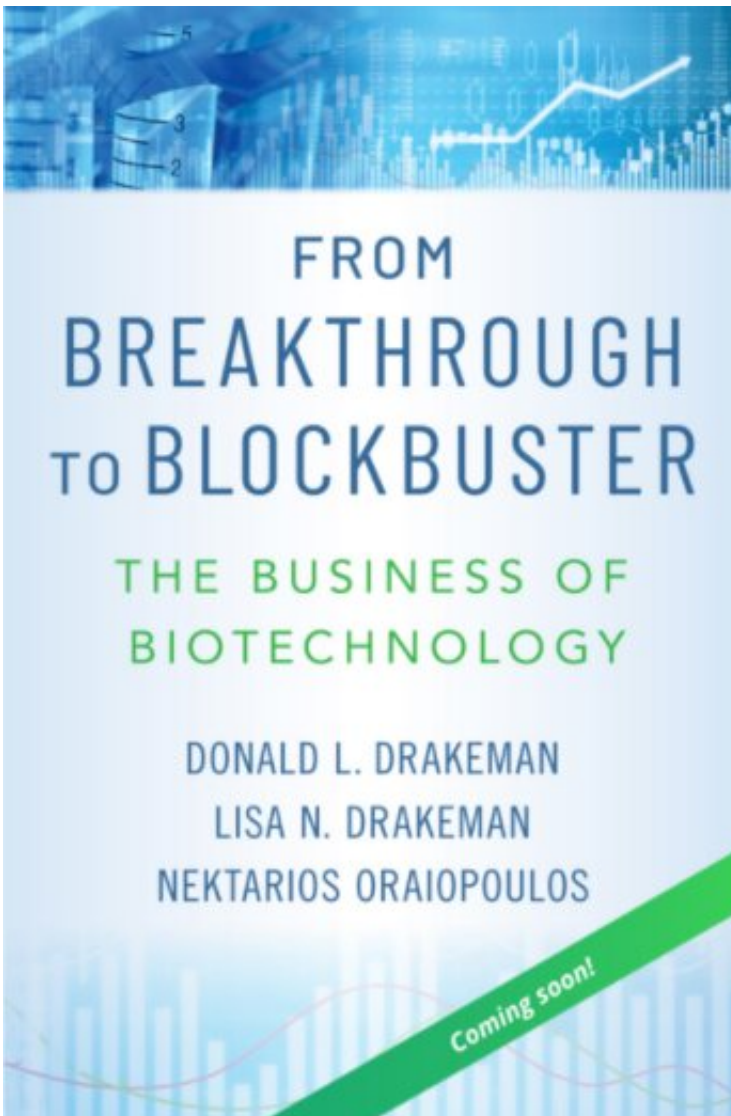


New book highlights how small biotech companies are outperforming big pharma

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Credit: Oxford University Press

Biotech firms have developed nearly 40 percent more of key treatments for unmet medical needs, says a new book co-authored by Cambridge researchers.

From "[Breakthrough to Blockbuster: The Business of Biotechnology](#)," published today, shows how the small, inexperienced entrepreneurial companies making up the [biotech industry](#) have created more life-changing medicines than all of the large pharmaceutical companies combined.

The book, published by Oxford University Press, was written by Cambridge Judge Business School Associate Professor Nektarios Oraiopoulos, biotechnology entrepreneur Dr. Lisa Drakeman, and Cambridge Judge Fellow Donald Drakeman.

"From Breakthrough to Blockbuster" describes how academic researchers and investors have worked together over the past half-century to create an industry consisting of thousands of small entrepreneurial companies, most with fewer than 50 employees.

The book's surprising discovery is that despite the high cost of drug development and the complex regulatory environment, the biotech industry's ability to tolerate and manage risk outweighs the pharmaceutical industry's advantages of scale, scope, experience, and massive resources.

The story of how these small entrepreneurial companies have discovered most of the important new medicines while spending less than the highly experienced pharmaceutical industry can provide valuable insights for any industry seeking to innovate in uncertain and ambiguous conditions, the authors say.

The book also provides practical insights such as how entrepreneurs

should describe their companies to investors.

As Oraopoulos explains: "The [driving force](#) was to bring together the complex reality of running a biotech [company](#) with the insights offered by the academic literature."

The book is designed for a wide range of audiences including students, scholars, practitioners and policymakers. Stefan Scholtes, also from Cambridge Judge Business School, wrote about the book: "How is it possible that a few thousand small companies, many of them short-lived, can out-compete the mighty pharma majors at their own game? Understanding this puzzle is of fundamental importance for industry leaders and policymakers alike."

Provided by University of Cambridge

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