

WHITEPAPER

# Scaling life sciences operations: Getting it right



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## Expanding a life sciences company is no easy task

For the C-suite executive at a life sciences company, expansion is always on the horizon. However, as you move from product to production, there is a great need to make smart decisions to facilitate growth at your company.

Successfully breaking into the market starts by finding the perfect location to manufacture your company's product at scale. The site needs to accommodate anticipated capacity, make sense financially and be built for the long haul – all while supporting a fully functional, satisfied team of workers.

With these pivotal objectives to consider, how can you advise your company to invest wisely? Deciding where to expand is one thing, but being fully behind that decision – with no regrets and an unwavering team effort – is another.

To approach this expansion with vigor, there are several common pitfalls that can easily set an expansion project on an errant course, or instead on the right course. If financial projections are unrealistic or inaccurate; your approach isn't industry-specific; your team feels in over their heads; or things are not built in a sustainable manner, there will be dire consequences. Learning from companies who have scaled up before you is one of the best ways to mitigate poor decision-making in your upcoming expansion.

Here, some of the top life sciences leaders will share their expertise. From key considerations to lessons learned, you will walk away with a newfound sense of clarity and confidence, knowing your decision will have a positive impact on the future of the company and those whose lives it supports.

## Successful expansion necessitates five primary considerations

Iovance Biotherapeutics, Inc. COO Igor Bilinsky began his career as a management consultant for mid-size biotech and pharmaceutical companies. Since then, he has spent over two decades in leadership roles in the life sciences industry – primarily in oncology, biologics and cell therapy – excelling in chief operating officer, chief business officer and general manager roles.

When Iovance, expanded from San Diego into Philadelphia four years ago, Bilinsky oversaw all operations in its execution. According to Bilinsky, the Iovance team made the following considerations in choosing where to build its new 136,000-square-foot cell therapy manufacturing site:

1. The availability and cost of area real estate
2. The local manufacturing talent pool
3. Logistics and delivery, i.e., proximity to key markets and airports
4. Proximity to key collaborators, i.e., laboratories and contract manufacturers
5. Tax advantages of expanding in a particular location

"These considerations apply to any life sciences company looking to expand their internal capacity," Bilinsky says, "and are vitally important to explore in the decision-making process."



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## Case study: A large team effort spanning three months

Iovance Biotherapeutics approached its expansion efforts with the primary objective of controlling improvements in capacity, costs and quality over time. These goals were specific to the cell-therapy space and stemmed from a desire to build its own internal manufacturing capacity.

With an \$85 billion initial investment on the horizon, deciding where and how to expand rested on the shoulders of the top C-suite executives at the company, including Bilinsky. For a mid-size biotech company, the commitment was significant. One of the biggest challenges was choosing a location for construction, which took several months of expert deliberation.

Bilinsky coordinated a cross-functional team effort consisting of the chief executive officer; the chief financial officer; and representatives of the legal, finance and quality departments, led by the commercial manufacturing department.

More than a dozen potential sites were evaluated during a diligent and rigorous process. Not only did multiple teams collaborate internally, but various consultants were also brought in to assist during the in-depth analysis and planning stages.

The team explored five primary areas of consideration in detail. Philadelphia came out on top by meeting Iovance's requirements:

1. The Philadelphia Navy Yard could accommodate a 136,000-square-foot office space at half the cost of the Bay Area, with flexibility for design and scalability for future growth.
2. Philadelphia is home to a high concentration of cell and gene therapy companies, manufacturers and other pharmaceutical manufacturers. This would help Iovance build a strong, dedicated team of workers to launch the product and operate at the required capacity (up to 2,000 patients per year).
3. The manufacturing facility would be within 10 minutes of Philadelphia International Airport and within driving distance of many other major airports, such as New York and Washington-Dulles. This would allow Iovance to serve both the U.S. and European markets with ease.
4. Philadelphia is home to countless contract manufacturers and laboratories that Bilinsky's team could partner with in mutually beneficial collaboration.
5. The location Iovance selected in Philadelphia's Navy Yard is a Keystone Opportunity Zone.

Less than three years after expanding into Philadelphia, Iovance had a fully operational manufacturing facility in that region. One year later, the company received an award for Faculty of the Year from ISPE (International Society of Pharmaceutical Engineering) in the honorable mention category, as well as a Best Place to Work award.

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Philadelphia is a biopharmaceutical hub – especially for companies in later stages of development and planning for commercialization, and large-scale manufacturing.

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**IGOR BILINSKY**

COO

Iovance Biotherapeutics, Inc.

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## Case study: Growing while the world was shutting down

Patricia Torr is a seasoned pharmaceutical executive with more than 20 years' experience in several industry-leading companies across a range of therapeutic areas. When Torr was hired as president and general manager of Idorsia Pharmaceuticals U.S., Inc., in March 2020, her first task was to decide on a U.S. commercial headquarters.

Idorsia was already an established biotech company headquartered in Switzerland. With positive Phase 3 results from its first R&D organization asset, international expansion was the obvious next step. The goal was to continue development and, ultimately, bring the product to market across the globe. Key criteria for expansion to the U.S. were easy access to a city and an international airport; a strong talent pool; and a welcoming space that would accommodate growth.

However, just as Torr joined Idorsia, COVID-19 restrictions went into effect. With only a few decision-makers to offer support – the CEO, COO and CFO – she was challenged with setting up the company's infrastructure while simultaneously building out her team. The shift to hybrid working, along with new and evolving workplace requirements, made launch preparation even more taxing. In addition, all West Coast locations were ruled out due to time-zone considerations on the European side.

After exploring the Northeast corridor from Boston to Delaware, the tri-state area quickly rose to the top of Torr's shortlist. As her team continued to narrow the locations, it landed on Radnor, just outside Philadelphia. Torr was impressed by the region's infrastructure, as well as its deep employee talent pool and established healthcare industry.

Idorsia established its footprint in Radnor 18 months prior to obtaining FDA approval. Its first product, QUVIVIQ®, indicated for the treatment of adult patients with insomnia, entered the U.S. market in May 2022. The company now has more than 140 full-time employees and 450 contracted sales reps.

### Tried and true: Philadelphia is a prime location for life sciences companies

Both Bilinsky and Torr deeply appreciate all Philadelphia has to offer, describing it as a "biopharmaceutical hub" and "one of our nation's most livable and dynamic cities."

But did Philadelphia prove to be a good choice in helping achieve Iovance's and Idorsia's business objectives?

Four years on, Bilinsky looks back on his team's decision with gratitude and satisfaction. "Everything turned out extremely well, despite challenges faced during the COVID-19 pandemic," he says. "Support from the Philadelphia government and local authorities was instrumental for keeping construction on track. When we explained how essential the facility would be for providing potentially life-saving therapies for patients with cancer, they were happy to help, and we worked together closely."

Bilinsky initially described the Philadelphia location as looking "quite perfect," and he is glad his company chose to expand Iovance there. "All factors considered were estimates and forward-looking assessments," he says. "But a year

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Philadelphia has quickly become a leading destination for biotechnology and life sciences.

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#### PATRICIA TORR

U.S. president and general manager  
Idorsia Pharmaceuticals Ltd.

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on, all those decisions still hold true. We are pleased the evaluation was done correctly. There are no regrets – we’re happy with the decision.”

Torr shares the same gratitude for discovering and choosing Philadelphia as Idorsia’s expansion location. “We are in a great space that is fit for purpose and offers room for expansion as our company grows,” she says. “Three years after establishing our U.S. headquarters in this region, we could not be happier with our choice. It has everything we were looking for.”

Idorsia’s first U.S. location has seen solid growth since launching its first product in May 2022 and shows no signs of slowing down. “As more products are approved in the coming years, our organization will surely continue to grow,” Torr says.

### Customization is key: Advice for life sciences executives

When Bilinsky and his team first embarked on choosing where to expand lovance, it applied the five areas of consideration outlined above to their market: cell therapy. “We were looking to build a state-of-the-art cell therapy manufacturing facility,” he says. “That was our purpose, and our assessment was customized for those goals.”

Bilinsky advises C-suite executives seeking an expansion location for a life science company to prioritize the fit for purpose of a region above all else. “Run a diligent assessment, and customize it to suit your company’s needs and what exactly you are looking to build,” he says. “The weight of various categories may differ from one company to the next. For us, proximity to key airports is crucial: Just-in-time manufacturing is essential in cell therapy, but this may not matter for your organization.”

Philadelphia turned out to be a perfect fit for lovance’s needs. However, it took several months of careful deliberation for Bilinsky’s team to reach that conclusion. Therefore, Bilinsky encourages life sciences and biotech leaders to take a strategic, customized approach when making that decision for their company. “Detailed and diligent planning pays off over time,” he says.

### Philadelphia is the emerging champion of life sciences expansion

Deciding where and how a life sciences company should expand is no easy task. And when there are millions or even billions of company dollars at stake, and thousands of people’s jobs on the line, it only adds to the pressure you face as a C-suite executive.

While certain regions come to mind immediately when it comes to new operations, it doesn’t mean they’re always the right path. Greater Philadelphia makes sense from a business perspective, and many life sciences teams have already tried and tested it by executing their expansion plans there.

Whether you’re looking to prioritize research expertise; available and affordable land for manufacturing; or global connectivity, include Greater Philadelphia when conducting your internal assessment.

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Philadelphia has a deep labor pool for manufacturing-related jobs to take advantage of.

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**IGOR BILINSKY**

COO

lovance Biotherapeutics, Inc.

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# SELECT GREATER PHILADELPHIA

Interested in discovering how Greater Philadelphia can help fuel your company's growth? Select Greater Philadelphia is committed to helping companies achieve their vision. Contact our team for more information about the region's talent pool, incentives and how to get plugged in.

Start here: [selectgreaterphl.com](https://selectgreaterphl.com).