

Letter from the Editor

Opaque Times

2011 is ending and we can look back on a period of solid growth in the chemical industry. While increasing costs of raw materials have led to stronger revenues through higher prices in the entire industry, volume growth was and will be dependent on market maturity. Whereas developed markets, such as the United States and Western Europe, indicated conservative growth rates, China, India, Brazil, Russia or Korea are often anticipated to dominate the chemical industry with the highest increase in revenue and growth now and in future. However, industry experts are divided over the near future in 2012. On the one hand some are highly optimistic and expect rising growth rates, compared to this others state that the pace of growth will decelerate compared to this year. And still other experts even warn against the next great recession, induced by a second financial crisis within short time. To provide the readers with some theoretical and practical guidance of how to deal with market uncertainty, global financial volatility and the intensified competition from emerging markets, this issue of the Journal of Business Chemistry is proud to present the following four articles.

In their research article "R&D Spin-outs in the Pharmaceutical Industry" Gunter Festel and Sven H. De Cleyne highlight the impact of R&D spin-outs on drug discovery as well as the development of strategies of pharmaceutical companies. For this, the authors analyze spin-outs of different European drug development and service oriented companies by focusing on background, impact, realization and the underlying strategy of the parent companies. Furthermore they outline key drivers for the realization of a spin out, for example a clear focus on core activities or a performance-oriented controlling through cash-driven key indicators.

Regarding to the increasing importance of eco-innovation reducing firm level energy consumption or improving energy efficiency, Kieran O'Brien and Nuttaneeya (Ann) Torugsa, identify a positive association between technological and organizational capabilities and Energy Consumption or Efficiency (ECE) outcomes in electricity and other energy sources. Their research article "Supply-Side Determinants of Energy Consumption and Efficiency (ECE) Innovations" expands the limited empirical work that addresses the role of ECE innovation and its determinants at the firm level or 'supply side'. Using a firm-level innovation dataset covering all sectors in a regional Australian economy, mainly the authors show the importance of firm-level supply side factors on ECE innovation outcomes.

In the first practitioner's section "Procurement in the 21st century in the Chemical, Pharmaceutical and Healthcare industry", the authors Thorsten Makowski and Michael Clauß discuss the fact that most companies within the Chemical, Pharmaceutical and Healthcare industry have a procurement performance below average. Comparing the mentioned industry to other industries, they outline important trends and targets for procurement. As a result, they identify significant gaps in the areas of procurement strategy, organizational model and daily business processes as well as in realizing potentials.

The current issue ends with the article "Application of Timing Option to Founding Investment Decision of Biotech Start-ups" from Takao Fujiwara. Within in the paper the author applies the discipline of real options analysis for answering the question why there is a huge difference between the United States and Japan with regard to the amount of public companies out of biotech start-ups. Based on this approach, he aims to determine the characteristics of the optimal timing for start-ups, understanding the model structures, and forecasting the optimal timing.

Now, please enjoy reading the third issue of the eighth volume of the JoBC. We would like to thank all authors and reviewers who have contributed to this new issue. If you have any comments or suggestions, please do not hesitate to send us an email at contact@businesschemistry.org.

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