

biotechnological know-how, the latter being in the form of licences, biotechnological research material or Research and Development contracts.

Large companies, given that their initial activity was not biotechnologies, essentially sell products whether they are of biotechnological origin or not. Small companies generally focus on one or several applications of biotechnologies and can be divided into two groups:

- **recent companies** which have not yet marketed any products but which partially finance their activity by selling some of their research;
- **Research and Development companies** which sell their know-how. Typical examples of this type of company are Transgène and Bioeurope.

## PRODUCTION AND MARKETING

*Most companies wish to produce and market their products in an increasingly international market at the risk of being destabilized.*

Small multifield research structures which primarily sell knowledge seem to be orienting themselves toward various forms of collaboration with companies that already have production units so that they only have to manage technical know-how through patents. Production requires financing and technical expertise that small structures do not usually possess.

Biotechnology companies consider it important to set up production structures during the development phase or, when required, while waiting for authorization. This is logical as marketing a product does not make sense economically unless industrial production procedures permit production at competitive prices.

The relative proportion of sales will decrease in the future and more emphasis will be placed on licences and patents as well as on collaboration in Research and Development. One of the main elements that affect sales is assigning a price to a product. Three factors are important when setting a price: the price of competitive products that already exist, production cost and the efficiency of patent protection.

Given that the current implantation of biotechnological companies is concentrated in the European Community (56%), a relatively high proportion of those being in France (57%), these companies predict a better implantation in the rest of Europe and also in Japan in the future.

To penetrate the various markets, biotechnological companies will have to favor direct sales for markets that are near them, foreign distribution channels, biotechnology companies in countries that are advanced in this field (United States, EEC) and, above all, other companies for Japan.

As direct sale is a method that is rarely adopted to enter foreign markets, marketing products does not require a prohibitive investment. However, the cost depends on the size of the market under consideration. If a small company, then, discovers a product for which