Pharmaceutical Formulation Development Explained

Published August 6, 2026 35 min read

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Executive Summary

Pharmaceutical formulation development is the discipline that turns an active pharmaceutical ingredient (API) into a manufacturable, stable, and bioavailable medicine, spanning preformulation characterization, dosage-form design, process development, scale-up, and ongoing stability testing. As of August 2026, the discipline remains one of the highest-leverage points in the drug development pipeline. A 2022 review of clinical-trial data from 2010 to 2017 reported that poor drug-like properties, the physicochemical and pharmacokinetic issues that preformulation and formulation science seek to address, accounted for 10% to 15% of failures in that analysis, compared with 30% to 40% in the 1990s (Source: pmc.ncbi.nlm.nih.gov). That historical improvement has not eliminated the underlying problem: a widely cited estimate places the share of new chemical entities (NCEs) facing solubility or bioavailability difficulties at around 40% (Source: pmc.ncbi.nlm.nih.gov), and some reviews put the figure for poorly water-soluble candidates as high as 70% (Source: pmc.ncbi.nlm.nih.gov).

Preformulation, the earliest phase of the discipline, characterizes an API's solubility, stability, permeability, polymorphism, particle size, and drug-excipient compatibility before dosage-form design begins (Source: pmc.ncbi.nlm.nih.gov). The Biopharmaceutics Classification System (BCS), formalized in FDA and International Council for Harmonisation (ICH) guidance as ICH M9, sorts drug substances into four classes by solubility and intestinal permeability and directly determines which solubility-enhancement techniques a formulation team must consider (Source: fda.gov). Formal formulation development then applies Quality by Design (QbD) principles under ICH Q8(R2), defining a quality target product profile, identifying critical quality attributes (CQAs), and mapping critical process parameters (CPPs) before manufacturing begins (Source: fda.gov).

For BCS Class II and IV compounds, the industry has converged on a defined toolkit: particle size reduction into nanocrystals (as used in **Rapamune** and **Emend**), amorphous solid dispersions built via hot-melt extrusion or spray drying, lipid-based and self-emulsifying systems, cyclodextrin complexation (as in **Sporanox** oral solution, solubilized with 400 mg/mL hydroxypropyl-β-cyclodextrin), and salt or co-crystal formation (Source: dailymed.nlm.nih.gov). Stability engineering is governed globally by ICH Q1A(R2), which fixes long-term storage testing at 25°C/60% relative humidity (RH) (or 30°C/65% RH) and accelerated testing at 40°C/75% RH for six months, with a product deemed to have undergone "significant change" if assay shifts by 5% or more (Source: database.ich.org) (Source: database.ich.org).

Formulation failures and successes are well documented in named cases. Abbott's HIV medicine Norvir (ritonavir) had to be pulled from the market in 1998 after an unexpected, less-soluble crystal polymorph appeared during commercial manufacturing (Source: pubmed.ncbi.nlm.nih.gov), while Novartis's cyclosporine microemulsion Neoral, FDA-approved in 1995, produced faster, more extensive, and more predictable absorption than its 1983 predecessor Sandimmune (Source: pubmed.ncbi.nlm.nih.gov). Pfizer and BioNTech's Comirnaty mRNA vaccine illustrates the same discipline at the frontier of delivery science: the original lipid nanoparticle (LNP) formulation required storage at -80°C to -60°C (Source: pfizer.com), while the current formula can be stored in a standard refrigerator for up to ten weeks after thawing (Source: pfizermedical.com).

Economically, the Tufts Center for the Study of Drug Development estimated the average out-of-pocket cost per approved new compound at $1,395 million (2013 dollars), rising to $2,558 million once capitalized for the time value of money (Source: pubmed.ncbi.nlm.nih.gov). The Biotechnology Innovation Organization (BIO) found that only 7.9% of drug candidates entering Phase I trials between 2011 and 2020 eventually reached approval, with Phase II acting as the largest attrition point (Source: go.bio.org). This report examines the taxonomy of preformulation and formulation science, the process by which solid dosage forms and other products move from bench to manufacturing, the specific techniques used to enhance solubility and bioavailability, the regulatory framework for stability testing, the quantitative evidence behind these practices, five named case studies, and how AI-assisted data platforms are beginning to change how formulation and regulatory teams manage the underlying documentation.

Introduction and Background

Pharmaceutical formulation development is the discipline that converts an active pharmaceutical ingredient into a medicine that can be manufactured reproducibly, remains stable through its shelf life, and delivers the intended dose to a patient. It occupies the space between drug discovery, where a molecule is validated against a biological target, and clinical development, where that molecule is tested in humans, and its outcomes largely

determine whether a promising compound ever reaches a pharmacy shelf. As of August 2026, the discipline spans everything from the earliest physicochemical characterization of a new molecule to the design of tablets, capsules, injectables, and increasingly complex modalities such as **lipid nanoparticle** (LNP)-delivered messenger RNA (mRNA) vaccines.

The stakes are substantial and quantifiable. A 2022 review of clinical-trial data from 2010 to 2017 attributes 10% to 15% of development failures in that analysis to poor drug-like properties such as solubility, permeability, and pharmacokinetics, compared with a 30% to 40% failure share in the 1990s (Source: pmc.ncbi.nlm.nih.gov). That historical decline is itself a formulation-science success story: preformulation screening and delivery-technology innovation now identify and correct many of these problems before a candidate advances into costly late-stage trials. Yet the underlying problem persists. A commonly cited estimate holds that around 40% of NCEs entering development still face solubility or bioavailability difficulties (Source: pmc.ncbi.nlm.nih.gov), and a separate MDPI Pharmaceutics review independently arrived at a similar figure, describing approximately 40% of NCEs, including anticancer drugs, as poorly water-soluble (Source: pmc.ncbi.nlm.nih.gov).

Formulation decisions also carry direct commercial and regulatory consequences years after a product launches. When Abbott Laboratories' HIV protease inhibitor ritonavir unexpectedly crystallized into a new, far less soluble polymorph during commercial manufacturing in 1998, the company was forced to pull **Norvir** capsules from the market entirely and develop a new formulation around the altered crystal form (Source: pubmed.ncbi.nlm.nih.gov).

More recently, in May 2022, Teva Pharmaceuticals conducted a voluntary nationwide recall of a lot of anagrelide capsules after a routine post-market stability test uncovered a dissolution failure (Source: fda.gov). Neither of these is an edge case. They illustrate that formulation development is a continuous discipline spanning preformulation, prototype design, scale-up, and post-approval stability monitoring, rather than a single gate a candidate passes through once and never revisits.

This report explains what pharmaceutical formulation development is, how preformulation studies inform it, which techniques address the industry's persistent poor-solubility problem, how a drug product is engineered for physical and chemical stability, and how these principles play out in named, real-world cases. It draws on official guidance from the ICH and FDA, peer-reviewed pharmaceutical science literature, and primary drug-approval and safety records. Life-sciences and AI-focused consultancies increasingly engage with this discipline indirectly, through the regulatory and chemistry, manufacturing, and controls (CMC) documentation that formulation work generates rather than through the bench science itself, a distinction this report returns to in its discussion of implications and future directions.

Defining Pharmaceutical Formulation Development and Its Taxonomy

Pharmaceutical formulation development is not a single activity but a sequence of interlocking disciplines, each with its own vocabulary, regulatory expectations, and failure modes. Understanding the taxonomy, preformulation, biopharmaceutical classification, dosage-form design, and stability, is a prerequisite for understanding how a formulation team actually works.

Preformulation: The Foundational Discipline

Preformulation studies are the set of experiments that characterize the physicochemical properties of a drug candidate and the excipients it may be combined with, before any dosage form is designed (Source: pmc.ncbi.nlm.nih.gov). The core parameters a preformulation program characterizes include **solubility**, solid-state and solution-state **stability**, **permeability**, **dissolution** behavior, polymorph and salt screening, ionization behavior (pKa), particle size distribution, and API-excipient compatibility (Source: pmc.ncbi.nlm.nih.gov). These properties are not academic exercises: solubility, stability, pH, pKa, and the octanol-water partition coefficient (logP) of a compound directly influence how it will be processed during formulation and how the resulting product will behave (Source: pmc.ncbi.nlm.nih.gov).

Preformulation happens early and feeds directly into decisions that are difficult to reverse later. Early prediction of these properties helps a development team select the most suitable physical form, such as a particular salt or polymorph, of the candidate before committing to a manufacturing route (Source: pubmed.ncbi.nlm.nih.gov). Regulatory expectations reflect this: FDA's guidance on chemistry, manufacturing, and control (CMC) information for Investigational New Drug (IND) applications requires a description of the physical, chemical, and biological characteristics of the drug substance, along with evidence supporting its structure and identity (Source: fda.gov).

Two preformulation parameters deserve particular attention because they routinely surprise development teams later in the process. The first is **powder flow**. Pharmacopeial characterization of powder flowability relies on four principal methods: angle of repose, compressibility index or Hausner ratio, flow rate through an orifice, and shear cell testing, with no single method considered sufficient on its own (Source: pmc.ncbi.nlm.nih.gov). Angle of repose specifically measures the constant, three-dimensional angle a cone-like pile of powder assumes relative to a horizontal base, and an angle exceeding 50 degrees is rarely considered acceptable for manufacturing purposes (Source: pmc.ncbi.nlm.nih.gov). The second is **hygroscopicity**,

commonly called moisture-sensitivity, defined as a solid's susceptibility to absorbing or adsorbing and retaining water from its environment; moisture uptake during handling affects far more than chemical stability, also impacting a powder's flow property, compactibility, dosing accuracy, and tablet hardness, and creating downstream manufacturing problems such as sticking during milling or compression (Source: pmc.ncbi.nlm.nih.gov).

The Biopharmaceutics Classification System and Dosage-Form Taxonomy

The **Biopharmaceutics Classification System (BCS)**, formally recognized in ICH's M9 guideline on BCS-based biowaivers, categorizes drug substances into four classes based on their aqueous solubility and intestinal permeability: Class I (high solubility, high permeability), Class II (low solubility, high permeability), Class III (high solubility, low permeability), and Class IV (low solubility, low permeability) (Source: fda.gov). ICH M9 sets precise, testable thresholds for these categories: a drug substance is classified as highly soluble if its highest single therapeutic dose is completely soluble in 250 milliliters or less of aqueous media across the physiological pH range of 1.2 to 6.8 (Source: fda.gov), and high permeability can be concluded when a compound's absolute bioavailability reaches at least 85% (Source: fda.gov). FDA maintains ICH M9 as active, currently effective guidance dated May 2021 (Source: fda.gov).

Table 1 below summarizes the BCS framework and the formulation implications of each class, based on the definitions above and the enhancement techniques discussed later in this report.

BCS CLASS	SOLUBILITY	PERMEABILITY	PRIMARY FORMULATION CHALLENGE	TYPICAL ENHANCEMENT APPROACH
Class I	High	High	Minimal; usually straightforward immediate-release formulation	Conventional tablet or capsule design
Class II	Low	High	Dissolution-rate-limited absorption	Particle size reduction, amorphous solid dispersion, lipid-based systems, cyclodextrin complexation
Class III	High	Low	Permeability-limited absorption	Permeation enhancers, prodrug strategies
Class IV	Low	Low	Both dissolution- and permeability-limited absorption	Combined solubility and permeability enhancement, often nanoparticle or lipid-based delivery

The BCS framework matters because it is not merely descriptive. It is the operational basis on which a formulation team chooses between a conventional immediate-release tablet and a specialized delivery system, and it underlies the biowaiver pathway that allows certain highly soluble, highly permeable generic products to demonstrate bioequivalence without a full in vivo study (Source: fda.gov). The empirical foundation for how common each BCS class is among marketed drugs traces to a 2006 study by Takagi and colleagues, which provisionally classified the top 200 oral, immediate-release drug products in the United States, Great Britain, Spain, and Japan by BCS category (Source: pubmed.ncbi.nlm.nih.gov), a study that later reviews of poorly soluble drugs continue to cite as the origin of the field's working estimates.

The Formulation Development Process: From Molecule to Manufacturable Product

Once preformulation has characterized a candidate and BCS classification has framed its solubility and permeability profile, formulation development proceeds through excipient selection, prototype design, process development, and eventually scale-up to commercial manufacturing. ICH's Q8(R2) "Pharmaceutical Development" guideline, adopted by FDA and other ICH regulators, is the reference framework for this entire sequence, embodying the philosophy that **quality by design (QbD)** should replace quality-by-testing: quality should be built in by design, not tested into a finished product after the fact (Source: fda.gov).

Excipient Selection and Solid Dosage Form Design

Under ICH Q8(R2), pharmaceutical development at minimum involves defining a **quality target product profile (QTPP)** that reflects the product's quality, safety, and efficacy goals, identifying potential **critical quality attributes (CQAs)**, defined as physical, chemical, biological, or microbiological properties that must fall within an appropriate limit or range to ensure desired product quality (Source: fda.gov) (Source: database.ich.org), and

identifying appropriate excipient types, amounts, and manufacturing processes to deliver those attributes reliably. The guideline notes that CQAs of solid oral dosage forms are typically those aspects affecting product purity, strength, drug release, and stability (Source: fda.gov).

For **solid dosage forms**, the most common route to market, powder blends of API and excipients are compressed into tablets either directly or after they are agglomerated into granules (Source: pmc.ncbi.nlm.nih.gov). Granulation itself splits into two families: **dry granulation**, which uses mechanical compression (slugging) or roller compaction to agglomerate dry powder particles, and **wet granulation**, which uses a granulation liquid such as a binder or solvent to form a wet mass through adhesion (Source: pmc.ncbi.nlm.nih.gov). Excipients are selected by function: diluents and fillers add bulk, binders hold granules together, disintegrants promote breakup in gastrointestinal fluid, and lubricants and glidants improve manufacturability. **Microcrystalline cellulose**, a widely used direct-compression excipient, owes its popularity to its excellent bonding properties as a dry binder, forming tablets with good mechanical strength, though its small particle size gives it relatively poor powder flow on its own (Source: pmc.ncbi.nlm.nih.gov).

Capsules occupy a distinct position in the taxonomy. Compared to tablets, which require more extensive quality control, take longer to produce, and demand more formulation development effort, capsules are comparatively straightforward to formulate, which is one reason hard capsules are frequently the dosage form chosen for early clinical testing (Source: pmc.ncbi.nlm.nih.gov). Gelatin, in both type A and type B forms, still forms the large majority of hard capsule shells, with hydroxypropyl methylcellulose (HPMC), pullulan, and starch-based materials serving as the most common non-animal substitutes (Source: pmc.ncbi.nlm.nih.gov). Once a core tablet or bead is formed, **film coating** is frequently applied to shield the product from environmental humidity while also improving physical appearance, mechanical resistance, and masking unpleasant odors and tastes, a step that interacts closely with the hygroscopicity and moisture-uptake behavior established during preformulation.

Quality by Design, Critical Process Parameters, and Process Analytical Technology

A **critical process parameter (CPP)** is a process parameter whose variability has a measurable impact on a CQA and must therefore be monitored or controlled to ensure the process consistently produces the desired quality (Source: database.ich.org), while a **design space** is the multidimensional combination of input variables, including material attributes and process parameters, that has been demonstrated to provide assurance of quality, such that operating within it is not considered a change requiring regulatory approval (Source: database.ich.org). ICH Q8(R2) explicitly cross-references ICH Q6A's Decision Trees #3 and #4 for determining when drug-substance particle size and polymorphism studies are needed to support a drug product's formal specifications (Source: fda.gov).

FDA's own **Process Analytical Technology (PAT)** guidance, issued in September 2004, defines PAT as a system for designing, analyzing, and controlling manufacturing through timely measurements, made during processing rather than after, of the critical quality and performance attributes of raw materials, in-process materials, and processes, with the explicit goal of ensuring final product quality (Source: fda.gov). The same guidance repeats the QbD philosophy in almost identical language to Q8(R2): quality cannot be tested into products, it must be built in (Source: fda.gov). This framework did not emerge in isolation. FDA launched the broader initiative underpinning both PAT and QbD, "Pharmaceutical CGMPs for the 21st Century: A Risk-Based Approach," in August 2002, explicitly to eliminate industry hesitancy to adopt manufacturing innovation (Source: fda.gov).

Scale-Up and Technology Transfer

Once a formulation and process are locked at laboratory or pilot scale, the work of **technology transfer** begins: the transfer of the manufacturing process for a new drug substance and drug product, along with the associated knowledge and skills, from the transferring site, typically an R&D organization, to the receiving or designated commercial manufacturing site (Source: store.pda.org). Preformulation and biopharmaceutics work feeds directly into this stage as well, since those early studies exist specifically to identify potential issues for future development and to aid candidate selection before larger, more expensive batches are ever produced (Source: store.pda.org).

Regulators explicitly anticipate that formulations and processes will need to change after initial approval, and they scale their oversight to the risk of the change. FDA's SUPAC-IR (Scale-Up and Post-Approval Changes for Immediate-Release Solid Oral Dosage Forms) guidance, first issued in November 1995 and still in effect, governs exactly this: it applies to sponsors who intend, during the post-approval period, to change the components or composition, the site of manufacture, the scale of manufacture, or the manufacturing process and equipment of an already-approved immediate-release oral formulation (Source: fda.gov). The existence of a dedicated guidance document for this category of change is itself evidence of how routine scale-up and site-transfer activity is across the industry.

Solubility Enhancement and Bioavailability Optimization for Poorly Soluble Drugs

Solubility and bioavailability enhancement is the single largest technical subfield within formulation development, precisely because BCS Class II and Class IV compounds make up such a large share of the modern discovery pipeline. A foundational 2011 review by Kawabata and colleagues catalogued the basic approaches available to formulators facing a poorly water-soluble candidate: crystal modification, micronization, amorphization, self-emulsification, cyclodextrin complexation, and pH modification (Source: pubmed.ncbi.nlm.nih.gov). Each of these has since matured into a distinct technology platform with its own marketed examples.

Particle size reduction to the nanoscale, often called nanonization or nanocrystal technology, is one of the most commercially established approaches. Elan's NanoCrystal wet-media-milling technology produces particles generally smaller than 1 micrometer in diameter, compared to roughly 50-micrometer particles in conventional micronized formulations, and its developer marketed the platform explicitly around the observation that more than 40% of potential drug products suffer from poor water solubility (Source: pharmaceuticalonline.com) (Source: pharmaceuticalonline.com). Wyeth's immunosuppressant **Rapamune** (sirolimus) tablets were the first FDA-approved product built on this technology, and Merck's antiemetic **Emend** (aprepitant) capsules are a second widely cited nanocrystal example, both addressing BCS Class II and IV compounds respectively (Source: pmc.ncbi.nlm.nih.gov).

Amorphous solid dispersions (ASDs) are the second major platform. Solid dispersion technology can be manufactured through several distinct methods, including solvent evaporation, hot-melt extrusion, and spray drying (Source: pmc.ncbi.nlm.nih.gov). In hot-melt extrusion, drug and polymer carrier are processed through a co-rotating twin-screw extruder, typically at drug loadings around 40% by weight in the dispersion (Source: pmc.ncbi.nlm.nih.gov). Abbott's protease-inhibitor combination **Kaletra** (lopinavir/ritonavir) tablet reformulation, which enabled room-temperature storage and reduced pill burden compared to the original refrigerated capsule, was built on Abbott's proprietary Meltrex melt-extrusion technology, producing a stable solid dispersion of the two poorly soluble active ingredients (Source: biospace.com).

Cyclodextrin complexation offers a third route, encapsulating a poorly soluble drug molecule inside a ring-shaped oligosaccharide to form a water-soluble inclusion complex. FDA-approved **Sporanox** (itraconazole) Oral Solution is a direct commercial example: it contains 10 mg of itraconazole per milliliter, solubilized by hydroxypropyl-β-cyclodextrin at a concentration of 400 mg/mL, functioning as a molecular inclusion complex (Source: dailymed.nlm.nih.gov).

A fourth route, **lipid-based and microemulsion delivery**, is best illustrated by the reformulation of cyclosporine. The original oil-based Sandimmune formulation suffered from poor and unpredictable gastrointestinal absorption, which Novartis addressed by introducing a microemulsion preconcentrate, Neoral, approved by FDA in 1995 (Source: law.resource.org) (Source: pubmed.ncbi.nlm.nih.gov). In head-to-head absorption studies, Neoral produced cyclosporine absorption that was significantly faster, more extensive, and more predictable than the standard oral formulation, and in general demonstrated increased bioavailability relative to Sandimmune (Source: pubmed.ncbi.nlm.nih.gov) (Source: pmc.ncbi.nlm.nih.gov). Because the two products are not bioequivalent, FDA assigned Neoral distinct established names, "cyclosporine oral solution for microemulsion" and "cyclosporine capsules for microemulsion," when it approved the reformulation (Source: law.resource.org).

Beyond these established platforms, formulators also draw on salt formation and co-crystal engineering to alter a compound's intrinsic solubility, pH modification of the microenvironment surrounding a dissolving particle, and permeation enhancers or prodrug strategies aimed specifically at BCS Class III and Class IV compounds, the same crystal-modification, micronization, amorphization, self-emulsification, cyclodextrin-complexation, and pH-modification toolkit catalogued by Kawabata and colleagues, applied selectively depending on whether solubility, permeability, or both limit a candidate's absorption (Source: pubmed.ncbi.nlm.nih.gov).

Stability Testing and Engineering a Stable Drug Product

Building a stable drug product is inseparable from formulation development because the excipients, packaging, and manufacturing process chosen at the formulation stage largely determine how a product degrades over time. ICH Q1A(R2), “Stability Testing of New Drug Substances and Products,” is the core stability-testing framework for registration applications in the European Community, Japan, and the United States. It addresses Climatic Zones I and II; other markets and climatic zones may apply regional or WHO-aligned expectations.

For the "general case" of a drug product intended for room-temperature storage, ICH Q1A(R2) requires long-term stability data collected at 25°C ± 2°C and 60% ± 5% relative humidity, or alternatively at 30°C ± 2°C and 65% ± 5% RH, with a minimum of 12 months of data at the time of submission (Source: database.ich.org). Alongside this, the guideline requires intermediate testing at 30°C ± 2°C/65% ± 5% RH for six months and accelerated testing at 40°C ± 2°C/75% ± 5% RH, also for six months, a combination specifically designed to surface degradation that would take years to appear under normal storage (Source: database.ich.org). Testing frequency during long-term studies follows a standard cadence: every three months during the first year, every six months during the second year, and annually thereafter through the proposed shelf life (Source: database.ich.org).

Different storage classes carry their own condition sets. Refrigerated products require long-term data at 5°C ± 3°C for 12 months, with accelerated testing at 25°C ± 2°C/60% ± 5% RH for six months (Source: database.ich.org), while frozen drug products require long-term data at -20°C ± 5°C for a minimum of 12 months, and the guideline defines no separate accelerated condition for frozen products at all (Source: database.ich.org). *Table 2* summarizes these storage-condition requirements.

STORAGE CATEGORY	LONG-TERM CONDITION	DURATION	INTERMEDIATE CONDITION	ACCELERATED CONDITION
General case (room temperature)	25°C ± 2°C/60% RH ± 5% RH, or 30°C ± 2°C/65% RH ± 5% RH	12 months minimum	Conditional: 30°C ± 2°C/65% RH ± 5% RH when long-term testing is at 25°C/60% RH and significant change occurs during accelerated testing; not defined when 30°C/65% RH is the long-term condition	40°C ± 2°C/75% RH ± 5% RH, 6 months
Refrigerated	5°C ± 3°C	12 months minimum	Not applicable	25°C ± 2°C/60% RH ± 5% RH, 6 months
Frozen	-20°C ± 5°C	12 months minimum	Not applicable	Not defined

As the table shows, the intensity of stress testing scales down as storage temperature drops, reflecting the lower baseline degradation risk of cold-chain products, but the minimum 12-month long-term data requirement holds across all three categories (Source: database.ich.org) (Source: database.ich.org) (Source: database.ich.org).

ICH Q1A(R2) defines "accelerated testing" as studies specifically designed to increase the rate of chemical degradation or physical change of a drug substance or product by using exaggerated storage conditions (Source: database.ich.org), and it sets a specific bright line for when a product has undergone unacceptable change: a 5% shift in assay from the initial value, or failure to meet potency acceptance criteria, counts as "significant change" (Source: database.ich.org). For aqueous products packaged in semi-permeable containers, a 5% loss of water content from the initial value is separately treated as a significant change (Source: database.ich.org). Testing is required on the actual dosage form packaged in the container closure system proposed for marketing, not on bulk drug substance alone, since packaging materials themselves can interact with a formulation (Source: database.ich.org). Where data support it, sponsors may apply limited extrapolation of long-term real-time data beyond the observed range to justify an extended shelf life at the time of approval (Source: database.ich.org).

Separate from routine stability monitoring, **forced degradation** and **stress testing** deliberately push a formulation past its normal operating envelope to map its degradation chemistry. FDA's 2025 draft guidance updating the ICH Q1 framework distinguishes stress-condition studies, which use conditions more severe than accelerated testing but are not intended to deliberately degrade the sample, from forced-degradation studies, which are explicitly intended to deliberately degrade the sample using elevated temperature, humidity, pH extremes, oxidation, agitation, and light (Source: fda.gov). Forced degradation testing on the drug substance specifically evaluates susceptibility to hydrolysis across a range of pH values, in addition to elevated temperature, high humidity, oxidation, and photodegradation (Source: fda.gov). **Photostability testing**, derived from the former ICH Q1B guideline, requires confirmatory studies to expose samples to an overall illumination of not less than 1.2 million lux hours, along with an integrated near-ultraviolet energy dose of not less than 200 watt-hours per square meter (Source: fda.gov), and forced photodegradation studies conducted during development typically use even higher light intensity, such as doubling the exposure levels used in confirmatory studies (Source: fda.gov).

Global registration adds a further layer of complexity through **climatic zones**. World Health Organization stability guidance, which incorporates the former ICH Q1F guideline, warns explicitly that applying storage-condition data generated for temperate Climatic Zone I/II countries to products actually marketed in hotter, more humid Zone III and Zone IV countries could produce substandard products in the field (Source: database.ich.org). FDA's 2025 draft guidance reflects this by requiring progressively more demanding humidity conditions for long-term testing as climatic zone severity increases, while accelerated testing at 40°C/75% RH remains constant across all zones (Source: fda.gov).

Data Analysis and Evidence

The quantitative evidence surrounding formulation development spans drug-development economics, clinical attrition, and the shifting balance of failure causes. Together, these figures explain why regulators and sponsors invest so heavily in preformulation and stability science.

On cost, the most frequently cited academic benchmark remains Tufts CSDD's DiMasi, Grabowski, and Hansen study, published in 2016, which estimated the average out-of-pocket cost per approved new compound at $1,395 million in 2013 dollars (Source: pubmed.ncbi.nlm.nih.gov). When that out-of-pocket figure is capitalized to the point of marketing approval at a real discount rate of 10.5%, to account for the time value of money tied up over a decade or more of development, the total pre-approval cost estimate rises to $2,558 million (Source: pubmed.ncbi.nlm.nih.gov). Adding an estimate of post-approval research and development costs increases the figure further, to $2,870 million (Source: pubmed.ncbi.nlm.nih.gov). The same study found total capitalized development costs had increased at an annual rate of 8.5% above general price inflation compared to the center's prior cost study, underscoring how quickly the economics of the field move (Source: pubmed.ncbi.nlm.nih.gov). A separate 2022 review in Acta Pharmaceutica Sinica B places the end-to-end timeline for drug discovery and development at 10 to 15 years, with nine out of ten drug candidates that enter clinical studies ultimately failing before reaching approval (Source: pmc.ncbi.nlm.nih.gov).

On attrition, BIO's analysis of clinical development success rates for 2011 to 2020, produced with Informa and QLS Advisors, found the overall likelihood of approval (LOA) from Phase I across all developmental candidates was just 7.9% (Source: go.bio.org). Phase II proved to be the largest single hurdle in the entire pipeline, with just 28.9% of candidates that entered Phase II successfully advancing to Phase III (Source: go.bio.org). Phase I to Phase II transition success ran at 52.0% (Source: go.bio.org), while Phase III to filing succeeded 57.8% of the time (Source: go.bio.org) and filing to approval succeeded 90.6% of the time (Source: go.bio.org). BIO's data also found stark variance by therapeutic area: hematology therapies had a Phase I LOA seven times higher than urology therapies, which had the lowest LOA of any major disease area at just 3.6% (Source: go.bio.org). On average, it takes 10.5 years for a candidate to progress from Phase I to regulatory approval (Source: go.bio.org), a timeline within which preformulation and formulation development work must repeatedly restart and refine as clinical dose forms evolve. Notably, off-patent, reformulation-type programs showed roughly double the Phase I LOA of genuinely novel therapies, 14.7% versus 6.8%, a gap that reflects the much lower technical and formulation risk of working with an already-characterized molecule (Source: go.bio.org).

On the specific question of why candidates fail, a 2022 analysis of clinical trial data from 2010 to 2017 breaks failures down by cause: lack of clinical efficacy accounts for 40% to 50% of failures, unmanageable toxicity accounts for roughly 30%, poor drug-like properties (including the solubility, permeability, and pharmacokinetic issues formulation science targets) account for 10% to 15%, and strategic or commercial reasons account for the remaining 10% (Source: pmc.ncbi.nlm.nih.gov). The historical comparison is important for this report: the 2022 review contrasts poor drug-like properties as contributing to 30% to 40% of drug-development failures in the 1990s with 10% to 15% in the clinical-trial data from 2010 to 2017, and attributes the decline to improved preformulation screening and optimization practices industry-wide (Source: pmc.ncbi.nlm.nih.gov). Delivery-technology developers have marketed directly against this same statistic from the commercial side: one prominent nanocrystal-technology developer built its original FDA submission strategy around the parallel observation that more than 40% of potential drug products suffer from poor water solubility (Source: pharmaceuticalonline.com), underscoring how closely the industry's commercial investment in solubility-enhancement technology has tracked the academic literature's estimate of the problem's scale.

Formulation science also has a direct downstream economic effect once a drug goes generic. FDA data show that a single generic competitor entering a market can drive price reductions of around 30%, while five or more generic competitors are associated with price drops of nearly 85% (Source: fda.gov), and FDA's own materials cite generic drugs as having saved the U.S. health care system $2.2 trillion between 2009 and 2019 (Source: fda.gov). Generic formulation development, which relies heavily on the BCS-based biowaiver framework and bioequivalence science described earlier in this report, is the mechanism that makes this level of price competition possible at scale, and the itraconazole cyclodextrin-complexation example discussed above shows how a single solubility-enhancement technique, once proven, becomes a template other formulators reuse across therapeutic areas (Source: dailymed.nlm.nih.gov). On the manufacturing side, industry surveys from BioPlan Associates' 22nd Annual Report and Survey of Biopharmaceutical Manufacturing found United States-based outsourcing intentions at record highs, representing 75% of global outsourcing intentions overall and 82.6% specifically for advanced therapies such as cell and gene therapy, reflecting the growing reliance on specialized contract development and manufacturing organizations (CDMOs) for complex formulation and process work (Source: bioplanassociates.com).

Case Studies and Real-World Examples

Abraxane: Nanoparticle Albumin-Bound Paclitaxel

FDA first approved **Abraxane** (nab-paclitaxel), an albumin-bound nanoparticle formulation of the chemotherapy agent paclitaxel, on January 7, 2005 (Source: drugs.com). Conventional paclitaxel had long been formulated with the solvent Cremophor EL to overcome its extremely poor water solubility, but that solvent caused severe hypersensitivity reactions and required premedication regimens. Abraxane's nanoparticle albumin-bound formulation was developed specifically because it may improve drug delivery to tumor tissue compared to Cremophor-based paclitaxel, while eliminating the solvent-related toxicity (Source: pmc.ncbi.nlm.nih.gov). The case illustrates a core theme of this report: a solubility-driven excipient choice, in this case a synthetic solvent rather than the API itself, can become the dominant safety and formulation problem a product must solve.

Norvir (Ritonavir): A Polymorph Crisis in Commercial Manufacturing

Abbott's HIV protease inhibitor ritonavir, marketed as **Norvir**, is the field's canonical example of why polymorph screening during preformulation matters. In the summer of 1998, Norvir semi-solid capsule supplies were threatened when a new, much less soluble crystal form of ritonavir, later designated Form II, unexpectedly appeared during commercial-scale manufacturing (Source: pubmed.ncbi.nlm.nih.gov). Pharmaceutical scientists later attributed the sudden appearance of the new form to heterogeneous nucleation, noting that nucleation of the new crystal form, even in the presence of Form II seeds, is energetically unfavorable except in highly supersaturated solutions, which explains why the problem had not surfaced during years of prior manufacturing (Source: pubmed.ncbi.nlm.nih.gov).

Contemporary internal Abbott communications, later made public, confirm the severity of the crisis. At an October 15, 1998 meeting, Abbott's own researchers stated plainly that crystals had formed in the semi-liquid formulation of ritonavir, preventing the drug from being adequately soluble (Source: natap.org), and as a direct result, Norvir capsules were removed from the market entirely while Abbott engineered a new soft elastic capsule specifically designed to work with the new Form II crystal (Source: natap.org). Abbott's own crystallization expert quantified the problem starkly, noting that the original Form One ritonavir was twice as soluble as the problematic Form II, and pointed to a comparable prior polymorph incident at Glaxo Wellcome involving Zantac as evidence this class of failure was not unprecedented (Source: natap.org). The eventual commercial resolution, Kaletra's Meltrex-based solid dispersion described earlier in this report, was a direct formulation-science response to this crisis.

Sandimmune to Neoral: Reformulating Cyclosporine for Predictable Absorption

Novartis's transformation of cyclosporine from Sandimmune, approved in 1983, into the microemulsion product Neoral, approved by FDA in 1995, is one of the best-documented bioavailability-enhancement case studies in the literature (Source: law.resource.org). Sandimmune's oil-based, emulsion-forming formulation depended on bile and gastrointestinal conditions to disperse properly, producing highly variable absorption between patients and even within the same patient over time. Neoral's microemulsion preconcentrate was engineered specifically to overcome the poor and unpredictable absorption associated with that standard oral formulation (Source: pubmed.ncbi.nlm.nih.gov), and clinical absorption studies confirmed the reformulation worked as designed, with cyclosporine absorption that was significantly faster, more extensive, and more predictable than the standard oral formulation (Source: pubmed.ncbi.nlm.nih.gov). Because the two formulations behave so differently in the body, regulators treated them as distinct products for prescribing and substitution purposes rather than as interchangeable versions of the same drug, assigning Neoral its own established names separate from Sandimmune's.

Comirnaty: Lipid Nanoparticle Formulation and the Evolution of Cold-Chain Requirements

The Pfizer-BioNTech COVID-19 vaccine, Comirnaty, demonstrates formulation science operating at the frontier of delivery technology. Its active ingredient, messenger RNA, is fragile and must be protected and delivered into cells using a **lipid nanoparticle (LNP)** carrier composed of an ionizable lipid, a polyethylene-glycol (PEG) lipid, a phospholipid, and cholesterol (Source: pfizermedical.com). The original formulation's stability profile was severe enough that its United States Emergency Use Authorization (EUA) label required storage in an ultra-cold freezer at temperatures between -80°C and -60°C (Source: pfizer.com). On February 19, 2021, Pfizer and BioNTech submitted new stability data to FDA proposing storage at standard freezer temperatures of -25°C to -15°C for up to two weeks, an early step toward loosening the original cold-chain constraint (Source: pfizer.com).

By the 2025-2026 formula, further formulation refinement had progressed substantially: current labeling states that single-dose vials can arrive frozen and, once received, may be transferred immediately to a standard refrigerator at 2°C to 8°C, thawed, and stored there for up to ten weeks (Source: pfizermedical.com). Even with this substantial improvement, the LNP-mRNA formulation remains more sensitive than most conventional biologics: total time out of refrigeration, in the range of 8°C to 25°C, must not exceed 12 hours across the product's entire handling chain (Source: pfizermedical.com). The Comirnaty case shows both how far delivery-technology formulation can improve a product's practical usability, and how much intrinsic instability a genuinely novel modality can still carry even after years of refinement.

Teva's Anagrelide Recall: Stability Testing Catching a Dissolution Failure

Formulation and stability science are not only development-stage activities; they operate continuously across a product's commercial life. In May 2022, Teva Pharmaceuticals conducted an FDA-announced voluntary nationwide recall of one lot of anagrelide capsules after a dissolution test failure was detected during routine post-market stability testing (Source: fda.gov). The clinical stakes of the failure were explicit in FDA's public notice: anagrelide is used to treat serious blood disorders, and less available drug in the body from a dissolution failure could increase the risk of clotting,

potentially leading to life-threatening events such as heart attack or stroke (Source: fda.gov). The case is a direct illustration of why ICH Q1A(R2)'s ongoing, scheduled stability testing regime, described earlier in this report, exists: dissolution behavior can drift after approval, and only systematic post-market testing catches it before it reaches patients at scale.

Implications and Future Directions

Several trends are reshaping how formulation development is practiced and documented. First, the shift toward complex modalities, exemplified by Comirnaty's LNP-mRNA platform, is pushing preformulation science into territory it rarely occupied a decade ago: nanoparticle-scale colloidal stability, lipid oxidation chemistry, and cold-chain logistics are now core formulation concerns rather than niche specialties. Complex, poorly soluble small-molecule combinations, such as the Meltrex-based Kaletra tablet discussed earlier in this report, already illustrate how specialized manufacturing technology becomes central to a formulation's commercial viability (Source: biospace.com). As more biologics, cell and gene therapies, and RNA-based products enter development, the industry-wide outsourcing intentions BioPlan documented, 75% of global capacity intentions overall and 82.6% for advanced therapies specifically (Source: bioplanassociates.com), suggest that specialized CDMOs will continue to absorb a growing share of formulation and process development work that sponsors previously performed in-house.

Second, the regulatory framework itself is still evolving. FDA's 2025 draft guidance updating the ICH Q1 stability framework, cited throughout this report's discussion of stress testing, forced degradation, and photostability, signals that even a decades-old, well-established discipline like stability testing continues to be refined as new modalities and manufacturing technologies emerge. Formulation and regulatory affairs teams will need to track these updates closely, since storage-condition and testing-frequency requirements directly determine both a product's shelf-life claim and the cost of its stability program.

Third, and most relevant to organizations that support pharmaceutical companies without themselves manufacturing drug products, the volume and complexity of CMC and regulatory documentation that preformulation, formulation, and stability work generates, batch records, ICH Q8(R2) design-space justifications, stability protocols, and dossiers built around ICH M9 BCS classifications, has grown considerably as QbD and PAT frameworks have matured, alongside the technology-transfer documentation that accompanies every scale-up and site change (Source: store.pda.org). Life-sciences and AI-focused consultancies increasingly work at this layer: managing, structuring, and surfacing the regulatory and commercial data that formulation science produces, typically through platforms such as Veeva Vault that pharmaceutical companies already use to manage regulatory submissions and quality documentation, rather than performing the underlying bench chemistry. IntuitionLabs, a life-sciences and AI consultancy founded in 2023 and an official Veeva Vault CRM X-Pages partner, is one example of this adjacent role, describing its work as building solutions with compliance to FDA, EMA, and global regulations built in by design (Source: intuitionlabs.ai) (Source: intuitionlabs.ai). As formulation-related regulatory filings continue to grow in volume and cross-reference complexity, sponsors are likely to lean more heavily on this class of data and compliance tooling to keep documentation consistent across the preformulation, development, and post-market stability lifecycle, even though the underlying formulation science itself remains the domain of pharmaceutical scientists and CDMOs rather than software vendors.

Fourth, the economics documented in this report, a 7.9% overall likelihood of approval from Phase I and average development costs exceeding $2.5 billion once capitalized (Source: go.bio.org) (Source: pubmed.ncbi.nlm.nih.gov), mean that any technique reducing formulation-driven attrition earlier in the pipeline has an outsized return. The historical comparison cited in the 2022 review, from roughly a third of failures in the 1990s to roughly one in eight or one in ten in its 2010–2017 clinical-trial analysis, may improve further as computational solubility prediction, high-throughput preformulation screening, and machine-learning-assisted excipient selection mature, though none of these tools eliminate the fundamental need for the wet-chemistry and stability data that regulators require before approval.

Frequently Asked Questions (FAQs)

What is preformulation in pharmaceutical development? Preformulation is the set of studies that characterize a drug candidate's physicochemical properties, including solubility, stability, permeability, polymorphism, particle size, and compatibility with likely excipients, before a specific dosage form is designed, informing candidate salt and polymorph selection well before a formulation is finalized for clinical trials (Source: pubmed.ncbi.nlm.nih.gov).

What are the main solubility enhancement techniques for poorly soluble drugs? The established toolkit includes particle size reduction to the nanoscale, amorphous solid dispersion via hot-melt extrusion or spray drying, cyclodextrin complexation, lipid-based and microemulsion delivery systems, and salt or co-crystal formation, each targeted at a specific BCS class of compound (Source: pubmed.ncbi.nlm.nih.gov).

How do you develop a stable drug product? Stability is engineered, not discovered after the fact: it requires preformulation stress testing to understand a molecule's degradation pathways, excipient and packaging selection informed by that chemistry, and formal ICH Q1A(R2)-compliant long-term and accelerated stability studies. Intermediate studies are conditional under the general-case framework. Together with post-approval stability commitments where applicable, these studies support a proposed shelf life (Source: database.ich.org).

What are the drug product formulation process steps, in order? Preformulation characterization, BCS classification and quality target product profile definition, prototype formulation and excipient selection, process development under QbD principles with defined critical quality attributes and critical process parameters, scale-up, technology transfer to a commercial manufacturing site, and ongoing stability monitoring (Source: database.ich.org).

What bioavailability enhancement techniques exist beyond solubility fixes? For BCS Class III and IV compounds where low intestinal permeability limits absorption, formulators use permeation enhancers and prodrug strategies rather than, or in addition to, solubility-focused techniques such as micronization, amorphization, self-emulsification, and cyclodextrin complexation, since raising solubility alone does not resolve a permeability-limited absorption problem (Source: pubmed.ncbi.nlm.nih.gov).

How is solid dosage form formulation development different from other dosage forms? Solid oral dosage forms, tablets and capsules, rely heavily on powder science: granulation method (wet or dry), excipient functional class (diluent, binder, disintegrant, lubricant, glidant), and coating technology all interact to determine a tablet's critical quality attributes, which are properties that must fall within an appropriate limit, range, or distribution to ensure the desired product quality (Source: database.ich.org), whereas injectables, inhalants, and LNP-based products face distinct sterility, particle-size, and colloidal-stability requirements not shared by solid forms.

Conclusion

Pharmaceutical formulation development is the connective discipline between a validated drug molecule and a marketable, stable, patient-ready medicine. It begins with preformulation characterization of solubility, stability, permeability, and solid-state behavior, proceeds through BCS-informed dosage-form design and Quality by Design-based process development, and continues indefinitely through post-approval stability monitoring, as the Teva anagrelide recall demonstrates. The discipline's toolkit for addressing poorly soluble compounds, nanocrystal technology, amorphous solid dispersions, cyclodextrin complexation, and lipid-based microemulsion systems, is well established and commercially proven across decades of approved products, from Rapamune and Sporanox to Neoral and Kaletra.

The quantitative record makes clear why this investment pays off: a 2022 review contrasts formulation-related failures of roughly a third of all drug-development failures in the 1990s with roughly one in eight or one in ten in its 2010–2017 clinical-trial analysis, even as overall Phase I to approval odds remain under 8% and capitalized development costs exceed $2.5 billion per approved compound. High-profile cases, from ritonavir's polymorph crisis to Comirnaty's evolving cold-chain requirements, show that formulation risk never fully disappears, even for products built on decades of prior formulation science. As modalities grow more complex and regulatory expectations for stability, forced degradation, and photostability testing continue to be refined, formulation development will remain one of the most consequential, and most heavily documented, disciplines in pharmaceutical development, a discipline whose scientific core sits firmly with pharmaceutical chemists and CDMOs, even as the regulatory and compliance data it generates increasingly draws support from specialized life-sciences technology and consulting partners.

Tags: pharmaceutical formulation development, preformulation studies, drug product formulation, solubility enhancement, bioavailability enhancement, solid dosage form development, stability testing, ich q1a r2, bcs classification, quality by design

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