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Accelerating and Optimizing a Pharmaceutical Company's Time to Market: A R-Pharm and QuintilesIMS Partnership

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Introduction

The biopharmaceutical industry is facing major challenges to develop new drugs that address unmet therapeutic needs at a global level. Importantly, R&D efficiency has declined over decades and today is at a historic low (ATKearney 2013; David et al. 2010; Schuhmacher, Gassmann, and Hinder 2016). The cost of bringing a new drug to market has risen almost 75% over the past 10 years, from $1.5 billion to $2.6 billion (Tufts Center for the Study of Drug Development 2015). The biopharmaceutical industry must find new business models to improve productivity and meet the demands of today's global market.

Medicine is moving from nontargeted therapies to specialty drugs, highly targeted therapies that account for an individual's genetic, metabolic, and demographic characteristics. The markets are smaller, the diseases and drugs are more complex, and the technological requirements are more rigorous. As a result, developers face increasing pricing pressures and must be able to demonstrate the value of their products to obtain reimbursement approval and favorable payment terms not just in one country, but in nations around the globe. In addition, there are now postmarketing commitments to track the performance, safety, and value of drugs, perhaps for decades after they are approved (see Exhibit 1).

New business models are needed to improve R&D efficiency; the fully integrated pharmaceutical company model is poorly suited to meet the challenges that the biopharmaceutical industry now faces. Over the last 20 years, a spectrum of outsourced business models has emerged. The nature of outsourcing in the biopharmaceutical industry is evolving from being tactical and functional to optimize capacity to being strategic and holistic to harness capability and accelerate time to market for an asset (ATKearney 2013; Capo,

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