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Getting Your Foot in the Door with Pharma: Alexion Day Reflections

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On October 2nd, Andrew Hutchinson, External Research & Scouting Lead for Alexion Pharmaceuticals, provided his insights on the strategic partnering process between early stage therapeutic companies and big pharma to the OBIO community.

Below is a summary of the main points that we would like to share with you.

Andrew placed strong emphasis on the **difference between an investor deck and a partnering deck**. The two have a very different purpose (and audience), and thus should be structured differently.

- A partnering deck should focus heavily on the therapeutic concept and the science. Include as much data as possible to demonstrate the validity of your asset, including any preclinical or clinical results you have obtained. *Tip: write up study reports of any results you have obtained. This makes information much easier to interpret and saves considerable time during large scale due diligence.*
- A partnering deck should not focus heavily on market sizes and potential exits. Partners are interested in developing tangible assets, not making substantial exits. Similarly, avoid including detailed financial models/forecasts. These are often inaccurate, and large pharma companies have dedicated teams for this. *Tip: when assessing market size, do not rely strictly on literature and epidemiology studies, as they are often inaccurate. Reach out to the academic community or be open to asking for the pharma partner's assistance.*
- Include a high-level development plan (with status).
- Be very transparent about competition.
- Briefly cover IP, but don't spend too much time on this. It will come up later in due diligence.
- Instead of the "ask" you include in an investor deck, outline what you are looking for from a potential partner. This is too early to negotiate, so focus more on the type of partnership you are looking for than the financial aspect.

Targeting the Right Partner

- When pitching to potential strategic partners, explain how your opportunity aligns with their partnering needs. Are they interested in your stage of asset? Are they in the relevant therapeutic area? The relevant therapeutic modality? Are you comfortable with the deal structures they commonly do? *Most companies have decks that outline what they are interested in, yet over 50% of the pitches fail to ensure they are aligned with the needs of the scout.*
- Scouts have more confidence if an opportunity comes from internal networks, so try to get an introduction from someone within the company. Send your deck to someone in the research department (ideally with a relevant area of expertise) who will understand the opportunity, or an executive if possible.

Do's and Don'ts to Ensuring a Successful First Meeting

- **DO** send a pitch deck prior to the first meeting to allow them time to review. This is especially important for phone discussions, as it allows you to view it together in real-time. *Tip: always request a face to face meeting when possible.*
- **DO** ask the names and titles of attendees prior to the meeting. This allows you to adjust the presentation to their areas of expertise. Try to have equivalent team members on your side of the table.
- **DO** spend a significant amount of time focusing on the science/concept, and minimal time on the financials and IP.
- **DO** be open about the potential limitations of your product/opportunity (either clinical, commercial or competitive). It is better that it come up now than later in the due diligence process. Partners will likely be able to identify if you are being misleading/dishonest about something.
- **DON'T** waste precious time making long introductions. Briefly introduce your team then dive right into the presentation to keep the partners interested.
- **DON'T** try to negotiate at this stage. It is too early and the partner will find it off-putting. Do be open about what you are looking for from a potential partner, however (from a strategic perspective, not a financial one).
- **DON'T** push the partner to sign a CDA at this stage. Most confidential information can be de-identified, and potential partners will not be interested in signing a CDA early in the partnering process.

OBIO Members can find a recording of the webinar, as well as summary slides, in the OBIO Member Portal (OBIO Webinars and Presentations). As an additional member benefit, all OBIO Members have access to databases GlobalData and PitchBook to assist in market research and investor targeting.