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A GUIDE TO DEALMAKING

How to attract a biopharma partner

Continuing our dealmaking series, we explore one of the initial stages—finding a suitable partner—and provide advice on attracting and selecting the right match for your company and products.

Linda Pullan and Trevor Thompson

A biopharma deal can bring scientific and financial resources, a way to share the risks of taking your products through development and ultimately a route to seeing that these products reach the intended market. In this feature, we provide advice on searching for the right partner, attracting them and finally discussing how you can position yourselves to be ready for a potential partner's questions.

Searching for your partner

There are thousands of biopharma companies globally, and finding the right match for your company or product can be a long process, with many suitable partners dropping out along the way. Any potential partners should have the same strategic vision for your program as you do, the right technical expertise, enough funding and the right people to drive your program forward.

When assessing potential partners, it is important to look not only to the big players but also to the smaller companies, as they can often offer quicker decisions, be more willing to take risks when considering novel targets or mechanisms, may be more flexible on deal structure and might be more committed to your program than a big pharma company, given the smaller company's need to focus more resources on fewer assets. And remember that potential partners, no matter the size or complexity, are institutions run by people, and one person can wield outsized influence (good or bad) over a decision to license your program.

When starting out, it is good to search for companies active in your indication that have experience with your type of product. Industry databases or websites offer a quick start to obtain a list of companies that have overlapping interests. Biopharma events provide a key source of potential companies, which can be identified through partnering meetings, dedicated sessions or networking events.

It is also good to explore existing connections you may already have between your board or key executives to similarly placed executives in similar companies. And of course, experienced business development professionals may have many contacts to tap.

Attracting your partner

To attract partners, it is important to build awareness of your company and product, which can be achieved in several ways.

- **Scientific presentations:** a thorough scientific presentation at a conference or dealmaking event is an ideal way to concisely communicate the facts and goals of your company and product in a data-rich way. You can provide contact details for listeners to follow up on and often establish direct contacts in the audience.
- **Website:** ensure your website is up to date and clearly explains who you are, what you are working on and how to contact you.
- **Attend conferences and partnering meetings:** there are many global partnering meetings where you can set up dedicated meetings with companies you are interested in partnering with to personally tell people about your company and products. Personal contact is one of the most powerful methods of establishing credibility, and such meetings are also an opportunity to build relationships with potential partners.
- **Create publications:** if you have strong nonconfidential data to support your product or technology, submit a paper to a journal to see if you can get it published. Appearing in a reputable scientific journal will raise awareness and provide validation from the scientific community of interest. Being written about in a trade press overview, even with other companies, can also bring you to the attention of a potential partner. A public relations firm can help get these placements.
- **Publish press releases:** have you just signed a deal with an influential partner? Do you have some promising clinical trial results? This is worth broadcasting in a press release.
- **Participate in panels, webcasts or webinars:** panel discussions, webcasts or webinars (online presentations that people can tune into or listen again to after the broadcast) can provide an ideal platform to communicate about your company and answer questions that may be shared by potential partners.

Optimally positioning yourself for partners

Once you have found a potential partner or they have found you, initial meetings will take place that could involve many questions. Put yourself in the best position for these meetings by anticipating the key questions potential partners will ask, such as:

- What unmet need does the product address?
- What makes it special?
- How does it compare to standard of care and other competitors in development?
- How does it work?
- What evidence (in vitro and in vivo) do you have of its potential?
- What is the stage of development and completeness of data?
- Is it practical? For example, for a potential drug, what is known about its pharmacokinetics, stability and manufacturing?
- The path to market: what needs to be done and spent to get to market? And to gain market differentiation?
- What are the reimbursement considerations?

The key tool for sharing your story and beginning to answer such questions is a nonconfidential slide deck you present to potential partners. Sharing a nonconfidential deck by emails and at partnering meetings can get your information viewed by many partners, usually

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by a business development individual seeking opportunities that are a good strategic fit. There can be a tendency to assume the internal scientific review teams at in-licensing companies have the time to carefully review every aspect of presentations, but given the numbers of opportunities to review, it is critical that you offer a clear and concise representation of your story, so the reviewers will recognize it is worth spending time on.

- Clarity is key: decks are circulated, and the story must stand on its own without a narrator. Keep in mind that the audience may not all be experts in the area.
- Use slide titles as messages: this offers a summary at a glance as a reader flips through the deck.
- Address the 'elephant in the room': provide a solution or a path to a solution to any obvious risk.
- Provide a summary: a few key points to remember.
- Put your contact details on the deck: they can often get separated from emails.

Planning for deeper confidential evaluations

A deal will need a key individual or team within the potential partner company who can work to support the importance of your product within their organization. Find that individual or team and keep them informed, getting them everything they need to tell your story for you, including in internal meetings that will happen without you as the partner builds the internal support necessary to get a deal.

Once you are successfully through the nonconfidential review process (teleconferences, and exchange of questions and answers to questions such as those above), enough interest in your product will lead to a due diligence process—a comprehensive review of all data and plans available with an agreement to protect the confidentiality of the information, such as a nondisclosure agreement. Additional people will be involved on the partner's side, and evaluation of the program will grow to include deeper assessment of all the topics in your nonconfidential story as well as how to value drug candidate(s), deal concepts and structures, and deal terms. The assessment of potential, the time and cost of development, and the risks together enable a valuation, typically based on calculations of risk-adjusted net present value.

In this due diligence review, the potential partner will be thinking about the answers to a framework of risk assessment, evaluating the developability of your product candidate(s). Even at the preclinical stage, a good partnering package lays out the entire pathway to approval and market position, by providing insight on the questions highlighted in **Table 1**. It is very unlikely you will have all the answers, especially early on. However, data that begin to answer these questions, or planned experiments designed to get answers, demonstrate a rigorous approach to development that impresses potential pharma partners. Above all else, think about demonstrating efficacy. A lack of efficacy has been shown to be the main reason for failure, accounting for half of suspended phase 3 programs (*Nat. Rev. Drug Discov.* **15**, 817–818; 2016). Evidence that your preclinical efficacy is likely to translate to human proof-of-concept is the most important driver for getting a deal. Then, laying out the entire pathway to showing that you have the right target, drug, assays, chemistry, manufacturing and controls (CMC), dose, patients, trials and evidence for payers will enable you to beat the competition and attract a partner.

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Table 1 | Key questions to consider for deeper confidential evaluations

Question	Aspects to consider
Right target?	Partners want to see evidence that the target is correlative or, better yet, causative of disease in animals and humans and that intervention (for example, genetic knock-down or pharmacological) at that target alleviates symptoms or progression. They want the target's role to make sense in the context of what is known about the disease and normal biology. New or novel targets require more exploration of the target's normal biological role.
Right drug?	Is your drug working through the target? Is there evidence your drug engages the target and that target exposure correlates with effect? Is there selectivity for the desired target against others that might cause problems? Intellectual property (ideally on the drug's composition of matter) that offers freedom to operate and has long enough patent life to keep out a generic or biosimilar through clinical development and years of sales enables a return on the risky and expensive clinical development. Partners also prefer patent applications to claim additional compounds that may serve as backups or follow-ups. Does your drug candidate have appropriate physicochemical properties? For example, is it soluble and stable? Does it get to the intended site? And what about safety? Are there any concerns about toxic metabolites or drug–drug interactions? Is potential toxicity predictable with a read-out?
Right assays and models?	In vitro models need to show the drug effects on the target and pathway. In vivo models need to show exposure (biodistribution and pharmacokinetics), the effects on the target and on the biology. Animal disease models that are closely reflective of the human disease pathology boost confidence that your drug will be effective in the clinic. Multiple animal models are better, providing more confidence that the animal data will predict human efficacy. In all the models, it is important to compare your drug to the standard of care for that disease, to competition at the same target and to molecules at different targets being developed for the same disease. Unique, nonstandard models require more data with positive controls than standard models, where the literature and pharma company experience enable interpretation of how important a given effect may be.
Right CMC?	One of the most frequent causes of regulatory failure is failure related to chemistry, manufacturing and controls (CMC). Is the method to make the drug scalable? How many steps are involved in the manufacturing process? How many batches have been produced consistently? Is there a good set of analytical methods for the compound and its impurities?
Right dose?	Running a trial with the wrong dose can lead to clinical failure. Too high a dose may lead to off-target side effects and too low a dose may mean that efficacy is not seen. Identifying biomarkers to measure your drug's impact on the target and subsequent biological events is very helpful in determining dose–efficacy relationships in animal models. This information can then be used to establish and monitor the dose for achieving efficacy in humans. A short half-life could lead to impractical dosing frequency and pharmacokinetic variability can also be a cause of clinical failure.
Right patients?	In general, the first efficacy clinical trial needs to be in an indication with high unmet need that is most likely to succeed, based on the strong connection of the target to the disease and the evidence of efficacy in the animal models. There may be subsets of patients that are most likely to benefit from your drug, increasing the likelihood of trial success. Is there a diagnostic to identify those patients? Additional indications could be considered once there is some increase in confidence about efficacy in your first indication.
Right clinical trial?	Ideally, you should aim to design trials that will speedily obtain evidence of efficacy, where you can find patients to recruit, measure something that relates to your mechanism and provide sufficient statistical power to see a difference from placebo or comparator. Ultimately, you want to provide evidence of a meaningful clinical effect for patients, not just a statistical difference.
Right evidence for payers?	Regulatory approval does not guarantee revenues. Governments and health-care insurance companies want to have the therapy that will save them money. The right clinical trial design can provide health economics data to drive insurance and government reimbursement, enabling more sales. Clinical trial design may help justify the use of the new, probably expensive, drug rather than cheap generics and other competing drugs.