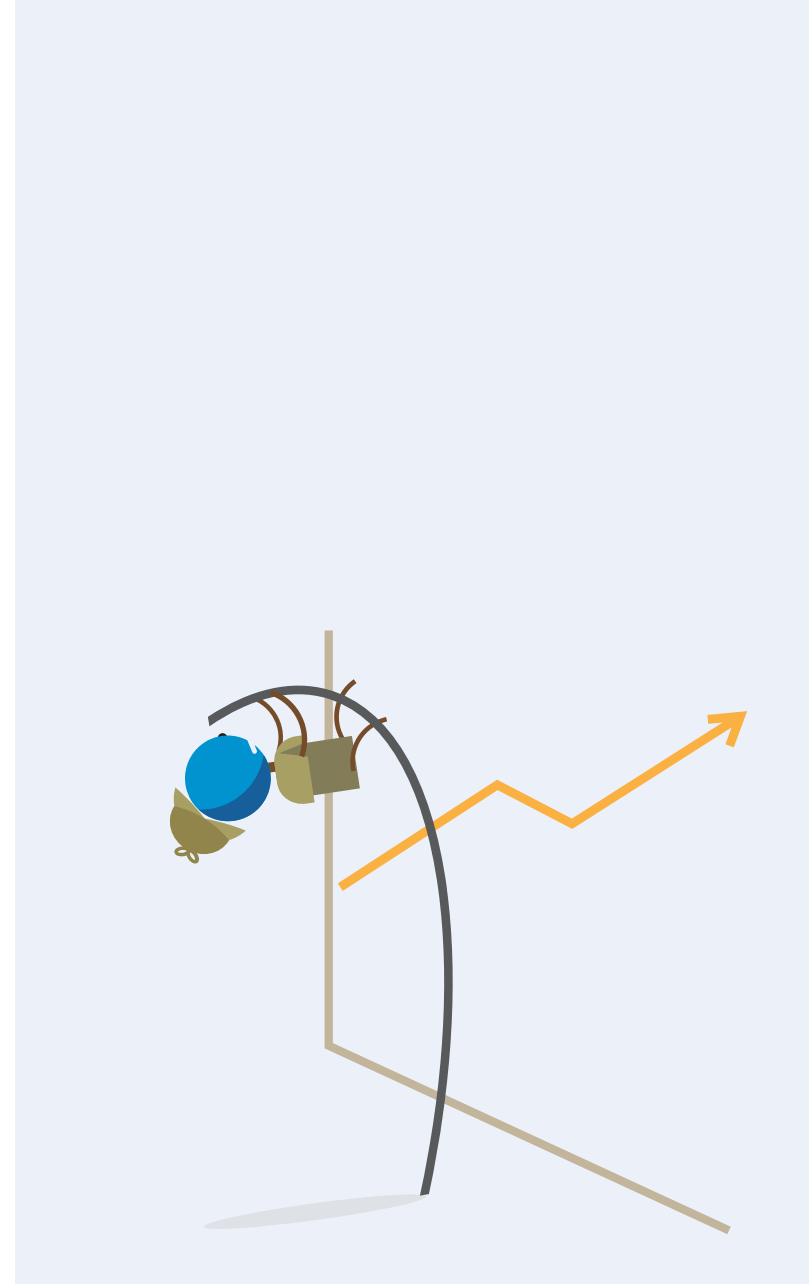
All industries are undergoing transformation through technological innovation – and the life sciences are no exception. To keep up, pharma is embracing change and finding ways to adapt, including scouting for leads. Physical meetings, for example are taking a back seat to digital platforms that enable everyone to be on the lookout everywhere, at any time or place.



Reality 2:

Accelerating timelines and fierce competition:

Science is evolving at an unprecedented pace, and everyone wants a piece. Being first means being fast, and being fast can mean being able to source, contact, and review leads before your competitors. S&E and BD teams can only achieve so-much on their own, and they need help to keep moving fast.



Reality 3:

Depleting pipelines and increasing pressure to seek external innovation

Whatever the source of the obstacle, companies have been striking collaborations to help with their [R&D efforts since the early 1990s](#). Open innovation, academic collaboration, private-public partnerships... No matter the form it takes, pharma companies know they need to look outside of their own labs - and there are a lot of places to be looking.



Everyone is a Scout

However, the Everyone's a scout method does not come without its challenges. Though there are many success stories, there are just as many companies that struggle to manage the leads they source fast enough for them to be valuable. Everyone might be a scout, but not every pharma company is able to harness the power of external innovation.

Their data is scattered, duplicated, or lost, and key information is trapped in silos.

Tales of Success

Across the biopharma industry, tales of serendipitous partnering success abound. From chance encounters at conferences to stumbling across an interesting article in a scientific journal, **the seeds of successful collaboration can be found in the most unlikely places**. Below, we've gathered some examples of how the right opportunities can come from anywhere.



Tales of Success

Roche & C4 Therapeutics

In early 2016, C4 Therapeutics (C4T), a Dana-Farber Cancer Institute spin-out, simultaneously [announced both its formal launch as a company, and a collaboration with Roche](#) worth potentially \$750+ million. How did C4T manage to lock in a partner before even formally launching as a company?

Thanks to an article in a scientific journal published by researchers at Dana-Farber and read by Roche.

[The article in Science Magazine](#), showed, for the first time in a successful preclinical in-vivo experiment, that binders to an E3 ligase named cereblon could be exploited for targeted protein degradation. The team at Roche had an established relationship with the

researchers at Dana-Farber and quickly reached out to them, learning that the discovery was going to be the basis of a new spin-out: C4 Therapeutics. A partnership agreement followed quickly.



Tales of Success

AstraZeneca & Merck

In 2007 a researcher from Merck found herself in a Dublin airport security line only a few places behind someone who looked familiar. “Are you the MEK guy?” she asked, and the somewhat-familiar face – an AstraZeneca scientist who had given a lecture on the company’s MEK inhibitor at a conference that week in Ireland – confirmed that he was. After passing through security, the pair got to talking and the Merck researcher eventually suggested that the two companies join forces and test their two anti-cancer therapies together.

AstraZeneca’s MKT inhibitor and Merck’s Akt inhibitor are both considered critical pathways in oncogene signaling. As [Merck Senior Vice President Gary Gilliland told the *Wall Street Journal*](#), if both the MKT and Akt pathways can be shut down concurrently then the companies might have a

very potent anticancer cocktail. In October 2009 the two companies announced a partnership to test this new cancer regimen and share the costs of pre-clinical trials for their new therapy born of a chance meeting in an Irish airport.

As these stories demonstrate, partnering opportunities and the next breakthrough can come from anywhere. However, as the pressure for scouts to evaluate more earlier-stage leads from more sources in less time ramps up, key challenges are becoming apparent.



Tales of Success

Ipsen

During a reception at BIO-Europe, Chris Vlahos, Global Head of Rare Disease External Innovation at Ipsen, bumped into someone from a tech transfer group that had previously been in discussions to access Ipsen's library of molecules. That earlier discussion had tapered off and their contact at Ipsen had left, yet thanks to this encounter with Vlahos, the discussions reignited, leading to a signed deal.

But that's not all: they also discovered potential additional synergies in oncology. Vlahos transferred that information over to his colleagues in oncology, which resulted in another successful preclinical deal.

Chance encounters like these have slammed to a halt in the COVID-era of virtual partnering. As Vlahos explained,

"The lack of in-person events due to COVID is challenging. Most of what we do digitally is a 30-minute video call going over a presentation. That's important, of course, but it's those chance encounters at a reception hall or walking from booth to booth at BIO that can pay off – a lot of things get done that way and it's a void that needs to be filled."



The Challenges

So much to do, so little time

to do it. Scouting teams are under siege with too much information coming from disparate sources. Under pressure to work quickly and snap up the right leads before anyone else gets to them, there's no time to spare. It's the perfect storm for inefficiency: too much work and not enough time.



Organization, organization,

organization. There are simply **too many leads to track manually and teams cannot afford to be uncoordinated.** Interesting opportunities slip through the cracks, in a forgotten email from an R&D colleague or from a partnering meeting that wasn't a priority for immediate follow-up. Assets that may be of interest once they hit a new clinical phase end up buried under new leads.



Too much noise.

Having too many leads isn't the only problem. This information overload is worsened by the fact that all too often, leads sent to **BD scouts are not aligned with strategy.** Precious time is wasted evaluating these non-strategic leads.



The Challenges

Information trapped in silos.

Without a global overview of scouting activities and lead history, **duplicate work runs rampant**. An asset is evaluated, declined, then accidentally reevaluated and declined a year later – often for the same reason as in the first evaluation. Without visibility into which leads have already been evaluated, the same leads may be repeatedly submitted by different Therapy Area (TA) experts.



Struggles to connect.

Information and knowledge exchange also play an important role in deciding which leads are truly promising. To evaluate these nascent opportunities, input from TA experts is invaluable. However, scouts may not know which expert to reach out to and have no way of making it happen efficiently. **Collaboration is slow**, stilted and often ad-hoc.



All these inefficiencies in the scouting process come with costly consequences. The team is stretched thin, promising opportunities are missed, and the evaluation process is simply too slow, resulting in lost opportunities.

The Solution

Recently, Inova added Lead Space to its product suite. This latter is a digital platform that powers the pre-CDA phase of partnering and makes *everyone's a scout* actionable.

The first step is granting scouts a clear overview of all leads. Inova's Lead Space **uses data integrations to aggregate multiple lead sources**, putting everything in one place. This reduces duplicate evaluations and promotes transparency in the scouting process, **making information easy to share** and ending data silos.

Next, **it allows teams to increase the quality of their company's leads** by using **strategic briefs**. These briefs put the company's strategy and vision at the forefront of all scouting activities, ensuring that everyone is working towards the same goals.

From there, the goal is to quickly sort through the leads and decide which ones are worth pursuing. Lead Space includes **workflows and features designed for S&E**, helping scouts **efficiently evaluate leads**, cutting through the noise to find the most promising opportunities.

Finally, to truly harness the full potential of *everyone is a scout* Lead Space makes it possible to **expand the internal network of lead contributors** beyond the core scouting team to therapeutic and functional area experts. Guided by strategic briefs, experts contribute interesting leads and share valuable feedback and knowledge.

Finding Success with Inova

For over 10 years, Inova's mission has been to help pharma and biotech companies accelerate their partnering activities. Small, midsize and large biopharma companies alike leverage Inova to break down information silos, boost efficiency and make everyone a scout.



"Early stage, non-confidential scouting has both a high case load and high attrition rate. Too many new leads all at once means the evaluation process quickly gets clogged, slowing our response time. **Lead Space helps us efficiently evaluate new leads and move the most promising ones forward for confidential discussions.** These quick decisions mean we get back to our potential partners faster, establish ourselves as a partner of choice and encourage them to bring their innovations to us first"

Reinhard Forberger, Business Development, Animal Health

Finding Success with Inova

"You never know where your next opportunity will come from. For Scouts, casual conversations at partnering conferences for example can provide the spark that ignites a new partnership or the insights you need to find your next opportunity."



Hiroyuki Eda,
External Innovation and Alliance,
Business Development



"Our teams get to places that we can't, for example, we can't attend every conference. My team attends the major partnering conferences, but we can't attend all of the relevant scientific conferences where there's a lot of innovation, posters, opportunities to talk directly to KOLs and hear what they're excited about. These interactions provide important leads and getting that information funneled to our partnering team is key."



Chris Vlahos,
Global Head of Rare Disease
External Innovation

Finding Success with Inova



“Inova is key to our team’s efficiency and advancing major projects along the pipeline. The Inova platform enables better sharing of information within the team and ensures we are all up to date on any project’s status in a few seconds.”



Colin Francou,
Managing Director



“Inova is built exactly for what we do, pharma partnering. It helps us work together as one company. We started with just the S&E department, then quickly scaled the solution to add more teams such as the drug delivery and digital health teams. With everything in one place, we collaborate better together.”



Neil Anderson,
Search & Evaluation Director

Conclusion

It is said that the only thing constant in life is change, and that certainly holds true for external innovation in the biopharma world. From an era of in-house innovation to an era of professional scouts, and now into an era where everyone is a scout, life science companies have adapted to the shifting sands of the market.

Now the tools they use to source, assess, and manage their scouting have evolved, too.

With [Lead Space](#) by Inova, external innovation teams can leverage the expertise of their teams to source and review leads. Those leads can be sourced from anywhere and from anyone: executives who networked with a savvy industry insider, a research scientist attending an academic conference, a video meeting at a partnering

conference, or a chance encounter on the floor of a congress.

Leads can be evaluated faster and more efficiently and team productivity lifted as promising leads are pushed to the CDA phase with more confidence. Teams collaborate in a single space as silos are torn down and the best science is driven to the surface, helping medicine make it to patients faster.



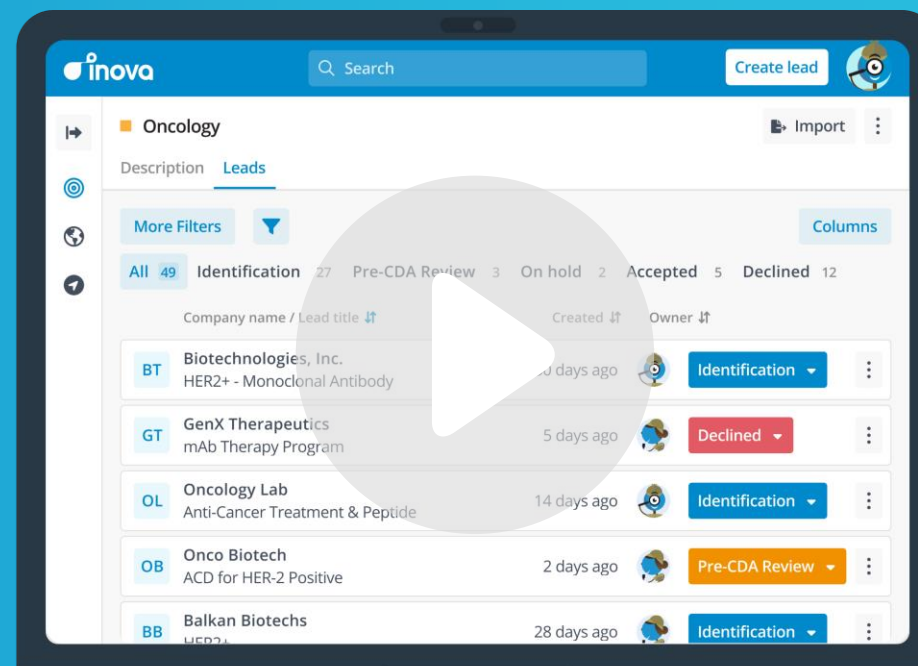
Accelerate more of the right leads

Lead Space

With an overwhelming number of assets to explore and places to find them, your S&E team doesn't have time to waste on duplicate efforts or leads that aren't aligned with your company's strategy. As competition grows, everyone is on the hunt for the most promising assets and innovative partners. Speed is essential and productivity is key.

Built for teams responsible for the S&E of external innovation opportunities, Lead Space empowers more focus, efficiency and collaboration.

[Click here to watch the product presentation](#)



About Inova

Inova accelerates partnering for the future of medicine. Our cloud-based solutions help life science companies manage their partnering opportunities more efficiently. They find all their partnering information in one place, track their deals and alliances easily, and report on their pipeline and activities in seconds.

We also have strategic partnerships that make data from the 20 biggest biopharma events automatically available in Inova, providing our users with always up-to-date company and contact information. Over 160 life science companies, including 60% of the top 50 pharmaceutical companies and many midsize pharma and innovative biotechs, already use Inova.

We are headquartered in Lyon, France and have offices in Denver, New York and Tokyo.

Schedule a demo today



<https://inova.io/>