iJRASET
International Journal For Research in Applied Science and Engineering Technology

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 13 **Issue:** IX **Month of publication:** September 2025

DOI: https://doi.org/10.22214/ijraset.2025.74314

www.ijraset.com

Call: 08813907089 | E-mail ID: ijraset@gmail.com

International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.538
Volume 13 Issue IX Sep 2025- Available at www.ijraset.com

A Review: Drug Discovery & Development in the Pharmaceutical Industry

Mr. Tejas Guldagad[1], Mr. Suraj Domale[2], Mr. Kunal Hake[3], Mr. Nitin Gawai[4]
Mahadev Kanchan College of Pharmaceutical & Research, Pune

Abstract: ***The process of drug discovery and development is a long, complex, and highly regulated journey from initial concept to a marketable medicine available to patients. This review article provides a comprehensive overview of the key stages involved in bringing a new pharmaceutical product to market. It begins with the initial identification and validation of a biological target and proceeds through the intricate steps of lead compound discovery and optimization. The critical preclinical testing phase in vitro and in vivo is discussed, highlighting its role in establishing initial safety and efficacy prior to human testing. The article then details the three pivotal phases of clinical trials in human subjects, which assess safety, dosage, efficacy, and overall benefit-risk profile. Finally, the processes of regulatory review, approval, and post-marketing surveillance (Phase IV) are examined. This review underscores the significant challenges of time, cost, and high attrition rates that define the pharmaceutical industry, while also emphasizing the rigorous scientific and regulatory framework designed to ensure patient safety and therapeutic efficacy.***

Keywords: Drug Discovery, Drug Development, Preclinical Research, Clinical Trials, Lead Optimization, Regulatory Approval, Pharmacology, Therapeutic Target, Pharmaceutical Industry.

I. TARGET IDENTIFICATION AND VALIDATION

The first and most crucial step in the drug discovery pipeline is target identification and validation. A "target" is a specific biological molecule—most often a protein, such as a receptor, enzyme, or ion channel—that plays a key role in a disease process. The goal is to find a molecule that, when modulated by a drug, can alter the course of the disease. Potential targets are often discovered through basic research in fields like genomics (comparing genes of healthy and diseased individuals), proteomics (studying protein expression patterns), and clinical observations (noting biological changes in patients). Without a well-defined target, the entire drug development process lacks direction and purpose.

Once a potential target is identified, it must be rigorously validated. Validation involves conducting experiments to prove that interfering with the target has a meaningful impact on the disease. For example, researchers might use genetic techniques to "knock out" the target in cells or animal models and observe whether the disease symptoms improve or worsen. This step is essential to confirm that the target is not only involved in the disease but is also "druggable"—meaning it can be safely and effectively influenced by a drug molecule. Failure to properly validate a target can lead to costly late-stage failures, as drugs developed against poor targets may lack efficacy or cause unintended side effects in humans. [1-5]

II. LEAD COMPOUND IDENTIFICATION

Once a biological target has been validated, the next step is to find a starting point—a "lead compound"—that can interact with it. This involves screening vast libraries of chemical or biological molecules to find ones that show activity against the target. These libraries may include synthetic compounds, natural products, or even existing drugs tested for new uses. High-throughput screening (HTS), which uses automation and robotics to quickly test thousands to millions of compounds, is a common method for identifying initial "hits." These hits are molecules that show a desired effect, such as binding to the target or blocking its function, even if only weakly. The identified hits then undergo preliminary optimization to improve their properties, transforming them into "lead compounds." A lead compound is a promising molecule that demonstrates not only activity against the target but also acceptable early safety and drug-like properties, such as solubility and stability. This stage may involve synthesizing and testing analogs—slightly modified versions of the hit—to understand which parts of the molecule are essential for activity. The goal is to select one or a few lead compounds with the greatest potential to be developed into safe, effective, and optimizable drugs before moving into more intensive preclinical studies. [6-10]

III. PRECLINICAL RESEARCH

The lead compounds that emerge from screening enter the critical stage of preclinical research, where they are rigorously tested for safety and biological activity before they can be considered for human trials. This phase involves two main types of studies: in vitro (test tube or cell-based) and in vivo (animal-based) experiments. In vitro studies help scientists understand the compound's mechanism of action—how it interacts with the target at a molecular level—and provide early data on its potency and selectivity. In vivo studies, typically conducted in animal models such as mice or rats, are essential for assessing the compound's effects in a living organism. These experiments evaluate the drug's pharmacokinetics (how the body absorbs, distributes, metabolizes, and excretes the compound) and its pharmacodynamics (the biological effects it produces).

A major focus of preclinical research is toxicology testing, which aims to identify any potential adverse effects of the compound. Researchers administer the drug at various doses to animals and closely monitor for signs of organ damage, physiological changes, or other harmful outcomes. These studies help determine the highest dose that does not cause significant side effects, known as the "no observed adverse effect level" (NOAEL), which is used to estimate safe starting doses for human clinical trials. Additionally, formulations are developed during this stage to ensure the drug can be effectively delivered to patients, whether as a pill, injection, or other method.

The data gathered from preclinical studies is compiled into a comprehensive submission package for regulatory authorities, such as the U.S. Food and Drug Administration (FDA) or the European Medicines Agency (EMA). This application, called an Investigational New Drug (IND) application in the United States, must demonstrate that the compound is reasonably safe to proceed into human trials and that its proposed benefits justify the potential risks. Without successful completion of rigorous preclinical testing—which can take three to six years—a drug candidate cannot advance to clinical development, making this stage a vital gatekeeper for patient safety. [11-17]

IV. PHASE 1 CLINICAL TRIALS - HUMAN SAFETY AND TOLERABILITY

Phase 1 clinical trials represent the first time a drug candidate is administered to humans, marking a pivotal transition from laboratory and animal testing to clinical evaluation. The primary objective of this phase is to assess the safety and tolerability of the drug in a small group of healthy volunteers, typically ranging from 20 to 100 participants. Researchers focus on determining the drug's pharmacokinetics—how it is absorbed, distributed, metabolized, and excreted by the human body—and its pharmacodynamics, which involves understanding the drug's effects on physiological functions. This stage helps identify the highest dose that can be administered without causing severe side effects, known as the maximum tolerated dose (MTD).

In addition to evaluating safety, Phase 1 trials also gather preliminary data on how the drug behaves in humans. This includes monitoring for any adverse reactions, establishing safe dosage ranges, and observing how the drug interacts with other bodily systems. While the main goal is not to test efficacy, researchers may sometimes include patients with the target disease in later parts of Phase 1 to gather early hints of therapeutic benefit.

The successful completion of Phase 1 is critical for advancing a drug candidate to further clinical testing. The data collected must demonstrate that the drug is sufficiently safe and well-tolerated in humans to justify larger, longer-term studies. Results from this phase inform the design of Phase 2 trials, including dosage selection and patient population. If serious or unexpected safety issues arise, development may be halted, underscoring the importance of this stage in ensuring patient welfare and mitigating risks before broader exposure. [18-20]

V. PHASE 2 CLINICAL TRIALS - THERAPEUTIC EXPLORATION AND EFFICACY

Phase 2 clinical trials represent a critical stage where the focus shifts from initial safety to evaluating the drug's effectiveness in treating the target disease. This phase involves a larger group of participants, typically ranging from 100 to 500 individuals, all of whom have the condition the drug is intended to treat. The primary goal is to gather preliminary data on whether the drug delivers the intended therapeutic benefit. Researchers administer the drug at doses determined safe from Phase 1 to assess its efficacy, while continuing to monitor safety and side effects in a more diverse and relevant population.

These trials are often designed as randomized and controlled studies, meaning some participants receive the experimental drug, while others receive a placebo or standard existing treatment. This allows for direct comparison and helps ensure that observed effects are truly due to the drug itself. Additionally, Phase 2 trials aim to refine optimal dosing regimens—determining the most effective dose with the fewest side effects—and may explore how different patient subgroups respond. Biomarkers and intermediate endpoints (e.g., reduced tumor size, lowered blood pressure) are frequently used to gauge effectiveness quickly.

The outcomes of Phase 2 trials are decisive for the drug's future. Success in this phase provides proof-of-concept that the drug works for its intended purpose, justifying the significant investment and risk of larger Phase 3 trials. However, if the drug fails to demonstrate meaningful efficacy or presents unforeseen safety issues, development may be discontinued. Thus, Phase 2 acts as a key checkpoint, balancing the need for promising therapeutic signals with ongoing vigilance toward patient safety. [21-23]

VI. PHASE 3 CLINICAL TRIALS - LARGE-SCALE EFFICACY AND SAFETY CONFIRMATION

Phase 3 clinical trials are large-scale, rigorous studies designed to confirm the therapeutic efficacy, monitor side effects, and compare the new drug to existing standard treatments. This phase involves a much larger and more diverse population, typically ranging from several hundred to several thousand patients across multiple research centers and often different countries. The primary goal is to generate robust statistical evidence about the drug's benefits and risks in a real-world setting, providing the comprehensive data required by regulatory agencies for approval. These trials are typically randomized, double-blind, and controlled, ensuring that the results are unbiased and scientifically valid.

In addition to confirming effectiveness, Phase 3 trials collect detailed information on the drug's safety profile in a broader population over a longer period. Researchers also assess the drug's overall benefit-risk ratio, evaluating whether its therapeutic advantages outweigh any potential adverse effects. Data on optimal dosing, drug interactions, and effects on specific subgroups (e.g., elderly patients or those with other health conditions) are further refined during this stage.

The successful completion of Phase 3 is the final step before regulatory submission. The results from these trials form the core of the application package submitted to authorities like the FDA or EMA. If the data demonstrates significant efficacy and an acceptable safety profile, the drug is likely to receive approval for market use. Failure in Phase 3—due to lack of efficacy, unforeseen safety issues, or insufficient evidence—can result in the termination of development, representing a major financial and scientific setback after years of investment and research. [23-26]

VII. REGULATORY REVIEW AND APPROVAL

The regulatory review and approval process is the formal evaluation by government health authorities, such as the U.S. Food and Drug Administration (FDA) or the European Medicines Agency (EMA), to determine whether a new drug can be marketed and prescribed to patients. After Phase 3 trials are completed, the pharmaceutical company compiles all data from preclinical and clinical studies into a comprehensive application—submitted as a New Drug Application (NDA) in the U.S. or a Marketing Authorization Application (MAA) in Europe. This dossier includes detailed information on the drug’s safety, efficacy, manufacturing process, and proposed labeling, providing evidence that the benefits of the drug outweigh its risks for the intended population.

Regulatory agencies conduct a thorough, multi-disciplinary review of the submission, which can take anywhere from several months to over a year. Committees of independent experts may be convened to provide additional advice, particularly for innovative or complex therapies. If the agency is satisfied that the drug is safe and effective, it grants approval, allowing the company to market the drug. However, they may also request further studies or post-market monitoring (Phase 4) as a condition of approval. This rigorous process ensures that only drugs meeting strict standards of quality, safety, and efficacy reach the public, protecting patient health while enabling access to new therapies. [27-30]

VIII. POST-MARKETING SURVEILLANCE (PHASE 4 TRIALS)

Once a drug is approved and available to the public, it enters the post-marketing surveillance phase, also known as Phase 4 trials. This stage is critical because it monitors the drug’s safety and effectiveness in a much larger, more diverse population under real-world conditions. While earlier clinical trials involve carefully selected participants and controlled environments, Phase 4 studies capture how the drug performs across varied demographics, including those with other health conditions, the elderly, pregnant women, and people taking multiple medications. This helps identify rare, long-term, or unexpected side effects that may not have been detected in smaller pre-market studies. [31-33]

IX. THE CHALLENGES OF TIME AND COST

The journey of drug discovery and development is notoriously lengthy and expensive, representing one of the highest-stakes endeavors in any industry. On average, it takes 10 to 15 years to bring a new drug from the initial idea to the market, with the clinical trial phases alone often spanning 6 to 7 years. This long timeline is due to the rigorous and multi-phase process required to

ensure safety and efficacy, as well as the complexities of manufacturing and regulatory review. Each stage is designed to meticulously eliminate unsuccessful candidates, but this necessary caution comes at the cost of significant time.

The financial investment required is equally staggering, with the average cost to develop a new drug estimated to be over $1 billion. This enormous sum accounts for the high failure rate—over 90% of drug candidates that enter clinical trials do not receive approval. The cost includes not only the expenses for the successful drug but also the research, development, and testing of all the failed compounds along the way. Additionally, significant resources are allocated to manufacturing, regulatory fees, and ongoing post-market monitoring. These immense investments in time and money underscore the economic challenges and risks faced by pharmaceutical companies, which must balance innovation with sustainability. [34-38]

X. CONCLUSION

The drug discovery and development process is a remarkable yet immensely challenging journey, representing a cornerstone of modern medicine and public health. From the initial identification of a biological target to the rigorous stages of preclinical and clinical testing, each phase is designed to meticulously evaluate a drug's safety, efficacy, and overall benefit-risk profile. This structured pathway ensures that only the most promising and thoroughly vetted therapies reach patients, balancing scientific innovation with unwavering commitment to safety. The collaboration between researchers, clinicians, regulatory bodies, and pharmaceutical companies underscores the collective effort required to translate scientific breakthroughs into tangible treatments.

Despite its critical importance, this process is fraught with obstacles, including high failure rates, escalating costs, and prolonged timelines. The staggering investment of time—often exceeding a decade—and financial resources—averaging over $1 billion per drug—reflects the complexity and risk inherent in bringing new medicines to market. These challenges highlight the need for continued innovation in areas such as artificial intelligence, biomarker development, and adaptive trial designs to streamline processes, reduce attrition, and make drug development more efficient and sustainable. Addressing these hurdles is essential not only for the pharmaceutical industry but also for ensuring global access to affordable and novel therapies.

Looking ahead, the future of drug discovery holds exciting possibilities, driven by advances in personalized medicine, gene editing, and digital health technologies. As science continues to unravel the complexities of diseases, the integration of real-world evidence, patient-centric approaches, and global collaboration will further refine and accelerate development pathways. Ultimately, the goal remains unchanged: to deliver safe, effective, and accessible treatments that improve and extend lives worldwide. The perseverance and ingenuity demonstrated in this field continue to pave the way for groundbreaking therapies, offering hope for countless patients and reaffirming the vital role of pharmaceutical innovation in shaping the future of healthcare.

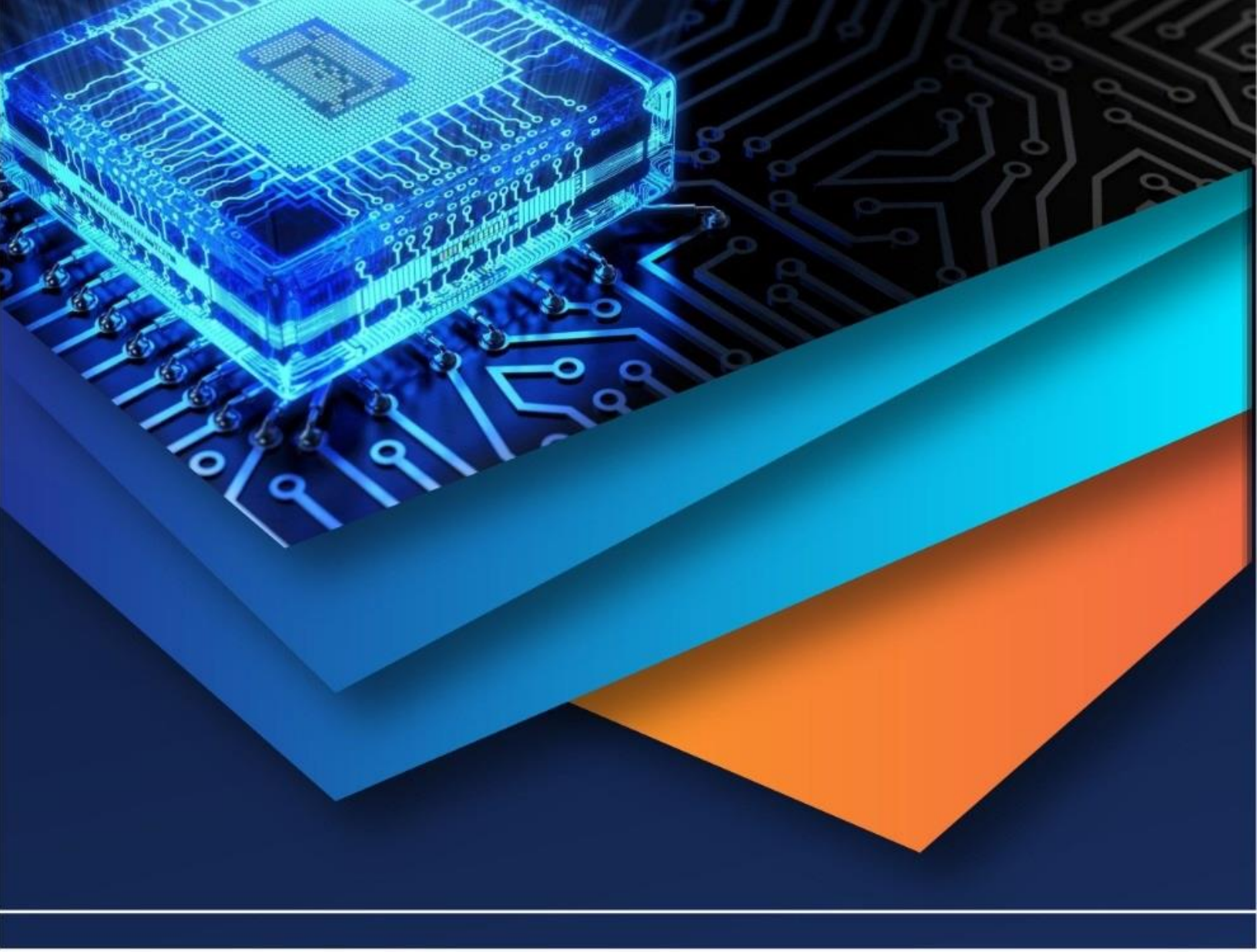
XI. ACKNOWLEDGEMENT

The authors extend their sincere gratitude to the countless researchers, clinical trial participants, and healthcare professionals whose dedication and contributions make advances in drug discovery and development possible. We also thank regulatory authorities worldwide for their rigorous oversight, which ensures the safety and efficacy of new therapies. Additionally, we acknowledge the funding agencies, academic institutions, and pharmaceutical organizations that provide the essential resources and collaborative frameworks driving innovation in this critical field.

REFERENCES

[1] Hughes JP, Rees S, Kalindjian SB, et al. Principles of early drug discovery. Br J Pharmacol. 2011;162(6):1239-1249.
[2] Overington JP, Al-Lazikani B, Hopkins AL. How many drug targets are there? Nat Rev Drug Discov. 2006;5(12):993-996.
[3] Schenone M, Dančík V, Wagner BK, et al. Target identification and mechanism of action in chemical biology and drug discovery. Nat Chem Biol. 2013;9(4):232-240.
[4] Zambrowicz BP, Sands AT. Knockouts model the 100 best-selling drugs--will they model the next 100? Nat Rev Drug Discov. 2003;2(1):38-51.
[5] Gashaw I, Ellinghaus P, Sommer A, et al. What makes a good drug target? Drug Discov Today. 2012;17 Suppl:S24-30.
[6] Macarron R, Banks MN, Bojanic D, et al. Impact of high-throughput screening in biomedical research. Nat Rev Drug Discov. 2011;10(3):188-195.
[7] Bleicher KH, Böhm HJ, Müller K, et al. Hit and lead generation: beyond high-throughput screening. Nat Rev Drug Discov. 2003;2(5):369-378.
[8] Keserű GM, Makara GM. Hit discovery and hit-to-lead approaches. Drug Discov Today. 2006;11(15-16):741-748.
[9] Hughes JD, Blagg J, Price DA, et al. Physiochemical drug properties associated with in vivo toxicological outcomes. Bioorg Med Chem Lett. 2008;18(17):4872-4875.
[10] Lipinski CA, Lombardo F, Dominy BW, et al. Experimental and computational approaches to estimate solubility and permeability in drug discovery and development settings. Adv Drug Deliv Rev. 2001;46(1-3):3-26.
[11] DiMasi JA, Feldman L, Seckler A, et al. Trends in risks associated with new drug development: success rates for investigational drugs. Clin Pharmacol Ther. 2010;87(3):272-277.
[12] van der Worp HB, Howells DW, Sena ES, et al. Can animal models of disease reliably inform human studies? PLoS Med. 2010;7(3):e1000245.

[13] Igarashi Y, Nakatsu N, Yamashita T, et al. Open TG-GATEs: a large-scale toxicogenomics database. Nucleic Acids Res. 2015;43(Database issue):D921-7.
[14] Food and Drug Administration. Guidance for Industry: M3(R2) Nonclinical Safety Studies for the Conduct of Human Clinical Trials and Marketing Authorization for Pharmaceuticals. Rockville, MD: FDA; 2010.
[15] European Medicines Agency. *ICH guideline S6 (R1) - Preclinical safety evaluation of biotechnology-derived pharmaceuticals*. London: EMA; 2011.
[16] Prentis RA, Lis Y, Walker SR. Pharmaceutical innovation by the seven UK-owned pharmaceutical companies (1964-1985). Br J Clin Pharmacol. 1988;25(3):387-396.
11. Food and Drug Administration. Guidance for Industry: Content and Format of Investigational New Drug Applications (INDs) for Phase 1 Studies of Drugs. Rockville, MD: FDA; 1995.
18. Buoen C, Bjerrum OJ, Thomsen MS. How first-time-in-human studies are being performed: a survey of phase I dose-escalation trials in healthy volunteers published between 1995 and 2004. J Clin Pharmacol. 2005;45(10):1123-1136.
19. Rowland M, Tozer TN. Clinical Pharmacokinetics and Pharmacodynamics: Concepts and Applications. 4th ed. Philadelphia: Lippincott Williams & Wilkins; 2010.
20. Eisenhauer EA, Therasse P, Bogaerts J, et al. New response evaluation criteria in solid tumours: revised RECIST guideline (version 1.1). Eur J Cancer. 2009;45(2):228-247.
21. Simon R. Optimal two-stage designs for phase II clinical trials. Control Clin Trials. 1989;10(1):1-10.
22. Temple R. Are surrogate markers adequate to assess cardiovascular disease drugs? JAMA. 1999;282(8):790-795.
23. Hay M, Thomas DW, Craighead JL, et al. Clinical development success rates for investigational drugs. Nat Biotechnol. 2014;32(1):40-51.
24. Food and Drug Administration. Guidance for Industry: Providing Clinical Evidence of Effectiveness for Human Drug and Biological Products. Rockville, MD: FDA; 1998.
25. European Medicines Agency. *ICH guideline E9 - Statistical principles for clinical trials*. London: EMA; 1998.
26. Friedman LM, Furberg CD, DeMets DL. Fundamentals of Clinical Trials. 5th ed. New York: Springer; 2015.
27. Sacks LV, Shamsuddin HH, Yasinskaya YI, et al. Scientific and regulatory reasons for delay and denial of FDA approval of initial applications for new drugs, 2000-2012. JAMA. 2014;311(4):378-384.
28. Downing NS, Aminawung JA, Shah ND, et al. Clinical trial evidence supporting FDA approval of novel therapeutic agents, 2005-2012. JAMA. 2014;311(4):368-377.
29. Food and Drug Administration. The New Drug Development Process: Steps from Test Tube to New Drug Application Review. Rockville, MD: FDA; 2018.
30. European Medicines Agency. The European regulatory system for medicines: A consistent approach to medicines regulation across the European Union. London: EMA; 2019.
31. Avorn J. The $2.6 billion pill--methodologic and policy considerations. N Engl J Med. 2015;372(20):1877-1879.
32. Moore TJ, Zhang H, Anderson G, et al. Estimated Costs of Pivotal Trials for Novel Therapeutic Agents Approved by the US Food and Drug Administration, 2015-2016. JAMA Intern Med. 2018;178(11):1451-1457.
33. Wouters OJ, McKee M, Luyten J. Estimated Research and Development Investment Needed to Bring a New Medicine to Market, 2009-2018. JAMA. 2020;323(9):844-853.
34. DiMasi JA, Grabowski HG, Hansen RW. Innovation in the pharmaceutical industry: New estimates of R&D costs. J Health Econ. 2016;47:20-33.
35. Eichler HG, Abadie E, Breckenridge A, et al. Bridging the efficacy-effectiveness gap: a regulator's perspective on addressing variability of drug response. Nat Rev Drug Discov. 2011;10(7):495-506.
36. Food and Drug Administration. Guidance for Industry: Good Pharmacovigilance Practices and Pharmacoepidemiologic Assessment. Rockville, MD: FDA; 2005.
37. Brunton LL, Hilal-Dandan R, Knollmann BC. Goodman & Gilman's: The Pharmacological Basis of Therapeutics. 13th ed. New York: McGraw-Hill Education; 2017.
38. Rang HP, Ritter JM, Flower RJ, Henderson G. Rang and Dale's Pharmacology. 9th ed. Edinburgh: Elsevier; 2019



10.22214/IJRASET

45.98

IMPACT FACTOR: 7.129

IMPACT FACTOR: 7.429

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY