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Welcome to the December 2008 Issue!



Warm holiday wishes for health and happiness and a new year filled with success.

The PharmSource Team

Pharma Sales: Lead Activity Report

PharmSource Lead Sheet: November Opportunities

263 overall leads for pharma vendors were reported by the *PharmSource Lead Sheet* in November.

Lead Type	Nov-08	2008 Y-T-D
Non-US Leads	94	984
Early development candidates	51	584
Late development candidates	68	661
Large molecule candidates	37	378
Small molecule candidates	91	898
Newly-funded companies	54	583
New sourcing executives	18	238
Parenteral dosage form candidates	55	546
Oral candidates	52	537
Total Leads*	263	2,655

* 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:
11-30-2008

Products in Development ●

Product Acquisitions ●

Corporate Finance ●

Other Sponsor Events ●

Key Appointments ●

Downloads

Preferences

Comments/Questions?

Full Database Search

Qualifying Info Search

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Products in Development

Phase I	
Company:	TorreyPines Therapeutics
HQ Location:	La Jolla, CA
Product:	NGX426
Dosage Form:	Oral solid
Nature of API:	Chemical - Normal potency
Therapeutic Area:	Analgesic - Non-narcotic Neurology
Comment:	TorreyPines reports positive data from a Phase I trial for NGX426 as a treatment for chronic pain conditions such as neuropathic pain. NGX426 is an oral prodrug of tezampanel, an AMPA/kainate receptor antagonist.
Corporate:	Evelyn Graham
Clinical research contact:	Sue Mellberg
Print Lead Email Lead	

Corporate Finance, Alliances, and Acquisitions

Corporate Finance	
Company:	Knopp NeuroSciences, Inc.
HQ Location:	Pittsburgh, PA
Financing Type:	Venture capital investment
Amount Raised:	\$27.00 million
Description:	Knopp completes a Series B2 round of financing raising \$27 million. Proceeds will be used to advance discovery research targeting mitochondrial mechanisms of neurodegeneration and to complete an ongoing Phase II trial of KNS-760704 for amyotrophic lateral sclerosis.
Strategy:	Knopp develops therapies for amyotrophic lateral sclerosis (ALS), also referred to as Lou Gehrig's Disease.
Research contact:	Valentin K. Gribkoff, PhD
Research contact:	Lori Ann Volles, MD
Research contact:	Ulrike DeMarco
Print Lead Email Lead	

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User Tips

Get the Most Out of Your Resources

Do you know all the pharma and biotech companies with facilities in your territory? This month's tip reminds you to make use of the new *Qualifying Information Search (QIS)* feature of the *PharmSource Lead Sheet* to create a list that shows you this information. In a few simple clicks you can create a spreadsheet that lists pharmaceutical and biotechnology companies in any territory you select, together with the address and type of facility for each. Our researchers are adding new companies to the *PLS* database virtually every week, so we suggest that you repeat a *QIS* search once per quarter, to stay on top of changes in your territory. For simple instructions on how to do a *QIS* search to generate your list, just click on this link:

http://www.pharmsource.com/images/pharmsource/PDFs/PLS_QIS_HELP.pdf

Once you've generated the spreadsheet showing companies in your territory, use the *Full Database Search* feature to learn more about any company.

If your current *PLS* subscription level doesn't allow you access to the advanced search features, please contact PharmSource to upgrade so you can use the database as a targeted research and marketing resource.

During December 2008, PharmSource will give Basic-level *PLS* subscribers one complimentary targeted download from the database. For more information, contact Judy Miller at judy@pharmsource.com or 703-383-4903, ext. 103.

Sales Article

Business Rules for Inquiry Management

By James W. Obermayer

In sales and marketing there are rules for order entry, sales quotas, and booking and shipping orders. But there are seldom, if any, rules about how the extremely important corporate asset called sales inquiries should be managed.

The justification for business rules for inquiry management is simple: People generally follow rules. Once a set of rules is in place, adhering to the rules is less difficult than you might imagine. The vast majority of us are essentially law-abiding people and business rules are generally looked upon as a set of soft laws of business.

The most successful business rules for sales lead and inquiry management are usually one page in length and with five to ten rules for marketing and sales (and their agencies), to follow. A rule should be specific enough to describe the end result and general enough to allow for a flexible interpretation of how the rule will be carried out. If the rules are properly set, time will not diminish adherence even as marketing conditions and organizations change.

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For instance, you have a rule that says:

“Sales will follow-up and report on the resolution of every sales inquiry.”

This statement leaves a lot to interpretation. Follow-up could be in person, by phone or even by email. A little specificity might help, such as:

“Salespeople will follow-up and report on the resolution of every sales inquiry. At least four attempts will be made for every inquiry within a three week period.”

Possibly you can have a rule that states:

“Marketing will measure and report the return on investment for every dollar entrusted to it.”

On the surface this looks good but upon reflection it is not possible to measure and report on the effectiveness of soft-dollar expenditures such as collateral material, investor relations, PR, branding, etc. So possibly the rule should be:

“Marketing will measure and report the return on investment for every dollar spent on lead generation.”

Ideally marketing and sales representatives should meet together and hammer out the business rules for inquiry management. Here is a sample set of business rules for a B2B company, with direct and reseller sales channels for products that are worth more than \$1,000. Your rules may be different.

Typical Business Rules for Inquiry Management:

1. **Database:** All inquiries and leads will be entered into a single database and counted by product, source, source type, and who it was sent to for follow-up.
2. **Profiling:** Inquirers will be asked profile questions that will be used to grade inquiries.
3. **Qualifying:** Marketing will adhere to policies and procedures to qualify all inquiries prior to distribution to the sales channel.
4. **Inquiry Grading:** Inquiry grades will be attached to each inquiry based on the answers to the profile questions.
5. **Inquiry Fulfillment:** Information fulfillment (in hard copy or electronic form) will be completed within 24 hours from the time the inquiry is received.
6. **Competitors:** Every effort will be made to screen out inquirers who are from competing companies.
7. **Inquiry/Lead Assignments:** We will assign inquires and leads directly to the salesperson most responsible for the follow-up.
8. **48 hour Opening Rule:** Salespeople will retrieve and open inquiries and sales leads within 48 hours.

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9. **100% Closeout:** Sales will close out and report on investment for every lead generating dollar spent.
10. **Inquiry Retention:** Inquiries will be maintained on the marketing database for three times the length of the company's average sales cycle.

Get the picture? Once you have a set of business rules for inquiry management, your organization will be all the richer for it.

About the Author

James Obermayer is a principal in Sales Leakage Consulting, Inc., an Orange County California-based sales and marketing strategy consulting company, and a principal of Cerius Consulting. He specializes in helping small to medium-size companies identify sales and marketing leakage issues that stifle sales growth and waste valuable marketing dollars. E-mail: jobermayer@salesleakage.com. Phone: 714-998-1737. www.salesleakage.com.

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Prospect Profile

ARYx Therapeutics (ARYx)

ARYx Therapeutics is a public pharmaceutical company that discovers and develops products with the intention of resolving safety issues associated with drugs that have been approved and launched. The company utilizes its ARYx RetroMetabolic Engineering (ARM) technology to design an "ideal" metabolite for an identified target molecule. R&D expenditures in 2007 were over \$24 million.

Corporate Highlights

- February 1997: Company was incorporated in California.
- August 2007: Reincorporated in Delaware.
- November 2007: Company went public at an IPO price of \$10 per share.
- 68 total employees (R&D: 53; Business Development, General & Administrative Activities: 15).
- Corporate Headquarters, Fremont, CA: 44,000 sq. ft.

Manufacturing Status

- ARYx does not own or operate a manufacturing facility.
- Active pharmaceutical ingredients and drug products are produced and supplied for preclinical and clinical trials by third party manufacturers and suppliers. ARYx does not have a long-term supply contract with any of these parties.
- Procter & Gamble (P&G) Pharmaceuticals is responsible for the manufacturing of ATI-7505 (see information regarding collaboration below).

Business Relationships

- Clinical trials are conducted by third parties, including CROs, medical institutions, contract laboratories and clinical investigators.
- June 2006: ARYx entered into a worldwide collaboration with P&G for the development and commercialization of ATI-7505. P&G is responsible for the clinical trials, which are conducted by third parties, and manufacturing of the licensed drug.

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November 2008 Financing

- ARYx received \$21.6 million in private placement (as reported in the November 16, 2008 issue of the *PharmSource Lead Sheet*).
- Proceeds will support product collaborations.

Sourcing Opportunities

- Manufacturing.
- Conduct clinical trials.
- Excluding ATI-7505, the company seeks a collaborative partner to complete the development and commercialization of each product candidate.

Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
ATI-7505	Gastrointestinal Disorders	Oral	Phase IIb	Complete analysis of results
ATI-2042	Atrial fibrillation	Oral	Phase II	Report results by end of 2008
ATI-5923	Anticoagulation	Oral	Phase II/III	Report results in Q2 of 2009
ATI-9242	Psychiatric disorders	Oral	Phase I	Complete Phase I trial by end of 2008
ATI-20,000	Metabolic disorders	NA	Discovery	TBA
ATI-24,000	Gastrointestinal disorders	NA	Discovery	TBA

Finances

(In \$ thousands)	2006	2007
Revenues	4,739	4,158
R&D Expenditures	23,973	24,994
Selling, General & Administrative Expenditures	6,938	7,702
Total Operating Expenses	33,027	32,958
Capital Expenditures	4,169	3,655

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 David Nagler, VP, Corporate Affairs

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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 January 31, 2009 and
Get 2008 pricing — over 10% off!**

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* and *Qualifying Information Search* features can be used to create highly targeted lists of pharma companies to set up site visits in specific territories, for marketing campaigns and for many other intelligence purposes.

* 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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