

Speeding Acquisition Integration with a Pathfinder

Early in WWII, the Allied airborne battle campaigns revealed a glaring vulnerability. When troops parachuted into combat, many missed the target drop zone and ended up scattered—as much as 65 miles off course. In some instances, it took troops weeks to find their way to their units. This weak spot wasted precious time, blunting effectiveness. Allied forces identified the need for specially equipped and trained teams to “drop in” ahead of the units and operate as navigational aids so troops could land on target. Known as “pathfinders,” the teams quickly demonstrated their value, setting up radars and beacon lights enabling troops to land with greater accuracy. Landing with greater precision unleashed the full impact of the units, and their success subsequently changed how airborne units conducted campaigns ever since.

When large pharma acquires an asset, they are a bit like a combat unit readying for deployment—in this case, launch. But integrating the asset to launch with maximum impact can sometimes take 12–18 months—an opportunity cost when every day is critical to successful commercialization, if the asset is nearly ready for commercialization. In that timeframe, the competitive landscape can change. A period after the acquisition with little communication or few updates can cause initial market excitement to wane, or can be taken as a signal of the deal gone awry. Any lag during the time from acquisition to launch risks decimating the value and advantages of the transaction.

If the acquired asset is nearly ready for launch, accelerating asset integration is a necessity—especially considering the high number of launches that underperform. Taking a non-traditional approach to smoothing the path—i.e., working with an outsourcing partner, or “pathfinder,” that can quickly and efficiently deploy the right resources needed to prepare for launch in a timely manner—can be a smart alternative.

When the Lay of the Land Presents Risks

Effective integration at speed is a timely consideration. The market is ripe for an uptick of acquisition activity due to attractive company valuations and large pharmaceutical manufacturers with cash on their balance sheets. Also in play is an impending 2025 patent cliff threatening an estimated \$180 billion in revenue from the largest pharma companies, which makes expanding asset portfolios via acquisitions a smart business move.

In the current environment, market dynamics require deft navigation and minimizing the integration timeframe is essential, but achieving speed to launch can be difficult for several reasons.

“When a larger pharma company acquires an asset, there is a need to shift the asset’s path to optimize the launch within its larger strategy—to land with full force and at scale.”

Up to the point of acquisition, however, a small biopharma company’s focus is rightly existential, with all resources focused on clinical development. Their mantra is “accomplish more with less,” maximizing the limited resources they have. They will often base planning decisions on intuition and high-level insights (relying on secondary data sources) to discern unmet market needs. Their level of risk assessment and planning, while sufficient, is not as robust as what a mid-to-large pharma company can generate. Their commercialization planning often entails investigating in a range of Go to Market options, which can stretch resources and runs the risk of not investing sufficiently in any single option.

Furthermore, smaller biopharma companies typically adapt a technology-forward communication mix to reduce the cost of field deployment. For them, point of market entry will be concentric, building on “land and expand” principles because cash reserves are often depleted post-clinical development. As a result, speed to market is critical for generating revenue.

The larger, acquiring pharma companies sit at the other end of the spectrum. They will buy assets later in their product development stage for greater certainty of approval. They are oriented toward efficiency, but their foremost interest lies in optimizing scale. Consequently, when they acquire new assets from smaller companies, they are often closer to launch and don’t have the luxury of the typical integration timeline. The large pharma must fill key insight gaps and are prone to investing in additional market analytics. They will also invest to align key opinion leaders and will focus on the broadest market they can serve, increasing investment in the asset to launch at scale. It can also be

challenging to successfully shift internal priorities to effectively commercialize a new asset. Sometimes the acquiring company is entering a new therapeutic area, requiring new capabilities and expertise. Finally, scaling to launch the asset often competes for resources with other assets in the large pharma company's portfolio.

It's unsurprising that integrating a new asset and preparing for launch takes time. The problem is, in today's market, it takes too much time—both for the seller of the asset looking for an earlier revenue stream and the acquirer aiming to maximize launch success. If the asset is close to being ready for launch, the 12–18-month integration timeline into a larger portfolio will detract from the important pre-launch activities that need to be executed. This is when a pathfinder—an outsourced product development partner that engages on day one and executes the critical activities needed for commercialization—can make the material difference.

Deploying a Pathfinder for Speed

If a faster integration is critical to realizing the acquired asset's potential, and internal resources are tapped, it makes sense to engage an outside resource that acts quickly and seamlessly as an agile pathfinder. This type of partner provides a unique flexibility to the acquiring company, as it can keep the asset on track to commercialization without the acquiring company having to commit its own resources to getting it out into the market. This provides some breathing room and optionality to identify the most viable strategic path for the asset once it's fully integrated.

The effective outsourced integration partner shouldn't add to the acquirer's management burden. Instead, the ideal one acts seamlessly—identifying the on-ramp to launch by defining the hypotheses to fill information gaps before investing in earnest in a particular direction. It can assign the right teams against the defined execution plan in real time and has the agility to pivot when necessary. Specifically, an effective outsourced commercial partner should:

- Leverage its operational expertise and track record to begin executing on commercialization from day one of integration;
- Tap its therapeutic expertise and rapidly bring key insights to the fore;
- Facilitate informational and scientific exchange to develop the market and shape opinion;
- Develop the brand story and value proposition.

The pre-launch period of an asset is a high-stakes timeframe demanding astute action. Utilizing the right partner with the right resources can be a savvy move.

Rather than allocating resources on multiple scenarios or taking the time needed to operationalize the asset internally, the ideal partner can land, navigate the path to commercialization and leverage its expansive capabilities until the massive resources of the acquiring company can be fully leveraged.

A Winning Scenario

With the market poised for a significant increase in acquisition activity, a keener eye should be trained on accelerating the integration process to buck the trend of an underperforming launch. The inevitable gaps between small biopharma's focus on quick revenue generation and large pharma's concentration on scale should be bridged and the typical timeframe compressed. An outsourced commercial partner that begins executing seamlessly the minute the deal is inked can be just the masterstroke needed for a speedy integration and a successful launch.

Contributors

Carl Sailer

VP, Global Go To Market Leader,
Syneos One®, Syneos Health

Kipp Kreutzberg

VP, Global Market & Sales,
Consulting, Syneos Health

ABOUT THE SYNEOS HEALTH INSIGHTS HUB

The Syneos Health Insights Hub generates future-focused, actionable insights to help biopharmaceutical companies better execute and succeed in a constantly evolving environment. Driven by dynamic research, our perspectives are informed by our insights-driven product development model and focused on real answers to customer challenges to help guide decision making and investment.

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