



Case Study

Creating Exceptional Value for Growing Biotech Firms

Small biotech firms face big-firm challenges—huge risks developing and bringing new products to market. Unlike large firms, they cannot afford to scatter resources over too many projects.

Says the Director of Business Development of a biotech start up, “We are under tremendous pressure from our investors to produce valuable products; we need to make good decisions about the projects we put into our pipeline and we need to make them fast!

“It is vital for us to assess—very early—which molecules we should concentrate on to produce the highest chances for success. SmartOrg products are invaluable in helping us make these decisions; we are doing things that would not be possible with any other approach.”

Deep Dives and Shallow Dives

Biotech companies use SmartOrg Value-Based Management processes and tools for “Deep Dives” (in-depth evaluation of the factors that affect future value) and “Shallow Dives” (quick screening of opportunities at early pipeline stages).

Decision Advisor® Supports Deep Dives

Deep dives are in-depth evaluations of the technical and commercial uncertainties that affect the future success of an opportunity. Using Decision Advisor, often in a real-time setting, project teams identify the most important areas they need to concentrate on to achieve success. This approach reveals critical factors that are often missed using traditional analytics. Teams readily see where they need to apply their efforts to reduce risk and add value.

Example: evaluating new market opportunities. A small biotechnology company was considering marketing a bacterial agent for treating cystic fibrosis, burns and surgical infections. They had to decide which of these markets to target first. Early on, it looked like surgical infections would be the best area to invest their resources. However, a Value-Based model of the risks and re-

Value-based management processes help management identify new markets, optimize portfolio value, and focus scarce resources where they will create the highest value.

VP Strategy Development,
Biotechnology Startup

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CEO, mid-sized
Biotechnology Company

turns for each indication revealed that cystic fibrosis had the potential to create some \$300 million more value than surgical infections. Armed with this knowledge, the company refocused its efforts first on the more valuable opportunity.

Portfolio Navigator™ Supports Shallow Dives

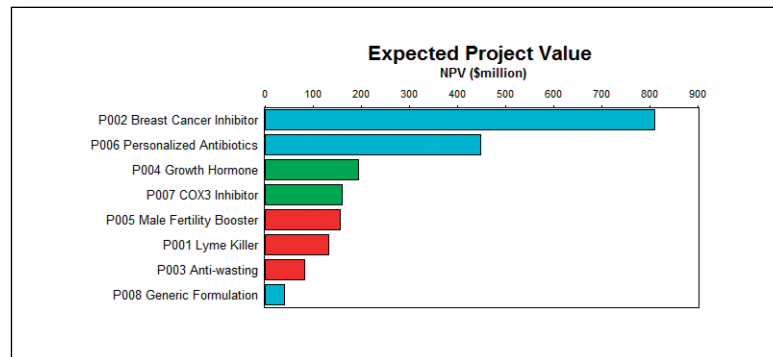
Shallow dives enable companies to screen opportunities quickly at early stages in the pipeline. Companies frequently use web-based business model templates developed in Decision Advisor® workshops to facilitate rapid decision-making under time pressure.

Example: a young biotech company needed to screen and identify a large number of promising molecules during early stage development. This was a slow and costly process. Using Portfolio Navigator, the company was able to screen, classify and prioritize discovery for some 18 areas within a 12-month

period. The company significantly increased the value of their pipeline by shortening the time required to identify, develop and successfully market new applications.

Improving Value through Improved Productivity

SmartOrg Value-Based systems enable biotechnology companies to improve growth and profitability by focusing and leveraging staff activities on key value drivers throughout the discovery and development process. Says a Director of Business Development, “Two people working part time can make a huge difference because of the leverage provided by SmartOrg processes and software. We are doing things that would not be possible without it. Our board has seen the value of redirecting our pipeline. And—very important at this stage of our company’s growth—our investors are very pleased with our results.”



Portfolio Navigator enables management to make decisions based on the expected value of each project. Bar length depicts the effect of technical and commercial risk and uncertainty.

About SmartOrg

SmartOrg's value-based management (VBM) approach helps organizations drive profitable growth by focusing their attention and resources on high-value opportunities. We help companies evaluate and assess current and future projects and answer the fundamental question: "should we do it?" SmartOrg's software tools, training, and coaching help organizations bridge the gap between business and technology by managing risk and uncertainty, selecting the best projects in their portfolios, setting project strategy and accelerating deployment. SmartOrg headquarters are in Menlo Park, California with regional offices in the eastern and western United States, the United Kingdom, and Asia.

SMARTORG™
VALUE-BASED MANAGEMENT SYSTEMS

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