



Life Sciences, Drug Development, biotechnology

Right Brains Wanted: Sanofi-Aventis Wants to Tap the Creative Genius of Boston-Area Biotechs

Ryan McBride 11/11/09

Sanofi-Aventis (NYSE: [SNY](#)) hosted a large event at its R&D site in Cambridge, MA, yesterday to make its pitch for why Boston-area biotech companies should want to form partnerships with the French drug giant. It was an impressive show of force by the company, which has historically kept a lower profile in local biotech circles than some of its Big Pharma competitors.

The top brass from Sanofi were there at the firm's Cambridge Research Center in Kendall Square. Sanofi CEO Chris Viehbacher outlined the global drug-maker's plans to form stronger ties with biotech firms in Boston and around the world as part of a broader strategy to build a more sustainable business. Viehbacher also confirmed that Sanofi plans to form a venture capital unit to invest in biotech companies and further efforts to access innovation from outside of the company.

Sanofi, like many other Big Pharma companies, is looking outside of its organization to biotech firms for what Viehbacher called the "right brain activity" that leads to creativity and innovation. Sanofi's shift toward more external product development efforts includes a [partnership deal with Merrimack Pharmaceuticals](#), announced last month, focused on the Cambridge, MA-based biotech's experimental antibody drug for cancer. There's a good reason for this: the large and expensive internal R&D organizations of Big Pharma companies like Sanofi haven't been productive enough. Over the next several years Sanofi is facing patent expirations on some of its biggest sellers, such as anti-clotting drug clopidogrel bisulfate (Plavix) and the sleeping pill zolpidem (Ambien).

"We all know there is a patent cliff in this industry, and it goes from 2012 to 2014," Viehbacher said. "But my goal isn't just to fill a sales gap," it's to build a sustainable business. (Viehbacher [spoke to Xconomy at length in June](#) about his strategy for building sustainable business at Sanofi.)

Sanofi has been in Massachusetts for more than a decade, but the company has been less active in partnering with biotechs in the state than other Big Pharma outfits. The company conducts a wide variety of genomic research at its Cambridge Research Center on Albany Street, and last year the firm expanded its presence in the state with its acquisition of British vaccine developer Acambis, which has operations in Cambridge and Canton, MA. This year the company has formed alliances with

Lexington, MA-based Raindance Technologies, a provider of microfluidics tools for genomic research, and Merrimack. Yet other Big Pharma companies such as GlaxoSmithKline and Novartis have been more active than Sanofi recently in partnering with local biotech companies. (Viehbacher is no stranger to London-based Glaxo's commercial strategy, having headed that company's U.S. pharmaceutical organization before becoming chief executive of Sanofi in late-2008.)

Our intention is to be a “first-choice collaborator and partner,” said Jason Slusher, site head of Sanofi’s Cambridge Research Center. “We know that’s not always the case, but we want to get there.”

Still, some could argue that biotech companies need resources from Big Pharma just as much as—or more than—Big Pharma needs them. The outlook for biotechs that wish to raise money through initial public offerings remains bleak, and sometimes a partnership with a pharma company can supply younger firms with money to advance their drugs and, just as crucially, expertise in late-stage drug development and commercialization. Sanofi, with 2008 profits of about \$6 billion on \$40.6 billion in sales, has plenty of cash to invest in companies that can help it advance its own strategic goals.

What types of technologies is Sanofi seeking to access from biotechs? Well, it’s probably easier to say what the company isn’t interested in: “Me-too” products that don’t differentiate themselves from existing treatments. Marc Cluzel, head of R&D for Sanofi, said during his presentation at the event that the company has sought partnerships with biotech firms with expertise in biologics, of which the firm has less internal expertise than it does with chemical-based drugs. Sanofi, for example, has gained an interest in several antibody drug programs through its broad partnership with Tarrytown, NY-based Regeneron Pharmaceuticals (NASDAQ:[REGN](#)), Cluzel said.

Indeed, Sanofi’s event generated significant interest from the local biotech community. Just in my own travels there I chatted with or spotted (to name only several people and in no particular order): Nagesh Mahanthappa, vice president of business development and operations at Waltham, MA-based [Avila Therapeutics](#) (he told me he was there to learn more about Sanofi’s interest in oncology partnerships); Robert Mashal, CEO of Newton, MA-based [NKT Therapeutics](#); [Ben Zeskind](#), CEO of Cambridge-based Immuneering; [Amir Nashat](#), general partner of Polaris Venture Partners in Waltham; [Abi Barrow](#), founding director of the Massachusetts Technology Transfer Center (and an Xconomist); and David Steinberg, partner at PureTech Ventures and CEO of [Enlight Biosciences](#).

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