

Workshop: Strategic Alliances

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Large Strategic Alliances: Wet dreams or lottery ticket

Top-10 Partnerships 2008-2010 European Biotech

Company	Partner	Product	Size
ACTELION	GSK	INSOMNIA	USD 3.3BN
ELAN	JNJ	ALZHEIMER'S DISEASE	USD 1.5BN
ALGETA	BAYER	ALPHARADIN	USD 800M
PROSENSA	GSK	RNA/DUCHENNE	USD 680M
GALAPAGOS	ROCHE	COPD	USD 580M
CRUCCELL	JNJ	INFECTIOUS DISEASES	USD 443M
GALAPAGOS	MERCK	OBESITY & DIABETES	USD 400M
CLAVIS	CLOVIS ONCOLOGY	CANCER	USD 380M
GALAPAGOS	MERCK	INFLAMMATION	USD 252M
INTERCELL	GSK	VACCINE PATCH	USD 173M

Source: Van Leeuwenhoeck Research BV

- Chinese saying: *"It is better to take many small steps in the right direction than to make a great leap forward only to stumble backward"*

Risks of large strategic alliances?

- Small mouse versus large cat: you're not in the driver seat
- Only one of the many horses they bet on simultaneously
- Not having real value yet: easy to devalue your assets
- Milestone (fees) always take twice as long to reach as expected: your cash-is-king-engine hampers earlier
- High risk - high gain, but most of the times hardly any gain
- What do you have to lose?

Some interesting articles: www.refresher.com, Partnering and Alliances

Emotional alliances: their effectiveness

- *Chinese saying: “A journey of a thousand miles must begin with a single step”*

Questions:

- What do you need the coming 12 months?
 - Who can help you: how can your network help you?
 - Who will you motivate and who will motivate you to walk the first hundred miles together: finding the champion?
- The effectiveness of these alliances will create further changes and maybe further strategic alliances

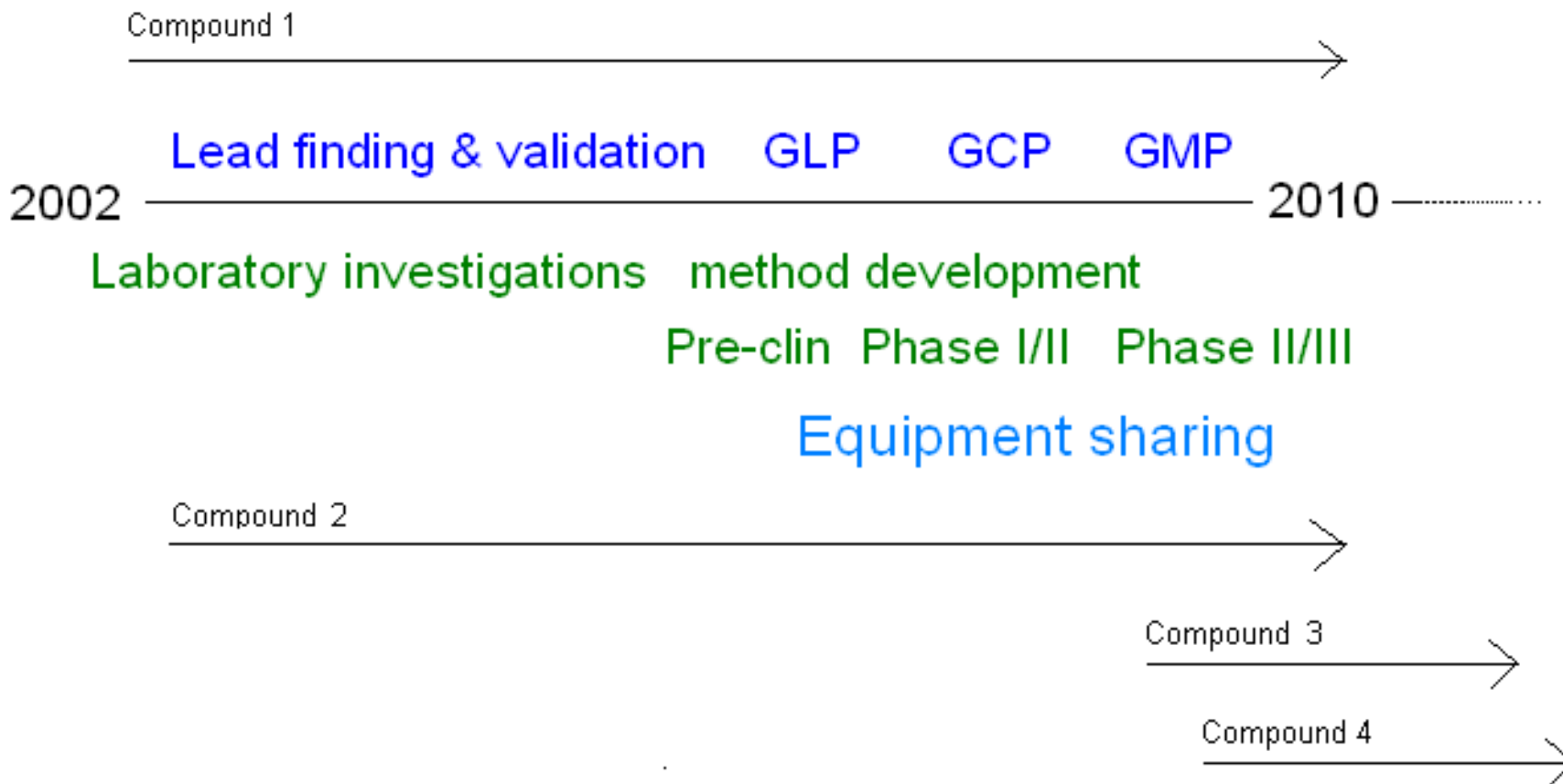
What alliances can one think of?

- Housing (flexibility, sharing, cost control, etc.)
- Facility support (canteen, reception, reproduction, etc.)
- Technical support (utilities, equipment, etc.)
- Research (shared technology development & validation)
- Legal (templates, combined contracts, specialisms, etc.)
- Financial (investments, etc.)
- Business (business models, market intelligence, sales network)
- Scientific (Advisory board, access network, IP, etc.)
- Quality (research vs. GxP, growth, etc.)
- Regulatory (advice, hands-on, etc.)

What are the plusses and minuses?

- What's in it for me vs. what's in it for them?
- Gain vs. loss?
- Dependence vs. freedom to operate?
- Early start vs. need to have?
- Cash out vs. alternatives?
- Confidentiality vs. patent protection?
- Open innovation?

PROXY/Prosensa case (1)



What alliances can one think of?

- Housing (flexibility, sharing, cost control)
- Facility support (laboratory use)
- Technical support (utilities, equipment)
- Research (shared technology development & validation)
- Legal (Qualified Person)
- Financial (Shared investments in equipment)
- Business (more attractive for investors)
- Quality (all necessary information/functions at hand)
- Regulatory (advice, doing things first time right)

KeyGene case: turning business model around: from service & technology development to value capturing: co-development

The New Strategic Alliances



Strategic Alliance = Shareholders of KeyGene



25% of world vegetable seed market (3 billion US\$)

Lessons learned

- Strategic alliances: they are here today
- Shared benefit
- Trust & reliability
- Evaluate frequently