

Partnership power

TranScript Partners provides pharma and biotech companies with strategic expertise on an 'as needed' basis. Senior Partner Flic Gabbay explains why this approach is flourishing, particularly in strained economic times.



Flic Gabbay

Can you outline your background in the industry and what led you to get involved with TranScript?

I had substantial experience of the CRO industry and of founding companies, including a CRO, but I got to a point where I didn't really want to go on being a CEO any more; I'd been doing it for a long time, and I was a bit fed up of running companies 24/7 and being on constant demand. I was keen to get back to the coal face work I had been doing before that.

So when my colleague, Marcin Mankowski, asked me if I wanted to help set up a CRO, my view was that I didn't want to go down that route as the market is completely saturated with effective CROs. I thought it would be difficult to achieve organic growth in that market now, but then I thought about the fact that there are many companies that can't afford to keep their senior strategic staff. These organizations, big and small, turn to freelance consultants to fulfil their needs, but this is more 'on and off' than it is consistent, and small pharma, particularly, can't afford to hire them. It struck me that if we could bring some of these experienced consultants together, it might be the kind of business that could serve people well.

What problems did you face in setting up the partnership?

We couldn't do it the conventional way because you can't get senior strategic people to come into the conventional hierarchy of a small limited company. Also, they wouldn't want to come into an organization where they had no ownership. So this is where I got the idea that the partnership approach was probably most appropriate. We looked around to see if there were any similar organizations in the pharmaceutical industry, but there weren't; several people had tried the partnership route, but most had failed because of the amount of work involved in getting an agreement together, which was something we subsequently found out for ourselves.

How easy was it to put the team together, and then to make contact with big and small companies?

I had a consultancy company running and that already had 8-10 substantial contracts. We'd also been working with people who were part of our network and were subcontracted to us. So the first people who came on

board were either working with us already or very keen to join us, having come out of Big Pharma. We are still very young as a partnership, but we've been contacted already by significant numbers of people wanting to join us.

The concept has been very popular, as we had anticipated, with small pharma and biotech, but also with Big Pharma, as our timing coincided with GSK, Pfizer and so on shedding significant percentages of R&D staff, and also with a number of the mid-sized to large companies strategically deciding to contract out much greater amounts of their R&D. The latter is becoming critical because, while there is lots of legislation for the contracting out of data management, there is much less around medical monitoring and strategic planning. It's more difficult to find the appropriate people in those areas and so we've found that we've been approached by much bigger companies than we'd expected.

How big would you like your partnership to get?

I'm not sure I'd want to emulate Baker Tilly or PriceWaterhouseCoopers, but there are some very big partnerships out there. What we discovered as we went through this exercise (and spent a lot of money on lawyers) is that there are many types of models of partnership, some of which would suit the pharmaceutical industry and some that would not.

How closely do you work with the companies that come to you?

A partnership like this is akin to having your own personal lawyer; you often keep the same lawyer as you move from one house to another, maybe as you move from one wife to another! As a consultancy, we once moved with a product through three different owners of as companies merged — we seemed to be the only consistent thing in there; we were attached to the product, if you like. But companies' needs can be extremely variable — that's true of all consulting. So we tend to work in particular therapeutic and functional areas and then we can move resource around. If we are working with one therapeutic in discovery and translational medicine, and in the same therapeutic area in Phase III or Phase IV, then there is no competition, and it gives us the opportunity to mix and match the resource as best we can.

Where in pharma are the areas of greatest need at the moment?

Infection is a big area, right across the board. Marcin Mankowski and I have a lot of experience in this area. There is lots of anti-infective work out there; the US anti-infective congress this year was bigger than it has ever been before, which shows the amount of interest.

Has your rapid success surprised you?

Yes, and I think it's because of where we've landed in terms of the economic situation. Had the pharma world not been going in this direction, I don't think our success would have happened so fast. Many pharma companies have found themselves in situations where they need a lot of flexibility, and small biotechs are not able to raise money so easily any more. They can't hire people, but they still need some level of security in terms of knowledge and experience.

It has been a long struggle to do the underpinning and come up with the structure of the partnership. We went through three sets of lawyers, which took a long time and a lot of money, until we found a strategy that matched an effective pharmaceutical business model. When people see how our model works, I hope they will follow it because there is a serious need to bring strategic consulting into the same acceptance fold as CROs. PTE

About Flic Gabbay

Flic is a pharmaceutical physician with more than 25 years of industry experience. She has worked for pharma and biotech companies in Europe and North America on a range of projects including monoclonals, transgenics, respiratory, anti-infectives and oncology. In 1990, Flic founded Gabbay Group, a CRO acquired by PPD, where she became Global VP for Regulatory and Clinical Research. She has also been CEO of two small oncology biotech companies, Director of Education at the Drug Safety Research Unit in Southampton (UK) and founder Chairman of the Society of Pharmaceutical Medicine.