

Collaborate for competitive success!

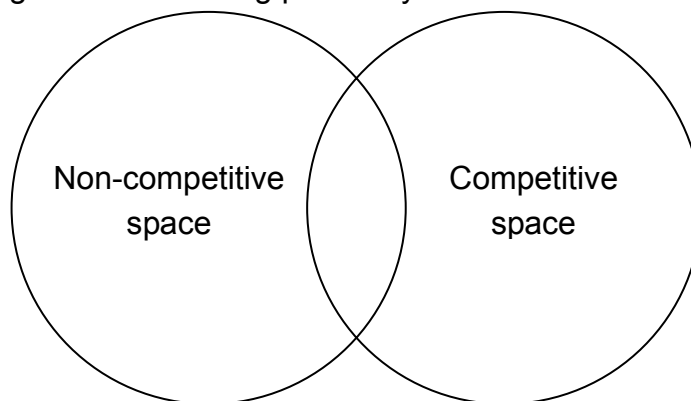
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A while ago, Nostrapharmus predicted that for pharmacos, the ability to attract and build quality relationships with winning partners would increasingly be the key to competitive success. Here, Nostrapharmus looks at a different kind of collaboration: that between companies in the non-competitive space...and discovers that, not only will it make life easier for everyone, it will also benefit both competitiveness and investability.

Nostrapharmus says, ‘Collaboration in the range of non-competitive activities including aspects of manufacturing, development and quality operations will be routine within ten years – and the turning point will come much sooner, as companies and regulators realise that by coming into the arena, they have everything to gain and nothing but pride to lose!’

Non-competitive good?

The level of intimacy of exchange between successful companies will soon be way beyond anything dreamed of or, in many cases, desired by today’s participants. But what *is* this ‘non-competitive’ space? Are we not talking about something perilously close to collusion? This is the picture I see:



In the **competitive** space are skills such as portfolio management, investment attraction and forging winning partnerships; business activities including research & development and sales & marketing.

The **overlap area** is home to activity that I call “*few-to-few*” collaboration. Even companies that are in direct competition sometimes see benefits in working together on, for example, the co-development and co-marketing of products.

Finally, in the **non-competitive** space, are activities in which collaboration poses no threat to corporate interest and in which it will become clear, there is benefit to be derived from sharing and other collaborative activity.

A little of this last kind does take place now – largely around trying to reach consensus on lobbying and developing a general stance on pricing policy. But given the continuing economic, social and political pressures to which our industry is increasingly subject, that must change. ***Our industry***

Collaborate for competitive success!

needs to make its points collectively and firmly so as to protect our performance and the futures of our businesses. We should be competing with each other in the business arena, not in everything we do.

Unrivalled opportunities

In the non-competitive space, opportunities abound for beneficial collaboration that is uncontentious to governments, regulators, investors and the public. The existing fora that address policy do good work and foster the concept of shared aims rather than conflict, but it is all at a very high level.

We need a more detailed focus; for example, having an input to the development of the rules governing the marketing of new drugs would be of great benefit. If the companies affected by those rules got together to work out, in detail, what they would like to see in the rules, they could create a real opportunity to put in place a process that is easy to work with, that has well-understood checkpoints and is readily open to consistent and transparent scrutiny. That would be to everyone's benefit!

Join our club?

A splendid example of collaboration in the non-competitive arena is WCI's pvnet™. WCI persuaded industry leaders of the potential benefits of getting together to share ideas in pharmacovigilance. pvnet™ is now hard at work on benchmarking, and on sharing and developing best practice. Starting with five member companies, the group has since grown to fifteen. A second group, from medium-sized companies, has twenty-six members. There is a 'critical mass' effect. The more people who join, the more useful and credible their work. And, at a certain point, it is no longer nice to join, it is imperative! The information and ideas on offer can reduce your business risks; and you can't miss out on the chance to get your point of view across to regulators, governments and other important players.

Nostrapharmus says *"Take the initiative. Don't wait until something terrible happens and then stand wringing your hands in despair. Don't deny your company this opportunity for increased stability and influence!"*

It is a general point that I am making. Clinical Development, too, could find non-competitive areas in which coherence would be generally beneficial. Compliance is also an issue for those involved in Manufacturing: collaboration seems to offer obvious benefits.

Levelling the field

Not only will we benefit from a great expansion of detailed collaboration in the non-competitive arena but, at the very least, this collaboration will not impede nor even change anyone's competitive position. We do that for ourselves by the quality of our operational decisions. A business, as they say, is not *obliged* to make a profit!

While it is your own qualities that will differentiate you in the marketplace, activities in the non-competitive arena offer exciting opportunities to establish clear and objective rules and measures

Collaborate for competitive success!

that are the same for everyone and allow you to get on with your business activity without compromising it by trying to guess what someone might say later on!

I am talking about a more subtle version of the level playing field. True, what we really want is the referee on our side and the field tilted into the opposing goal. But that isn't going to happen in pharma. So let us at least make sure we have a nice surface to play on! *Collaboration offers a proven way to achieve that.*

Reshaping the compliance model is important: look at where resources and effort are currently being deployed to address ever-increasing rates. Look at where the growth in non-commercial risk is coming from. Activities that many feel are aimed at satisfying the whims of regulators and do not address the efficient and profitable development of safe medicine are seeing the largest growth-rate of any industry activity. That isn't sustainable. Collaboration in the non-competitive arena offers a powerful way to change the trend, yet in a way that promotes positive forward movement without constant war, either with each other or with those who govern.

Participation pays

The big pay-off from collaborative activity in the non-competitive space will come when companies begin to address operational detail. There are benefits for all stakeholders. For the company it brings reduced risk, particularly of the hard-to-assess kind that depends on arbitrary variables. It is a cost-effective route to 'good behaviour', it doesn't waste investment, and getting to market more quickly and smoothly, with fewer late glitches, can only benefit share value. For the regulator, too, the benefits are great: greater uniformity is achieved than ever before; the regulatory role is at last accepted and the role itself becomes much easier to carry out – people find it easier to be regulated when they had a hand in formulating the regulations!

But this truce between regulator and regulated benefits the civilians most of all: they will get medicines sooner, and safer, than ever.

Nostrapharmus predicts that 'within the decade, collaboration, right across pharma and biotech, will be running at three times the current level or more. And the companies in full control of their own destinies will be those heavily committed to collaborative activity.'



Simplify what you do