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**Welcome to the April 2008 Issue!**

The **PharmSource PERISCOPE** provides valuable insight into sales issues and trends for companies that sell goods or services to bio/pharma. It helps you recognize new business opportunities, and overcome sales obstacles. Enjoy the April issue.

*The PharmSource Team*

**Pharma Sales: Lead Activity Report**

**PharmSource Lead Sheet: March Opportunities**

277 overall leads for pharma vendors were reported by the *PharmSource Lead Sheet* in March.

Lead Type	Mar-08	2008 Y-T-D
Non-US Leads	113	244
Early development candidates	57	152
Late development candidates	75	189
Large molecule candidates	57	126
Small molecule candidates	83	236
Newly-funded companies	55	152
New sourcing executives	23	66
Parenteral dosage form candidates	51	131
Oral candidates	61	147
<b>Total Leads*</b>	<b>277</b>	<b>692</b>

\* Total leads include product acquisitions/alliances, company acquisition/alliances and other sponsor events. Pipeline leads shown are categorized by development, API and dosage form.

**Lead Sampler**

Below are two actual leads from a recent issue of the *PharmSource Lead Sheet (PLS)*, the weekly, web-based information service that delivers new business opportunities and key market intelligence information to companies serving Bio/Pharma. It reports new information on products in development, acquisitions, alliances, financing transactions, and more, and delivers 40-70 fresh leads each week.

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Use the *PLS* to stay on top of opportunities as soon as they're announced to keep attuned to market activity and trends, and as a key resource for targeted marketing.

FOR WEEK OF:  
**03-30-2008**

Products in Development ●

Product Acquisitions ●

Corporate Finance ●

Other Sponsor Events ●

Key Appointments ●

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### Products in Development

Phase I	
<b>Company:</b>	<a href="#">Evotec AG</a>
<b>HQ Location:</b>	Hamburg, Germany
<b>Product:</b>	EVT 101
<b>Dosage Form:</b>	Oral solid
<b>Nature of API:</b>	Chemical - Normal potency
<b>Therapeutic Area:</b>	Neurology / Alzheimer Disease and Dementia
<b>Comment:</b>	Evotec reports positive results from high dose study EVT 101, an investigational treatment for Alzheimer's disease, neuropathic pain and Parkinson's disease. EVT 101 is a selective antagonist of the NR2B subunit containing NMDA receptors.
<b>Research Contact:</b>	<a href="#">John Kemp, PhD</a>
<b>Research Contact:</b>	<a href="#">Erich Greiner, MD</a>
<b>Clinical Research Contact:</b>	<a href="#">Tim Tasker, MD</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

### Corporate Finance, Alliances, and Acquisitions

Corporate Finance	
<b>Company:</b>	<a href="#">Alexza Pharmaceuticals</a>
<b>HQ Location:</b>	Mountain View, CA
<b>Financing Type:</b>	Mixed financing
<b>Amount Raised:</b>	\$60.00 million
<b>Description:</b>	Alexza completes a \$10 million equity financing that will be used to initiate manufacturing operations in Singapore. Alexza also obtains a committed equity financing facility under which the company may raise up to \$50 million through the private placement of common stock.
<b>Strategy:</b>	Alexza focuses on the development and commercialization of novel, proprietary products for the treatment of acute and intermittent conditions.
<b>Research contact:</b>	<a href="#">James Cassella, PhD</a>
<b>Sourcing &amp; Supply Chain contact:</b>	<a href="#">Joseph L. Baker</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

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Sales Article

## Incubation and How It Applies To Marketing

*By Jim Schakenbach*

Entrepreneurs and venture capitalists might be used to hearing the term "incubation" to describe a business model in which a fledgling company is brought under the wing of a benevolent protector - often another company that provides low-rent space, management, legal, or financial help, or a combination of all of these. The incubator provides valuable support and assistance during a critical stage as the vulnerable young company develops its new business and gets ready to survive on its own.

But did you know that incubation also applies to marketing new services? In this case, incubation refers to the time it takes for a potential customer to act upon marketing and sales efforts.

Remarkably, many companies don't consider incubation and how it affects the burn rate of their often limited marketing resources as they roll out new offerings. Instead, they wait expectantly for the phone to ring or the web site to light up with inquiries and orders. When that doesn't happen immediately, frustration, even anger, set in. Blame for lack of leads and sales gets assigned reflexively, without thought or analysis. Almost inevitably, bad marketing decisions follow and further efforts suffer.

Often, the problem is simply not taking incubation into account. It's that period of time between when a marketing message reaches a potential customer and when they take action.

Think about it - when was the last time you made an immediate decision on an important purchase? Probably never. Chances are you did some research, asked some questions, sought out other opinions. So how can you expect your potential clients to act any differently?

Virtually every sale has an incubation period. For example, for low-cost consumer goods it can be fairly short - a shopper looks at a particular product, decides "oh, I need this", maybe compares some prices, and buys it. However, a longer incubation period occurs for big-ticket sales of professional services, those involving a complicated or new technology, or sales in highly competitive markets with lots of choices.

According to studies conducted by sales consultant Mac McIntosh, seventy-five percent of corporate sales lead respondents with active buying intentions make purchases six months after initial contact. In fact, a solid fifty-eight percent actively involved in a purchasing decision take over a year to buy. What does all this mean?

### **Start your marketing activities early and often**

As a rule, you can never start your marketing outreach efforts too early. This should include targeted, informative contact with professional journal editors (make sure you have press kits available, especially for conferences); an easy-to-navigate, content-rich web site with links to appropriate industry portals and service-appropriate publications (hard copy and e-zines); and, if possible, some targeted advertising, particularly highlighting conference participation.

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Practice what we call "outside in" thinking and develop your marketing communication messages to clearly and accurately position your service for the market, highlighting features and benefits in which the potential client will be interested. Be aware that this may yield results that differ from what you initially thought were the most important attributes of your service. Put yourself in your customer's shoes and develop your messaging and outreach accordingly.

As you begin these activities, remember the incubation period and reign in your early expectations. Be reasonable. Avoid knee-jerk reactions to any one particular effort or result, such as lack of response to a single white paper. It typically takes several exposures to a message before an impression is made and a response is initiated.

Above all, avoid cancelling programs because a single article, direct mail piece, or ad didn't yield immediate results. After all, you wouldn't stop eating just because you had a meal you didn't like, would you?

Rest easy in the knowledge that no matter how big or small your marketing program, incubation is going to happen. Plan your efforts, including sales projections and ROI analysis, to take that into account and you won't be disappointed.

#### **About the Author**

*Jim Schakenbach is President / Managing Partner with SCT Group, Inc., a marketing communications agency specializing in science, communications, and technology accounts. E-mail Jim at [jim@sctgrp.com](mailto:jim@sctgrp.com).*

Article Source: [www.RainToday.com](http://www.RainToday.com)

## Prospect Profile - IPO Spotlight

### Phenomix Corporation

**Phenomix Corporation** is a biopharmaceutical company involved in novel small-molecule products from discovery through development and commercialization, with a focus on improving efficacy and safety over existing clinical product candidates or therapies. The company uses its proprietary "fast-follower" platform to develop products by discovering the pharmacological effect of a product in early stage trials. R&D expenditures in 2007 were over \$21.3 million.

#### **Corporate Highlights**

- 43 total employees (R&D: 27; Finance, Legal, & Administration: 16 )
- Facilities include: Corporate Headquarters, San Diego, CA: 16,603 sq. ft. Additional facility, San Diego, CA: 9,630 sq. ft.

#### **Manufacturing Status**

- Phenomix lacks internal manufacturing capabilities, and depends on third party manufacturing for the commercial production of drug candidates, compounds, and preclinical and clinical trial materials.

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### Business Relationships

- 2004: Entered a research agreement with Genentech, Inc. for use of Phenomix's forward genetics technology.
- 2006: Terminated collaboration with Genentech, Inc. resulting in the closure of Phenomix's subsidiary, Phenomix Australia.

### IPO Filing

- Registration statement filed with the SEC for an initial public offering (IPO) of its common stock (as reported in the January 27, 2008 issue of the *PharmSource Lead Sheet*).
- As of April 15, 2008, the number of common shares offered and the price range for the offering had yet to be determined.

### Use of proceeds

- To complete Phase IIb trials and fund Phase III trials of PHX1149, including clinical supplies.
- Fund the Phase I clinical development of PHX1766.
- Working capital, capital expenditures, other general corporate purposes, and drug discovery programs.

### Sourcing Opportunities

- Contract/clinical research organizations for drug trials and drug discovery.
- Manufacturers for preclinical and clinical product candidates.
- Third party suppliers of clinical trial materials for product candidates.
- Commercial manufacturing capabilities.
- Collaborative agreements for the development and commercialization of product candidates.
- Sales, marketing, and distribution capabilities.

### Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
PHX1149	PHX1149	Oral	Phase IIa trial	Phase III trial in H2 of 2008
PHX1766	Hepatitis C Infection	Oral	Preclinical Trials	Initiate clinical trial H1 of 2008
Kinase candidate	Cancer & Immunomodulator	—	Discovery	—
Protease candidate	Cancer	—	Discovery	—

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### Finances

(In \$ thousands)	2005	2006	As of 9/30/2007
Grant Revenues	—	—	—
R&D Expenses	11,075	22,800	21,340
General & Administrative Expenses	3,871	6,129	4,582
Total Operating Expenses	14,946	28,929	25,922
Capital Expenditures	1,522	1,149	840

### Contact Info

#### Phenomix Corporation

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San Diego, CA 92121

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Fax: (858) 731-5225

Email: [info@phenomix.com](mailto:info@phenomix.com)

[www.phenomixcorp.com](http://www.phenomixcorp.com)

#### Key Officers

Laura K. Shawver, PhD, CEO

Julie Cherrington, PhD, President

Christopher L. Burnley, EVP, COO

John E. Crawford, CFO

Hans-Peter Guler, MD, VP, Clinical Development

David Campbell, PhD, VP, Drug Discovery & Preclinical Sciences

### User Tips

## Get the Most Out of Your Resources

Here are some of the top user tips for the *PharmSource Lead Sheet*. Use these to help boost the usefulness of this great resource, and ensure you're getting the most out of it.

- In the weekly leads, get an instant 1-year history of company activity via *Recent Highlights*. To view this, just click on the company name, and then on the *Recent Highlights* link located under *Qualifying Information*.
- Use the weekly *Key Appointments* contacts (and others) to build brand awareness for your company. These people may not need your services immediately, but you should make an introduction and add them to your regular contact list, so they'll think of you when the time comes.
- Identify biotechnology and pharmaceutical companies that are headquartered in your territory via a *Full Database Search*. Don't assume you know every relevant company in your area; even very seasoned salespeople often find new prospects this way.
- Use the *Printer Friendly* feature to make a paper copy of the *PLS* if you'll be traveling without Internet access.

If you have any questions or suggestions, we'd welcome the opportunity to speak with you. Call us toll-free at **1-888-777-9940** or at **1-703-383-4903**, or send an e-mail to [info@pharmsource.com](mailto:info@pharmsource.com).

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## PharmSource Lead Sheet Special Offer

The *PharmSource Lead Sheet (PLS)* is the weekly web-based information service that identifies fresh business opportunities for companies serving pharma and biotech. Respected, endorsed and depended on by the top companies, the *PLS* informs you of new business opportunities. It lowers your prospecting costs, raises the productivity of your sales staff, and helps keep your lead funnel full.

If you're not yet a subscriber to the *PharmSource Lead Sheet*, we invite you to take a **complimentary test-drive** to see for yourself how this service can be a vital tool for growing your market share.

**\* Subscribe by April 30, 2008 and  
Get a 10% discount!**

Here are just a few things the *PharmSource Lead Sheet* can do for you:

- **Save money:** The *PLS* costs less than exhibiting at a single trade show, and far less than an internal prospecting staff.
- **On-going source of fresh leads and current market information:** The *PLS* alerts your sales staff of fresh leads every week, and keeps you on top of pipeline product activity and Bio/Pharma financings.
- **Excellent resource for targeted mailing/contact lists:** The *Full Database Search* feature can be used to create targeted lists of pharma companies for marketing campaigns or to contact for site visits.

\* This offer is for new subscribers only at the Corporate- or Premier-level.

To schedule your **free test-drive**, call Judy Miller at 703-383-4903, ext. 103 (ET).

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