

Finding the Perfect Strategic Partner for an FDA Approved Drug

George Whaley, San Jose State University

Jessica Brown, San Jose State University

Abstract

MannKind Corporation is a small biotechnology firm faced with a critical decision to find a partner to market its first product. The Food and Drug Administration (FDA) approved the firm's inhalable dry powder insulin (Afrezza) in June 2014 that has the potential to help millions of diabetics worldwide. MannKind burned cash at a high rate to develop Afrezza; hence, it is not yet profitable and other products in their pipeline are years away from FDA approval. Top management decided to review a short list of stable pharmaceutical firms to select the best strategic partner. Based on the experience of other firms and their own experiences, MannKind management knew money and marketing acumen were not the only items needed to make the partnership successful. The incident (CI) ends with top management mulling over an appropriate decision process and tools to select the best strategic business partner to market Afrezza.

Learning Outcomes

In completing this assignment, students should be able to:

1. Identify factors involved in selecting appropriate pharmaceutical business partners to commercialize FDA approved biotechnology products
2. Apply decision support system models to analyze critical success factors for strategic alliances between biotechnology and pharmaceutical firms
3. Defend decision-making models that are appropriate for selecting the best pharmaceutical strategic business partner to commercialize FDA approved biotechnology products

Application

Graduate and advanced undergraduate courses in strategy, decision-making, and entrepreneurship are the primary focus of this critical incident. Due to the industry context, graduate management classes in biotechnology, related life science fields, and workshops for life science industry professionals should be considered.

Key Words

strategic management, entrepreneurship, product marketing and biotechnology management

Contact

George L. Whaley, School of Management., One Washington Square, Lucas College and Graduate School of Business, San Jose State University, San Jose, CA 95192-0070, Email: george.whaley@sjsu.edu. Phone: 408- 924-3564.