

# A who it serves essay

[Business](#), [Company](#)



## I. Business Model

Mannkind Corporation develops as well as commercializes products for patients suffering from illnesses such as diabetes and cancer. The organization deals in biopharmaceuticals and has only recently ventured into the diabetes and cancer fields, with their involvement in the latter only being in a small way, as funding for cancer projects has proven elusive. However, the corporation is involved in developing technology for diabetic patients and is at an advanced stage of getting one of their products licensed. Overall, the corporation creates products meant for the general market and develops products for the general health care markets, although the current focus is on diabetes and cancer.

## B. What it provides

The corporation's products are yet to receive FDA approval, but include products such as AFREZZA, MKC1106 (both MT and PP), MKC204. AFREZZA, is described by the corporation as a fast acting form of mealtime insulin therapy administered through the use of an inhaler and dose cartridges. The product upon approval, will be used for the control of cases of hyperglycemia. The product is however, yet to be released into the market, as it is yet to pass through FDA approval process, due to insufficient phase 3 human trials. Both forms of MKC1106, are cancer therapies developed on Mannkind's active immunotherapy platform, meant to target different types of cancers. These therapies are also yet to be released to the market as they are in phase 2 of clinical trials. The final product also still in the pipeline, is the MKC204, which is an IRE-1 alpha inhibitor meant for the treatment of multiple myeloma. The CFO, is however optimistic that upon FDA approval,

AFREZZA will be in the market by the 1st quarter of 2014.

#### C. How it makes money

Upon approval of their products still under production, the corporation will attempt to make money through licensing bigger pharmaceutical companies to sell their products, after paying an upfront fee of around \$100 million.

Further, the companies they partner with, will be expected to make milestone payments as well as pay royalties on sales made. For operational purposes, before they are able to introduce their products to the market, the company sold a significant portion of its stock, while the CEO also injected capital close to nearly \$1 billion.

#### D. How it differentiates and sustains competitive advantage

Mannkind aims to differentiate itself from other players in the market by developing unique products such as AFREZZA, as well as the cancer therapies. This approach will differentiate them from other biotechnology companies as well as give the corporation a competitive advantage. In addition, the company aims to partner with other pharmaceutical companies that will help them achieve global reach. The fact that the corporation has one of the brightest CEOs in the field is also bound to give it an edge over its rivals.

### **E. How it provides its product and service**

The corporation aims to introduce its product through major pharmaceutical companies, although the corporation's long term goal is to be able to market and sell its own products. The AFREZZA package in particular will be made up of a small sized light and discreet inhaler, as well as single dose cartridges containing pre-metered inhalation AFREZZA powder, created

using technosphere formulation technology.

## II. Components of the Value Chain

### a) Primary activities

i) Manufacturing using patented technology such as technosphere formulation technology, which makes pulmonary delivery of drugs typically delivered through injections possible. Other technologies are also utilized in the production of the AFREZZA powder, such as the dip dots machine, which the company uses to produce uniformed little chunks of the powder.

ii) Research and Clinical Trials

iii) Reception of FDA approval for the distribution of the various products

iv) Large scale production on the product AFREZZA

v) Licensing of a partner pharmaceutical company

vi) Marketing and Sales

vii) Further research and development, as well as improvements on the pilot product, as well as the introduction of other products.

### b) Support activities

i) Raising of capital through stock sales as well as personal contributions and investments

ii) Invention of various technologies that make the production of unique products possible.

iii) Searching for and negotiating with the ideal pharmaceutical company that has a global reach.

## III. INTERNAL ENVIRONMENT

## **A. Corporate Structure**

Corporate structure also known as organizational structure defines a company's mode of operation and performance of various activities. It involves the manner in which tasks are allocated, the levels of coordination and supervision all towards meeting the organizational ultimate goals.

1. How is the corporation structured at present? Is the corporation organized on the basis of functions, projects, geography or some combination of these?

MannKind Corporation is a company aimed at the innovation, growth and trading of remedial products for patients with diseases such as diabetes and cancer.

The company has a matrix structure which is a type of structure that groups the company's employees by both function and product/division. MannKind offices are divided into three based on geographical location of the offices. The company has offices in California, New Jersey and Connecticut. The headquarters of the company is based in Valencia, California and all the three divisions have different functions.

The company has also been divided in accordance to functional divisions with certain groups of employees performing specialized tasks and each department headed by one senior executive manager.

a) Is the decision making authority centralized around one group or decentralizes to many units?

The decision making structure of the group is decentralized because delegation of authority has been sub-divided systematically. The burden of decision making does not fully lie on the Chief Executive Officer but he and

his team of executive management deal with policy formulation and top level decision making while the rest of the authority is delegated to the middle level and low level management, based on the location of the office and the specialized tasks being undertaken.

2. Is the structure clearly understood by everyone in the corporation?

This structure is fully understood by the employees and other stake holders since such information is fully disclosed in the company's code of conduct and ethics and such information is available in the company's website.

3. Is the present structure consistent with current corporate objectives, strategies, policies and programs, as well as with the firm's international operations?

The present structure at MannKind Corporation is consistent with the current corporate objectives, strategies, policies and programs as well as with the firm's international operations because it portrays the guiding principles, factors and bureaucratic processes necessary for the company and has also reduced the anatomy of the firm to the allotment of authority, span of control and departmentalization.

The structure helps the company to classify priorities hierarchically by recognizing tasks vital to a certain group towards establishment of goals.

## **B. Corporate Culture**

1. Is there a well – defined or emerging culture composed of shared beliefs, expectations, and values?

MannKind Corporation has a well defined culture composed of shared beliefs, expectations and values. All these aspects are documented in the company's code of business conduct and ethics.

2. Is the culture consistent with the current objectives, strategies, policies, and programs?

The culture is consistent with the current objectives, strategies, policies and programs of the firm since the code of conduct and ethics involves all levels of management, officers and supervisors and reflects the business practices and principles of behavior that support the commitment to high standards.

3. What is the culture's position on environmental sustainability?

On environmental sustainability, point number six the firm notes that any violation of environmental laws is a criminal liability as per the federal law and is punishable through fines and imprisonment of both the company and individual involved. The culture of the company is to conduct business conscientiously, with a dedication to minimization or eradication of any harmful matter, dropping waste generation levels and disposing of all waste through secure and dependable methods and applying harmless technologies to curtail ecological risks and being geared up to react suitably to accidents and emergencies.

4. What is the culture's position on quality of performance, internationalization, adaptability to changing conditions and productivity?

The position of MannKind Corporation's culture regarding performance is that the company strives to surpass its competitors through fair and honest competition and not through unscrupulous, corrupt or illegitimate business practices. The company expects the employees to transact reasonably with customers, suppliers, other employees and other stakeholders.

On aspects of internationalization the company operates in different locations which are governed by different laws. The code of conduct and

ethics requires the employees to comply with laws governing their area of business or travel no excuses will be accepted by individuals who will comply with these international laws regardless of whether they are enforced. The U. S. laws and regulations such as Foreign Corrupt Practices Act, U. S Embargo, Export controls and Anti-boycott compliance must be followed by all employees of the company not considering of location.

5. Is the culture compatible with the employees' diversity of backgrounds?

The corporate culture at MannKind is compatible with employees' diversity of backgrounds because diversity is one of the company's values. The firm encourages and respects a work setting that compliments distinctive cultures, ideas and opinions' knowing that what makes individuals different is what makes the company stronger.

### C. Corporate Resources

MannKind Corporation faces a number of challenges, top of the list being the reception of FDA approval for its main therapy AFREZZA. Failing to receive approval will essentially result in the corporation having to shut down.

Actually, each time approval has been denied (twice), the company has had to shed approximately 40% of its staff. Further delays cannot be sustained, as currently, the corporation is operating on a monthly budget of about \$10-\$12 million

In case FDA approval is achieved, the product it is projected will generate about \$2000 per year per patient. Combined with the advantages the product has over drugs aimed at providing similar relief, such as Metamorphin, the chances of the drug performing quite well in the market are good. The facility as currentoly equipped is actually capable of handling



the demands of about 2, 000, 000 patients, translating to revenues of about \$4 billion

The corporation's future upon receiving FDA approval, looks bright, more so due to the strong governance structure it has put in place, as well as the obvious fact that it has at its helm one of the most capable CEOs in the industry. As an individual, the CEO invented insulin pumps as well as the very first cardiac pacemaker.

**“ About MannKind Corporation.” Retrieved from <http://www.mannkindcorp.com/about-us-overview.htm>**

“ Interview with MannKind Corporation CFO”