



THE PARALLELS OF BIOTECH FINANCING and the Amazon Kindle

Global private equity financing for biotechnology in therapeutics and diagnostics reached over US\$13.5 billion in the year up to October 2019,¹ but the distribution pool for this is ever-expanding, as the number of biotech companies continues to rise. How can a biotech company looking for funding ensure that it stands out from the crowd?

Clearly, a company with an effective and experienced management structure is important, as is the potential size of the market for the product. However, developing a competitive edge over existing or future competitors is key.

All biotech companies believe they have such an advantage, but the world is littered with products and services that were technologically superior but which failed. Have you ever wondered why Amazon's Kindle is the go-to ebook reader?

At the time, Sony had produced one that was larger, lighter and had a better screen, but Amazon won out. Why? Simply because they changed people's beliefs about the whole area.

Professor Ron Adner of Tuck School of Business in Dartmouth, Hanover, NH, USA explains further in his book *The Wide Lens: A New Strategy for Innovation*. The key difference was the way in which Amazon aligned the ecosystem to bring its value proposition to life.

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Amazon did not simply bully publishers into supporting the Kindle. Amazon created conditions in the ecosystem that made joining the long-awaited ebook revolution a more attractive proposition for publishers than any previous attempt.”



The production of ebook readers may seem far removed from the development of new medical or scientific approaches, but the principles hold true. Simply telling people about your product or service is not enough. You need to change their beliefs about the ecosystem they work in.

For example, companies are now looking into the use of vaccines not for the prevention, but for the treatment of disease. Autologous cancer vaccines currently in development remove and treat tumour cells in such a way that makes them recognisable as a target for the immune system. Once reinjected, the host recognises them, disables them and goes on to target other cancer cells in the body.

This novel approach will not be taken up overnight. Oncologists will need to be convinced about the scientific rationale for this approach. Will it work? Will it cause other issues within the immune system? What are the long-term implications? Is this really the best approach for my patient?

All their current beliefs about how cancer can and should be treated will be challenged by this new approach, and until these beliefs change, their clinical behaviours of using surgery or chemotherapy will not.

Alpharmaxim helps biotech companies with this and similar challenges by working with them to develop a narrative that gives purpose and relevance to their scientific and investor communications. By identifying beliefs and behaviours that need to be changed, and the individual steps necessary to do so, we can help plot a path towards developing communications to overcome the barriers all new treatment modalities face on their way to becoming an accepted approach.

Investors want to back the next Kindle, not the next Sony Reader™ Digital Book. Help them see that you are serious about creating a new ecosystem for tomorrow, and not trying to fit in with the one that exists today.

1. Biotech Gate Global Database. Biotech financing summary. November 2019. http://www.biotechgate.com/app/upload/vcdeals/biotech_financing_summary_November_2019_340a3904.pdf. Accessed 3 December 2019.

2. Adner R. *The Wide Lens: A New Strategy for Innovation*. London: Portfolio Penguin; 2012

Alpharmaxim Healthcare Communications has extensive experience in helping healthcare companies across the world communicate with physicians and patients about a number of subject areas, including rare diseases, neurodegenerative diseases and vaccines



If you would like to know more, please visit our website www.alpharmaxim.com, or contact Sophie Jones on +44 (0)161 929 0400.