There have been fascinating, industry-disrupting stories in recent years, including FedEx’s purchase of Kinko’s, Netflix dismantling of Blockbuster’s model, Amazon’s on-line sales leading the decline of box-store retailers and many others. It is a time of disruptive change. This story has the same level of disruption, without a losing party.

Biogen Idec, the world’s oldest independent biotechnology company, and Eisai Co., Ltd, a research-based pharmaceutical company of worldwide products, established a partnership on December 12th, 2012 like no other. With manufacturing facilities only a mile apart, the two companies decided to share production facilities in order to better respond to changing customer demands and maximize their resources. At the time, Biogen Idec was seeing a steep demand increase for one of its oral solid dose drugs. Eisai was in a gap period of reduced production, waiting for its latest pipeline products to be approved. Partnering to make use of idle production space is a logical, yet unusual decision for industry peers. Where did these organizations identify this as a possibility?

NC State Executive Education’s Managing Disruptive Innovation executive program challenges organizations to re-think their business models, and based on changing customer demands seek innovative new solutions. Biogen Idec and Eisai leaders both participated in the MDI program over two years, engaging in activities that helped both parties explore creative solutions to strategic change; methodologies that supported the development of their capacity-sharing relationship.

Lou Arp, general manager of Eisai commended the role that NC State Executive Education played, saying “I hope you are able to enjoy the moment knowing that you were in on the ground floor creating capability for this to happen.”

Post-script: Expanding on the initial capacity-sharing partnership, the two companies recently announced a collaboration to develop and commercialize two of Eisai’s clinical candidates for Alzheimer’s disease.