The purpose of this guide is to provide a good grounding in how to use accepted and reliable methods for valuing pharmaceutical and biotech projects. For those readers that are negotiating deals or those that need to perform a rigorous portfolio review, this book provides the essential framework for understanding and calculating both the value of a project today and how that value can be built over time. The methods presented in this book provide the solution to these issues through the combination of historical analysis of what the market has been willing to pay for similar products and technologies and forward looking projections that explicitly handle the issues of risk, time, cost and reward. Potential components of deal structures are also discussed, as are the appropriate levels of risk and reward sharing and the significance of individual company needs and preferences. When incorporated into the valuation models that have been built, these elements will permit the development of deal structures that are attractive to both sides.
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