

7 Tips for Growing a Successful 'AI in Pharma' Business: Key Growth Strategy Lessons

July 20, 2022 by Amandeep Singh

The 'AI in Pharma' start-up space has been rapidly exploding, with new companies being formed every month. The explosion has been fueled by slow yet steady adoption of such tools by the biopharma companies. However, it's only a handful number of start-ups that are garnering all the attention while others are struggling to even get a single 'paid' project.

Several start-ups are likely to die within 2 years, even when they had built great products/ services. A good idea or product is only a small brick in the building of a successful company. Biopharma is a complex industry with several stake holders, high regulations, and high rates of failure due to complexity of the biological systems. With these limitations in the backdrop, the hesitation to trust or adopt a new tool is justified.

Therefore, building a robust sales and marketing strategy that is aimed towards the decision makers in the industry is of crucial importance. Over the past 2 years, I have been trying to bridge this gap by working with several tech-enabled start-ups to refine the product and business strategy as well as an advisor to several biotech's and pharma companies for digital adoption strategy. Here are some key takeaways:



Image credit: Peshkova, iStock

Do not take a shot gun approach

In the early stages, each conversation with a potential client will usually provide vast amounts of feedback, that can help pitching the product better in the next conversation or refining a few parameters in the product.

Many start-ups go wild on approaching anyone and everyone they find in conferences, LinkedIn or other avenues. You only get one or max two chances to knock on someone's door, if your product or pitch is not convincing, likely the door is closed forever.

Taking a measured approach can really help you in building confidence. First, exhaust all your 1st and 2nd degree network to get conversation. Then, approach small or mid sized companies first to hone your value proposition eventually going to the larger corporations.

Speak the language of Pharma and Healthcare

Tech founders tend to often answer all questions with a pinch of 'my algorithms are suitable for this pipeline' and 'my platform is flexible', 'We can run predictive analytics on top of it' etc., when there are biologists asking simple scientific questions. Being eager to showcase technology is only portion, starting to speak how the technology is transform their day-to-day workflow and talking the language of pharma is more important to showcase understanding of the space.

Do not overpromise

I have previously written about some key pitfalls that start-ups need to avoid. I would re-emphasize the fact here that start-ups often get starry eyed about the capabilities of their platforms. Also, as a fund crunched start-up, you want to do everything for everyone, make a dollar here and a dollar there, because its literally a fight for survival.

Even when you are desperately wanting to sign the contract, DO NOT commit to somethings you cannot do. Like in any upcoming technology, you are never fully aware of true issues that can come in the process.

Majority of the big pharma has had previous bad experiences where they spent thousands of dollars in contracts that were over promised. These stories of bad experiences become notoriously popular in the scientific community and can hamper the growth.

Decide who are you selling to early in the game

No matter the type of product you are developing, whether it is platform aiding drug discovery, or NLP driven competitive intelligence or digital health platform or something else, decide who are you selling to? FIND YOUR NICHE.

When you begin, the product roadmap is often guided by the market feedback. The product may be tweaked to serve diverse stakeholders. However, this approach of serving everyone can often de-rail the overall growth by keeping the bandwidth thin. You may have to make explicit choices sometime to

understand who the stakeholder is that you are trying to serve. If you are not sure, you take it as it comes. As things shift and dust settles, you'd be able to identify your niche and excel at one thing.

Bundle with other non-competing tools

Managing contracts is a time consuming and hard job. Every large corporation needs multiple platforms that can serve related functions in a dept. Big companies would rather manage a few large contracts than a lot of small ones. Since innovation space is about small pockets because you only excel at one thing, find non-competing partners to build a consortium that can offer end-to-end partners for execution of a job.

Understand the budget cycles and be patient

The course for the year is usually set with strategic objectives that they want to achieve. If the solution that meets the plan, funds are available. But if it's a good idea but doesn't meet need, it may be next year. Understand the budget cycles and strategic objectives of your client and decide the best business model that may work for them. Big upfront or split subscription or risk sharing, a careful thought about their financial situation before putting your first offer may provide a sense of a partner than a vendor, where they feel aligned, and you are not just selling your software.