



Life Science Leaders

The newsletter for executives in Biotechnology and the Life Sciences

April 2004

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The Field at a Glance

- ◆ There are **1,457 biotechnology companies in the United States**, of which 342 are publicly held.*
- ◆ The U.S. biotech industry **employs 191,000 people**, exceeding the toy and sporting goods industries combined.*
- ◆ Biotech **revenues** have grown from \$8 billion in 1992 to \$34.8 billion in 2001. *
- ◆ The industry's pent-up demand for **cash** was finally satisfied in 2003 with \$16.7 billion in new financing -- the second-largest year in biotech history.**

Sources:

* BIO, the Biotech Industry Organization

** Signals Magazine Jan '04

Preparing for the Comeback

It's been a tough few years in the job market. In biotech, as in other sectors, plenty of IPOs have ground to a sudden halt, projects have been shelved and new hires stalled. Clearly, the slow recovery has hurt, or at least worn the patience of, everyone.

Our ear on the rails says that's about to change.

Throughout the life sciences sector, top executives are speaking more optimistically about the economy – at least as it affects them. Public offerings are returning to the plans, in discussions if not yet in practice, and teams are starting to be fleshed out, especially in the sales and corporate sectors.

It's not realistic to expect a return to 2000, but there is a shift in the air.

Getting ready

So, great! Now what?

One of the biggest mistakes that many of us make is not listening to the proverbial tale of making hay while the sun shines. In this case, the storm clouds are still lifting, but it's time to rev up the old bailer.

For **job seekers**, that means cancel that trip to New York and get your resume in order. Think forward: How can you be

the No. 1 candidate when your dream job opens up in six months or a year from now? What do you need to do now to be appealing then? Get out there and do it!

Company makeover

On a corporate level, that means restoring the cushions that so many companies have cut, recreating contingencies and margins for error in our planning and budgeting.

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Welcome

Mari Paul

Founder, Life Science Leaders

Welcome to *Life Science Leaders*, a quarterly newsletter for biotech executives. Founded by San Francisco executive search firm Life Science Leaders, this newsletter aims to highlight trends in bioscience and offer its leaders a search firm's perspective on executive movement.

The biotech industry stands out in terms of potential. It is a world of highly trained scientific talent and, increasingly, the senior business

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Rising Stars: Jennie Mather, PhD

Raven Biotechnology

Excerpted from an interview by Mari Paul for HBA-SF

Jennie Mather left academia in the mid-1980s to join Genentech, where she says she was impressed by the company's energy and scientific creativity. After 15 years in Genentech's R&D, she decided to seek out the excitement of a small biotech.

"I had been working on a technology that I felt had great promise as a therapeutic discovery platform and decided I could probably do it better elsewhere than Genentech," she said. "I started talking to people about possible new directions and 'Why don't you start a company?' kept coming up.

"The business actually demanded to be started. Within two months of launching in January of '99, I had two business partners, an agreement from Genentech for the IP, the business plan, the first close of funding, the first patent filed, the first employee hired, space set up and the first experiments done. It's been going at that pace ever since."

How do you account for potential failure risk and error when aiming for proof of concept? "I think a lot of the 'assessments' that claim to put numbers and error figures on the creative process are nonsense. Break the task down into small quantifiable steps and determine which are easiest and which are rate limiting. Try and set up a plan where the longer-range efforts are started immediately, while concurrently achieving some short-term goals so that investors see immediate progress towards the ultimate validation. "

What are your thoughts about what constitutes good business models? "A lot of what I do just seems like common sense and hard work. If you want to make a business, you have to have something to sell and you have to be able to get there faster better and/or cheaper than the competition.

"On the other hand most business models leave out things like having fun, being passionate about the science, and the sense of community that comes with a good corporate culture - it is these very intangibles that can make a company stand out."

As an entrepreneur, what are the more significant challenges that you have encountered? "The hard thing throughout my career was how often I had to fly in the face of others saying, 'It will destroy your career' or, 'Why do you think you can run a company just because you do good science?' My response is to just do it."

EC: Which resources have you found to be most helpful? "I have been very fortunate in starting Raven here in the Bay Area where I had access to some great resources for new CEOs including: FWE's e-series for entrepreneurs and the Springboard program for venture funding (I'm now on their advisory board). I am also fortunate to have an extensive network of biotech experience that Genentech people provide."

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Preparing for a Comeback

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This is also the time to **review vendor and consulting relationships** to see if they still offer the best value – in both quality and price.

And, finally, it means restoring **training** and building **down-time** back into people's work days – those elements that ultimately make our work-lives sustainable. And, as the work force increases again, that also means offering better child care, transportation and commuting solutions.

But if we've learned anything from the boom and bust of the Millennium, it's this: Next time, we've got to plan for a rainy day and keep it simple!

Welcome

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management to equal the caliber of its research.

The nature of that talent, though, can often be isolating. The focus on science – not networking – and lean corporate structure creates an industry that defies traditional paths of upward mobility.

At Life Science Leaders, we believe in addressing those issues through proactive networking and "follow-on coaching". We hope this newsletter will prove to be a helpful part of that process.

Each quarter, we will present an industry overview, an executive poll or interview and insights into the latest trends.

If you have a suggestion for something you'd like to see us feature, please don't hesitate to drop us a note. We look forward to hearing from you.