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Drug Company Executives Are Expanding Their Use of Strategic Partnerships, According to Tufts Center for the Study of Drug Development

BOSTON – Jan. 26, 2012 – Pharmaceutical and biopharmaceutical companies, under pressure to increase R&D productivity, are expanding their use of strategic partnerships to bring new drugs to market more quickly and at lower cost, according to a panel of leaders from the research-based drug industry recently convened by the Tufts Center for the Study of Drug Development.

"Drug developers know that they need a new business model if they are to thrive in the face of major patent expirations and soaring R&D costs," said Tufts CSDD Director Kenneth I Kaitin. "While it's not yet clear what that model might be, the goal is crystal clear: to improve clinical trial efficiency and increase the number of new products that win market approval."

With the total capitalized cost for bringing a new drug to market, according to Tufts CSDD, now surpassing $1.3 billion, developers have been exploring ways to increase R&D productivity, but results have been mixed to date. For example, many developers have embraced a global development strategy in an effort to speed patient recruitment and reduce clinical costs, but coordinating those activities and working with numerous regulatory agencies can pose significant challenges.

"Notably, drug developers are actively seeking newer and more efficient models of R&D," Kaitin said. "Many companies, for example, have reduced their fixed operating costs by teaming with contract research organizations, which now employ more R&D personnel worldwide than the major pharmaceutical companies."

Key points made by the industry executives, summarized in the February *Tufts CSDD R&D Management Report*, released today, include the following:

- Adaptive clinical trials, in which early results of a trial are used to modify the trial's future course, can lower costs, shorten development time, improve the quality of information produced, and increase the value of a late stage portfolio.

- The goal of strategic partnerships between drug sponsors and contract research organizations, where both share risks, is to take costs out of the development process while maintaining quality.

SCHEDULED TUFTS CSDD EXECUTIVE FORUM ROUNDTABLES

Upcoming Tufts CSDD Executive Forum Roundtable meetings will focus on the following topics:

Feb. 23, 2012 — Managing the Transition from Nonclinical to Early Clinical Development
May 17, 2012 — Academic-Industry Partnerships: Opportunities and Pitfalls
Sept. 13, 2012 —The Changing Landscape for Technical Services Outsourcing
Nov. 1, 2012 — Development Strategies for Companion Diagnostics

ABOUT THE TUFTS CENTER FOR THE STUDY OF DRUG DEVELOPMENT

The Tufts Center for the Study of Drug Development (http://csdd.tufts.edu) at Tufts University provides strategic information to help drug developers, regulators, and policy makers improve the quality and efficiency of pharmaceutical development, review, and utilization. Tufts CSDD, based in Boston, conducts a wide range of in-depth analyses on pharmaceutical issues and hosts symposia, workshops, and public forums, and publishes Tufts CSDD Impact Reports, a bi-monthly newsletter providing analysis and insight into critical drug development issues.

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