

PRACTICE CASE OBJECTIVE:

To study the aspects covered in the classroom regarding corporative strategies in a large firm.

WORK TO BE DONE:

Read, on an individual basis, the attached report on the company Pfizer, and then answer the discussion questions that follow.

If you are not skilled in the analysis of cases, you may find it worthwhile reading 'How to Conduct a Case Analysis' (a file you can find in the same folder as this document).

After working individually, share your findings with your work team and make a joint report with a maximum length of two pages (**no cover page is needed, just the title of the case and the team member names**), written using Calibri 11 with 1.5 interlining and justified text. Upload your report as a pdf file on Moodle, before the due date. The report is not to be presented in class.

Originality and professionalism will be highly valued.

Pfizer – BioNTech: A strategic alliance for covid-19 vaccination

In December 2019, a disease called covid-19 broke out in China. It spread in 2020 around the world and generated the first pandemic in many years – perhaps even in a century. Millions of people have been infected since then, many of them severely, and the disease had caused more than three million deaths worldwide by the end of April 2021.

5 The situation posed an extraordinary challenge for all humankind. Along with non-health measures (such as lockdowns, travel restrictions, and social distancing), there was much to do from a health point of view. Despite the existence of some cases of cross-immunity derived from pre-existing viruses, the immune system of most of the population was not prepared to fight this virus. Thus, one of the main tasks was to create effective medicines and vaccines that
10 could help cure or protect people.

Vaccinating the population as quickly as possible was a major effort for pharmaceutical and biotechnology companies. After obtaining the vaccine itself from a process of technological development, based on basic and applied research, it was necessary to develop different testing phases, before submitting the medicine for the approval of national health authorities
15 and supranational organizations (such as the CDC for the United States, and the EMA in the European Union). Additionally, mass production of the approved drug and its distribution to different buyers (mainly national health systems) were required.

Performing these tasks may require different resources and capabilities. It could be useful for the companies developing vaccines to be smaller and more agile as significant research
20 capacity often requires flexibility. However, conducting mass testing in different countries, as well as presenting vaccines to regulators, may require considerable size and organizational capacity, as well as a profound understanding of how to work with different health systems. Finally, the mass production and distribution of approved vaccines requires a strong operational capacity, and efficiency rather than flexibility.

25 Bringing all these capabilities together in a single company could be very complicated. Therefore, the main vaccine projects for covid-19 (Pfizer-BioNTech, Oxford-AstraZeneca, Sputnik V, Janssen, and Moderna) have been developed through cooperation agreements between companies and organizations, in which each contributes its main resources and capabilities. One of the best known is the relationship established between the German
30 biotechnology BioNTech and the American pharmaceutical company Pfizer, which has resulted in the vaccine called Comirnaty in the EU.

The main role of BioNTech, a company started following the discovery of messenger RNA technology, has been to propose various potential vaccines supported by this technology, based on its BNT162 covid-19 research program, which began human clinical trials as early as
35 April 2020. For its part, Pfizer, one of the world's pharmaceutical giants, contributed its clinical research capacity to develop such tests and achieve approval from regulators, as well as its considerable capacity for producing and distributing the drug.

40 The agreement included Pfizer's \$185 million advance to BioNTech, which enabled the
 biotech company to meet the initial costs related to the development of the vaccine. This
 advance was distributed as a cash payment and an equity investment. BioNTech could
 additionally receive various payments (up to \$563 m) depending on the fulfilment of different
 objectives. In this way, BioNTech could receive \$748 m. Costs would be shared between both
 companies, although thanks to its financial muscle Pfizer would start by paying all the costs,
 with BioNTech repaying its 50% from the income derived from the commercialization of the
 45 vaccine.

The vaccine was successfully developed. After passing the previous stages, on 19 November
 2020, Pfizer announced the success of the new drug in phase 3 clinical trials, which placed it
 on the verge of approval by health authorities, which occurred on 14 December (CDC) and 21
 December (EMA). On 27 December, the first doses arrived in Spain and the rest of the EU, and
 50 this began the vaccination process.

To increase the mass production of the vaccine, both companies had their own production
 plants, such as BioNTech in Marburg (Germany), in addition to reaching outsourcing
 agreements with other companies such as Catalent, Delpharm, or Novartis. With this, the
 alliance indicated at the end of March 2021 that it expected to reach a production of 2.5 billion
 55 doses in that year.

However, not all the news was so good. Although the experience has been positive for both
 companies, the CEO of Pfizer announced at the end of March 2021 that in the future it would
 independently develop, without BioNTech, vaccines for other diseases based on messenger
 RNA technology initially developed by BioNTech.
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Question: Analyse the alliance between Pfizer and BioNTech from the point of view of each
 company, considering advantages, disadvantages, and results.

Sources of information used:

- [www.pfizer.com/news/press-release/press-release-detail/pfizer-and-biontech-announce-further-
 details- collaboration](http://www.pfizer.com/news/press-release/press-release-detail/pfizer-and-biontech-announce-further-details-collaboration)
- [https://www.cnbc.com/2021/03/23/pfizer-to-reportedly-develop-new-vaccines-on-its-own-using-
 mrna- technology.html](https://www.cnbc.com/2021/03/23/pfizer-to-reportedly-develop-new-vaccines-on-its-own-using-mrna-technology.html)
- https://cincodias.elpais.com/cincodias/2021/03/30/companias/1617104272_252842.html