**[STRATEGIC ALLIANCES – AN UNTAPPED OPPORTUNITY](http://veterinarystemcelltherapy.wordpress.com/2013/01/29/strategic-alliances-regenerative-medicine-dog-stem-cell-therapy/%22%20%5Co%20%22Permalink%20to%20Strategic%20Alliances%20%E2%80%93%20An%20Untapped%C2%A0Opportunity)**

Strategic Alliance is defined as ‘an arrangement between two companies that have decided to share resources to undertake a specific, mutually beneficial project’.

In the regenerative medicine industry we have seen, and will continue to see, the importance of strategic alliances.  In 2012 we saw several strategic alliances including the following..

* [Vitro Biopharma](http://vitrobiopharma.com/) and [HemoGenix, Inc.](http://www.hemogenix.com/) will jointly manufacture and distribute the LUMENESC quantitative assay for determination of MSC quality, potency and response to toxic agents.
* [Genomic Health, Inc.](http://www.genomichealth.com/) (Nasdaq: [GHDX](http://studio-5.financialcontent.com/prnews?Page=Quote&Ticker=GHDX)) and [OncoMed Pharmaceuticals, Inc.](http://www.oncomed.com/) (OncoMed) today announced a strategic alliance to use Next Generation Sequencing (NGS) to identify biomarkers that can be applied to the clinical development of OncoMed’s novel antibody cancer therapeutics.

While strategic alliances like these are common there is a segment of the industry that has tremendous potential but currently is untapped.  This market is the veterinary market.  The technology, research and products being developed for humans could help this immature but promising market grow substantially over the coming years.

Recently as Vice President of Business Development for a veterinary regenerative medicine company I was surprised on the lack of strategic alliances between human and veterinary regenerative medicine companies.  With 78 million dogs and 90 million cats in the United States the companion animal market has tremendous potential for regenerative medicine companies.

One company that has followed this path with success is a local company, [VetDC](http://www.vet-dc.com/) out of Fort Collins, CO.  As noted on their website:

“[VetDC](http://www.vet-dc.com/) is a private Colorado-based company, founded on the principle that companion animals should have greater access to novel, innovative medical treatments. In spite of tremendous advancements in human medicine over the last 20 years, surprisingly few treatments have been optimized for use in veterinary medicine. For example, while over 200 drugs are currently approved and available to treat human cancers, there have been **only two** FDA-approved drugs for canine cancer. It is particularly frustrating for those who have lost a beloved pet to a serious illness – knowing that their pet could have lived longer or suffered less – had some of those human advancements been adapted for veterinary use.

*Strategic alliances will play a key role in successful commercialization of regenerative medicine.*

**Translational Technology**

According to the report [“Cell therapy clinical trials – 2012″ by Alexey Bersene](http://celltrials.info/2013/01/08/2012-report/?utm_source=feedburner&utm_medium=twitter&utm_campaign=Feed%3A+CellTrials+%28Cell+Trials%29)v there were 226 registered clinical trials in cell therapy in 2012.  These are trials that fall under the definition of ‘cell therapy: administration of living cells in humans with therapeutic purpose’.  In 2011 there were an estimated 157 registered clinical trials in cell therapy, a 44% increase in one year.  This demonstrates the increased interest in the field.  At this rate there will be well over 300 registered clinical trials in 2013.  Certainly not all of these trials are translational to the veterinary market but a number of them certainly have the potential.

Recently, I visited with several regenerative medicine companies on the idea of forming a strategic alliance with a veterinary company and the interest has been tremendous.  It’s an area of opportunity unexplored by many and as one colleague of a human stem cell company told me last week:

*The possibility of migrating some of our efforts to the veterinarian side seems very attractive!*

Most biotechnology companies do not consider veterinary applications for their products and typically do not have strategic interest, foundation of expertise or financial capacity to invest in veterinary product development. [VetDC](http://www.vet-dc.com/) has taken a lead role in this initiative by licensing emerging human technologies and developing and commercializing those technologies for companion animal use.  This same opportunity exists in regenerative medicine.

**Friendly Environment**

The regulatory hurdles set forth by the FDA requires a huge financial burden and a substantial commitment of resources (people, space, equipment, etc.).  Due to the cost and time it can take to receive FDA approval for a new human product it would be advantageous for companies to look at expanding into the veterinary market.  There are numerous benefits of entering into a strategic alliance with a veterinary company.

1. Less regulatory hurdles
2. Leverage current assets
3. Time to market
4. Pool and share resources
5. Scientific validation
6. Consumer acceptance
7. Determine acceptable price point
8. Revenue

Forming a strategic alliance with a veterinary company is a low risk, high reward approach.  If you and your company want to consider expanding into the veterinary market feel free to contact me.  I have spent the past 15 years in the veterinary/companion animal industry including the past 1.5 years as Vice President of Business Development for a regenerative medicine company.  I would love to hear your thoughts and share with you my experiences and expertise.  To receive notifications on future articles from this blog hit the follow button below.  Coming up next will be a Q&A with a regenerative medicine leader.