

Looking for partners

French drug maker says it's eager to work with Boston-area companies



“We have a footprint here,” Christopher A. Viehbacher, director general of Sanofi-Aventis said. Cambridge is a “hotbed of research activity.” (John Tlumacki/Globe Staff)

By [Robert Weisman](#)

Globe Staff / November 11, 2009

CAMBRIDGE - The top executive of French drug maker Sanofi-Aventis SA reached out to Boston-area researchers and biotechnology start-ups yesterday, offering “partnerships for innovation” that could range from investing in drugs to outright acquisitions.

Speaking to about 200 guests at a Sanofi-Aventis research site here, director general Christopher A. Viehbacher, who is based in Paris, outlined a strategy that is becoming common at pharmaceutical giants whose own research and development efforts have slowed: Team up with smaller and nimbler biotechs.

“We’re starting to learn to work with others, to play nicely together,” said the Canadian-born Viehbacher, who indicated he may establish a venture capital fund to invest in promising start-ups. “There are going to be limits to what we can do as a big company.”

Sanofi-Aventis, formed through a 2004 takeover of the French-German medical testing company Aventis by the French pharmaceutical group Sanofi-Synthelabo, has kept on expanding through acquisitions. Last year, it bought British vaccine maker [Acambis PLC](#), which operated a Cambridge research center with 120 employees and a distribution site in Canton with 60 workers. Sanofi-Aventis now has about 250 employees in Massachusetts, including about 70 who worked at a Cambridge lab run by Aventis and its predecessor companies.

The drug company, which has about 98,000 employees worldwide and rang up sales of \$37 billion in 2008, has focused its core business in the fields of oncology, immunology, and inflammation. But with US patents expiring on some of its best-selling traditional drugs, such as the heart pill Plavix, it has been eager to expand into the more complex treatments developed by biotech companies as well as into territories outside the United States and Europe.

Last summer, Sanofi-Aventis unveiled a restructuring plan that will shutter sites in France, Spain, Japan, and the United Kingdom, but company operations in the Boston area will remain intact.

Similarly, New York drug maker [Pfizer Inc.](#), which last month purchased rival Wyeth Pharmaceuticals, spared its research operations in Cambridge and Andover in a reorganization disclosed Monday that will result in the closing of a half-dozen company research sites.

Other foreign drug giants have been building up their research franchises here, despite the tough economy. They range from Switzerland's [Novartis AG](#), which set up its global research headquarters in Cambridge, to Takeda Pharmaceutical Co. of Japan, which bought [Millennium Pharmaceuticals Inc.](#) right next door to Novartis.

Large pharmaceutical companies are compelled to have a presence in the Boston area to chase "the entrepreneurial spirit that drives the creation of these small biotech companies and the innovation that goes with it," said Kevin J. Gorman, managing partner at Putnam Associates, a Burlington consulting firm specializing in life sciences.

"Boston has the critical mass of research talent," Gorman said. "It's fueled by the science at all of the academic institutions and the university teaching hospitals. The pharmaceutical companies have the ability to do clinical studies on a global scale, and they have the deep pockets to finance it. But their internal research and development activity has been relatively poor over the past couple of decades."

Not all of the partnerships Sanofi-Aventis strikes will be acquisitions, Viehbacher said in an interview yesterday. Another model, detailed last month, is its investment of up to \$530 million in Merrimack Pharmaceuticals Inc., based in Cambridge, as part of a broader licensing agreement to codevelop and commercialize Merrimack's antibody designed to treat multiple forms of cancer.

"We have a footprint here," Viehbacher said. "The Cambridge, Mass., area is a hotbed of research activity. So for me, it's important to start becoming networked into this area . . . We are certainly in conversations with a number of companies in the Boston area."

One move Sanofi-Aventis or other pharmaceutical powerhouses is not likely to make in the short term is to build its own new research and development plants. “The traditional model of bricks and mortar has gone the way of the Dodo bird,” Viehbacher said.