


HEALTHCARE

Pharmaceutical Strategic Alliances

Maximizing returns from collaborative development and commercialization

By Steven Seget

 [Table of Contents](#)

Steven Seget

Steven Seget is Principal at Delphi Pharma, and provides independent strategic consulting services to the pharmaceutical and biotechnology industries. Steven previously managed the strategic healthcare consulting function at Datamonitor and has an MBA from the London Business School. sseget@delphipharma.com

Delphi Pharma provides strategic, financial and market-based solutions to clients, focusing primarily on the portfolio management, business development and licensing functions. Delphi Pharma combines an extensive research network, applied analytical expertise and an established track record to deliver high value results and measurable impact to its clients. www.delphipharma.com

Copyright © 2006 Business Insights Ltd

This Management Report is published by Business Insights Ltd. All rights reserved. Reproduction or redistribution of this Management Report in any form for any purpose is expressly prohibited without the prior consent of Business Insights Ltd.

The views expressed in this Management Report are those of the publisher, not of Business Insights. Business Insights Ltd accepts no liability for the accuracy or completeness of the information, advice or comment contained in this Management Report nor for any actions taken in reliance thereon.

While information, advice or comment is believed to be correct at the time of publication, no responsibility can be accepted by Business Insights Ltd for its completeness or accuracy.

Table of Contents

Strategic Pharmaceutical Alliances

Executive Summary	10	
Introducing strategic alliances	10	
Co-commercialization alliances	11	
Co-development alliances	12	
Multi-product and technology platform alliances	13	
Joint ventures	14	
Collaborative best practices	15	
Chapter 1	Introducing pharmaceutical alliances	18
Summary		18
Introduction		19
Report outline		20
Chapter 2	Co-commercialization alliances	22
Summary		22
Introduction		23
Lipitor (atorvastatin) – Warner Lambert and Pfizer		23
Background		23
The deal		24
Partnering		25
The results		26
Key learnings		27
Prandin (repaglinide) – Novo Nordisk and Schering-Plough		28
Background		28
The deal		29
Partnering		30
The results		30

Key learnings	32
Levitra (vardenafil) – Bayer, GlaxoSmithKline and Schering-Plough	33
Background	33
The deal	33
Partnering	34
The results	34
Key learnings	36
Velcade (bortezomib) - Millennium and Ortho Biotech	36
Background	36
The deal	37
Partnering	39
The results	41
Key learnings	42

Chapter 3 Co-development alliances 46

Summary	46
Introduction	47
Campath (alemtuzumab) – LeukoSite, Ilex Oncology and Schering AG	47
Background	47
The deal	48
Partnering	49
The results	49
Key learnings	51
Tarceva (erlotinib) – OSI and Genentech	51
Background	51
The deal	52
Partnering	54
The results	55
Key learnings	57
Erbitux (cetuximab) – ImClone and BMS	58
Background	58
The deal	59
Partnering	61
The results	62
Key learnings	64
Byetta (exenatide) – Amylin and Eli Lilly	65
Background	65
The deal	66
Partnering	67
The results	68
Key learnings	70

Chapter 4 Multi-product and technology platform alliances 72

Summary	72
Introduction	73
Genentech and Roche	73
Background	73
The deal	74
Partnering	76
The results	77
Key learnings	78
Millennium and Bayer	79
Background	79
The deal	79
Partnering	81
The results	82
Key learnings	83
Vertex and Novartis	84
Background	84
The deal	84
Partnering	86
The results	87
Key learnings	88

Chapter 5 Joint ventures 92

Summary	92
Introduction	93
TAP Pharmaceuticals	93
Business model	93
Partnering	93
The results	94
Key learnings	95
Novogyne	96
Business model	96
Partnering	97
The results	97
Key learnings	98
Lilly ICOS	99
Business model	99
Partnering	100
The results	100
Key learnings	102

Chapter 6	Collaborative best practices	104
Summary		104
Introduction		105
Deal-making		105
Alliance management		106
Chapter 7	Appendix	110
Index		110

List of Figures

Figure 2.1:	Lipitor (atorvastatin) global sales, 1997-2005	27
Figure 2.2:	Prandin/NovoNorm (repaglinide) global sales, 1998-2005	31
Figure 2.3:	Levitra (vardenafil) global sales, 2002-2005	35
Figure 2.4:	Velcade (bortezomib) deal terms	38
Figure 2.5:	Velcade (bortezomib) global sales, 2003-2005	42
Figure 3.6:	Campath (alemtuzumab) global sales, 2002-2005	50
Figure 3.7:	Tarceva (erlotinib) deal terms	53
Figure 3.8:	Tarceva (erlotinib) global sales, 2004-2005	56
Figure 3.9:	Erbitux (cetuximab) deal terms	60
Figure 3.10:	Erbitux (cetuximab) global sales, 2004-2005	63
Figure 3.11:	Byetta (exenatide) deal terms	67
Figure 3.12:	Byetta (exenatide) global sales, Q2 2005 – Q2 2006	69
Figure 4.13:	Genentech/Roche alliance revenues, 2005	77
Figure 4.14:	Millennium/Bayer deal terms	80
Figure 4.15:	Vertex/Novartis deal terms	85
Figure 5.16:	TAP sales and joint venture income, 1998-2005	95
Figure 5.17:	Novogyne sales and net income, 1999-2005	98
Figure 5.18:	Cialis (tadalafil) sales, 2002-2005	101

List of Tables

Table 5.1:	TAP results timeline, 1977-2005	94
------------	---------------------------------	----

