



CASE STUDY

Hands-on Drug Asset Due Diligence Execution Results in Streamlined Approach

PROJECT BACKGROUND

Recognizing the importance of bolstering their in-house R&D activities, a major pharmaceutical company was actively pursuing acquisitions, in-licenses, and external partnerships to grow its drug pipeline. Numerous prospective transactions were under consideration at any given time. For each of these potential opportunities, a thorough due diligence analysis was needed to confirm that the assets and/or businesses were what they appeared to be by:

- Identifying potential defects in the target asset
- Gaining information to value assets and negotiate prices
- Verifying that transactions fit the Company's growth strategy

All analysis needed to be completed within a tight timeframe to preempt competitive bids and avoid a bad business transaction.

THE CHALLENGE

Although the Pharma's R&D group had extensive experience supporting due diligence, time constraints and the "ad hoc" nature of these efforts made it difficult to function efficiently. R&D was often pressured to provide schedule, budget, and resource estimations based on vague information, e.g., "how long will it take and what will it cost to complete Phase IIB for an oncology asset"? The project managers frequently created new forecast templates, yet best practices were not captured and shared. Moreover, the Company

had over 100 years of experience developing drugs, and yet this institutional knowledge was not readily accessible to inform these queries.

The due diligence process involved many functional areas that used different terminology and worked under divergent assumptions and expectations. This made communication between groups error-prone and inefficient throughout the multiple revisions that were made to the assessments.

IPM was engaged to support two comprehensive diligence efforts, estimating costs and launch dates, and ultimately provide recommendations for improving the overall R&D due diligence process.

IPM'S SOLUTION

IPM gathered information on the two assets from Process R&D, Preclinical Safety, and Clinical Operations in order to capture assumptions and put together resource requirements, cost, and timeline estimates to present to business development. After mapping out a high-level overview of the proposed development programs, comprehensive project plans were created. The plans were based on existing Company templates for in-house development programs. IPM used both a bottom-up and top-down approach to estimate development costs. Activities and studies were estimated individually, but were also compared with active development programs in order to validate assumptions.

The Company's standard project timeline templates were pared down to communicate executive-level summary plans without masking the critical assumptions contained within. Standardized workbooks were created to capture and exchange information, such as clinical study cost and duration estimates, in a format that was consistent for all functional areas.

PROJECT RESULTS

IPM worked side-by-side with the R&D group to complete two due diligence assessments. This analysis enabled the Company's business development team to make informed decisions and move forward with lucrative opportunities. Lessons learned throughout the assessments were captured and communicated, adding to the Company's ongoing efforts to improve their due diligence processes.

IPM helped the client develop new tools and techniques which were built on existing Company templates, yet tailored for the distinct needs of due diligence projects. IPM's unique hands-on approach to project management consulting resulted in process improvement recommendations that were practical, actionable, and immediately implemented by the client.



200 South Frontage Road, Suite 220
Burr Ridge, IL 60527
T 630.789.8600
F 630.789.7945
www.ipmcinc.com