



Life Science Runway Risk Executive Brief

Why Burn Rate Visibility Fails Before Runway Does

Why Runway Compression Rarely Starts as a Cash Problem

In growth-stage life science companies, runway rarely compresses because of a single overspend decision.

It compresses when lifecycle assumptions drift out of alignment.

Scientific programs continue longer than their commercial thesis justifies.

Manufacturing strategies evolve without long-term COGS modelling.

Regulatory timing assumptions prove optimistic.

Commercial readiness enters too late in development planning.

Each decision appears rational in isolation.

Together, they distort capital visibility.

By the time leadership teams feel pressure on runway, valuation, or deal terms, the exposure has already compounded across functions.

This brief outlines:

- Where runway risk typically accumulates
 - Why capable teams underestimate it
 - How to surface it before financing pressure forces reaction
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Where Runway Risk Typically Accumulates

Across biotech, medtech, CDMOs and university spin-outs, runway distortion most often emerges at functional interfaces.

1. R&D Portfolio Drift

- Programs extended beyond commercial logic
- Scientific optionality preserved at capital cost
- Late-stage pivots driven by earlier assumptions

2. CMC & Manufacturing Exposure

- Scale-up decisions made without long-term COGS clarity
- Contract structures misaligned with volume forecasts
- Reactive process redesign increasing downstream spend

3. Regulatory Timing Risk

- Sequential rather than integrated regulatory planning
- Preventable authority feedback leading to rework
- Underestimated data package complexity

4. Commercial Misalignment

- Target product profile insufficiently stress-tested
- Market access considerations introduced too late
- Value proposition drift between development and launch

5. Organisational & External Spend Drag

- Fragmented accountability
- Consultant-led activity without enterprise alignment
- Functional optimisation at the expense of capital efficiency

6. Data & Decision Infrastructure Gaps

- Decisions made with partial cross-functional visibility
- Metrics optimised for delivery milestones rather than capital preservation
- Qualitative risk not translated into financial exposure

None of these issues appear catastrophic individually.

Together, they distort runway assumptions.

Why Experienced Teams Underestimate Runway Risk

Runway compression rarely results from incompetence.

It persists because:

- Each function optimises locally
- Exposure is delayed, not immediate
- Early-stage decisions feel reversible
- Burn rate dashboards show activity — not structural risk

The illusion of control often masks accumulating exposure.

When Runway Risk Becomes Financially Visible

Most organisations recognise structural runway distortion only when it appears as:

- Accelerated cash burn
- Funding urgency
- Downward valuation pressure
- Less favourable partnering or licensing terms
- Increased dependence on cost-cutting

At this stage, optionality narrows.

Corrective action becomes more expensive.

Investor conversations become reactive rather than strategic.

A Different Way to Surface Runway Exposure Earlier

The Runway Risk & Cost Exposure Audit™ was developed to surface these patterns before they compress capital flexibility.

It is:

- A structured executive diagnostic
- Completed in under 60 minutes
- Designed for 12–24 month runway visibility
- Focused on exposure prioritisation
- Linked to indicative annual cost ranges (€250k–€10m+)

It is not a financial audit.

It is a runway visibility framework.

Who This Brief Is Designed For

This perspective is intended for:

- CEOs and Founders
- CFOs and Finance Leaders
- COOs and Operational Heads
- Portfolio and Strategy Leaders

Particularly those:

- Preparing for funding
 - Managing multiple development programs
 - Approaching licensing, partnering or M&A
 - Scaling operations
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Closing Perspective

Most life science companies do not fail because of science.

They lose optionality because capital visibility erodes quietly across decisions that appear rational in isolation.

Runway protection is not about cost cutting.

It is about earlier structural clarity.

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