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Welcome to the July 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 July issue.

The PharmSource Team

Pharma Sales: Lead Activity Report

PharmSource Lead Sheet: June Opportunities

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

Lead Type	Jun-08	2008 Y-T-D
Non-US Leads	101	514
Early development candidates	71	328
Late development candidates	72	370
Large molecule candidates	39	230
Small molecule candidates	99	490
Newly-funded companies	58	320
New sourcing executives	23	140
Parenteral dosage form candidates	71	296
Oral candidates	59	293
Total Leads*	277	1,466

* 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:
06-29-2008

- Products in Development ●
- Product Acquisitions ●
- Corporate Finance ●
- Other Sponsor Events ●
- Key Appointments ●

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Products in Development

Phase I

Company:	Halozyme Therapeutics
HQ Location:	San Diego, CA
Product:	Chemophase
Dosage Form:	Parenteral
Nature of API:	Biologic - Recombinant protein Biologic - Protein - Enzyme
Therapeutic Area:	Oncology - Chemotherapy
Comment:	Halozyme reports positive Phase I/II trial data with chemophase for patients with bladder cancer. The product was administered intravesically with the chemotherapeutic agent mitomycin. Chemophase is a formulation of recombinant human hyaluronidase being developed as a chemoadjuvant for the treatment of cancer. The company expects to commence a pivotal clinical program in 2009.
Research Contact:	Gregory I. Frost, PhD
Clinical Research Contact:	Richard C. Yocum, MD

[Print Lead](#) [Email Lead](#)

Corporate Finance, Alliances, and Acquisitions

Corporate Finance

Company:	CoLucid Pharmaceuticals, Inc.
HQ Location:	Indianapolis, IN
Financing Type:	Venture capital investment
Amount Raised:	\$25.00 million
Description:	CoLucid raises \$25 million in a Series B round of financing. The proceeds will go towards developing its migraine candidate COL-144 and advancing preclinical pipeline candidates.
Strategy:	CoLucid is a development stage biopharmaceutical company that discovers and develops therapeutics to treat neurological dysfunctions.
Corporate:	James F. White, PhD
Research contact:	Nadia Rupniak, PhD
Clinical Research Contact:	Alison J. Pilgrim, MD, PhD

[Print Lead](#) [Email Lead](#)

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Sales Article

It's Not Just What Happens During the Sales Call that Counts

How to manage the space between sales calls

By Steve Kraner

Sales are not always won or lost because of what happens in a sales call, but in the void between calls. Why?

1. **Retention.** Someone once told me that a lecture is the quickest way to get the notes of a professor into the notes of a student, without passing through the mind of either. A sales presentation can be very much the same. As you know from your school days, students only retain a small percentage of what they are told. Ten percent retention is typical. It's also clear that what we do remember has a short half-life. In other words, two weeks later we recall even less.
2. **Warning urgency.** When you leave, focus dissipates as new issues arise. As a result, the buyer's sense of urgency will diminish and new concerns can move to the front burner, pushing your project to the back burner.
3. **New options.** Even if you did a great job in the pain step, once the buyer becomes aware of a pain, fear, or gain, she actively begins to search for options. As new options appear and your customer's concept of the solution evolves, you might lose traction.
4. **Mutual mystification.** Unfortunately, it's also possible the buyer was not being completely straightforward with you. If a call ends in mutual mystification, you are reduced to guessing and hoping what will happen next.

You need to build a bridge to cross over these gaps. Here are the top 3 rules for managing the spaces between the calls.

RULE #1: Never "spill your candy in the lobby."

David Sandler taught me what this means. Recently, I read that Ross Perot – the founder of EDS – was also a practitioner of this concept. The buyer always asks you for things – information, quotes, demo's, proposals, answers to questions, references.

What are they going to do with these things? It depends on the buyer. Sometimes they want the information to help them make an informed decision; sometimes they want it, but have no intent of buying from you; and sometimes they even ask for it to get rid of you politely. Buyers often want FREE CONSULTING, and find sales reps ready and willing to give it away if there's a glimmer of hope that there's a deal. Sometimes they want information from you to help justify the purchase of somebody else's solution. In every country and culture I have visited around the world, people believe that they can lie to sales people and still get to heaven.

Regardless of the reasons, what happens if you freely give them everything they want, right up front, without getting anything in return? YOU SPILLED YOUR CANDY IN THE LOBBY. You squandered the little bit of leverage you had going in. The best time to get a commitment from someone is when he or she wants something from you. I used to think that if I was a good guy and worked really hard, they would buy. This approach will turn you into a selling mammal - a hamster on a wheel - working hard and getting nowhere.

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Back to Perot: whether or not you liked the man as a Presidential candidate, he was a successful entrepreneur. He built EDS from nothing to a global powerhouse. He would hold a “pre-proposal” meeting with the customer. He’d pass out a DRAFT proposal, so that it could be discussed and critiqued. If it was accepted without much change, he’d try to close on the spot. If it required change, he’d pick up the copies and leave, rather than leaving them with the customer. Why? As long as you are still working on the proposal, you have a reason to stay in contact and an ability to influence the outcome. As soon as you hand a final proposal to the buyer you surrender all control of the process to them.

RULE #2: Avoid mutual mystification

Two common versions of mutual mystification are:

1. **Being used as leverage.** Avoid being used as leverage in a pricing battle with the person’s present supplier. When a buyer immediately wants your best price and gets restless when you slow them down and ask questions about their specific needs, a warning should go off.
2. **Mistaking mild interest for commitment.** When a prospect says: “Could you send a proposal?” remember there’s a difference between someone who is truly committed, and someone who will allow a proposal to enter his mailbox. Often, this is a mere ploy to get rid of a salesperson. Proposals should be “Agreements” and not documents that will be paraded along like contestants in a beauty pageant.

How can you, in a professional way, test commitment?

Test commitment by asking about details and building an action plan.

What could get in the way of getting this project off the ground?

- Is there a way to prevent that or deal with it?
- Who else will need to be involved?
- Who will do what and when?
- Are there any key deadlines?

Test commitment by pointing out potential negatives. It’s tempting to gloss over discussions of risk. Though it’s natural, it’s wrong—because if you don’t point out potential pitfalls, you don’t get to test commitment. It’s also wrong because you miss-set expectations.

When you point out the negatives, it increases your credibility. You are also increasing your leverage and your ability to separate “verbally committed” from “truly committed.”

RULE #3: The faintest ink is better than the fondest memory

Written follow up – a recap letter or an “Ultimate Contract” – can help you cross over the voids in the sales process. It will provide an additional impression or touch between calls. Since it’s written, it also helps improve retention. Students recall about 10% of what they hear, but 20% of what they hear and see. Product literature or big, thick, fancy proposals won’t have the same effect, either. Think about it: what do you do with literature or big, thick proposals? We all have a “reading pile.” Few of us ever read much of it!

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The follow-up e-mail should recap the key points of the conversation, including:

1. **The problem.** It is especially important to make sure you cover the pain step. Restate, from notes you took during the call, the business problem you are trying to solve, its impact on the organization, quantification of the impact and cost, and the personal importance of the problem to the person you met with. It's most effective if you use their words, not your own interpretations.
2. **A high-level solution concept.** Ideally, the concept is primarily built from your customer's vision. It's their baby. Retention is increased to 80% when students are involved in doing – developing answers or solutions on their own. In addition, if it's their baby, they will fight to defend it in the spaces between contact with you. If the CFO tries to deny it sustenance (funding) they will fight for it. If the competition presents an alternative solution, they will have to tell your customer that her baby is ugly.
3. **Project funding and timelines.** Real projects have real deadlines and real budgets. While you may not get this on the table in the first call, at some point it has to be discussed.
4. **The decision process.** Next steps are great. Even better, wouldn't it be nice if you could build a plan to move through the entire due diligence process – from today to the ultimate “YES” or “NO?” Again, it might not be the first meeting, but top sales people “see the end of the deal at the beginning of the deal.” This plan then becomes the ultimate bridge between the steps of the process.

Good Selling!

About the Author

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User Tips

Get the Most Out of Your Resources: Download Alert

We're pleased to announce that effective on July 24, 2008 the *PharmSource Lead Sheet* will add a new data column to spreadsheet downloads. This column will specify the type of facility of each company location included in the download report. Specifically, it will identify each location as one of the following: Headquarters; International Headquarters; U.S. Headquarters; Manufacturing; R&D; Other.

This enhancement will be valuable in providing additional knowledge of facilities, and will inform you of the type of facilities located in a specific geographic location.

If you import data from the *PharmSource Lead Sheet* into your CRM/contact management software, please check with your IT support team to ensure that any necessary adjustments for data imports are made. The new column will be assigned as column K, and will be named “Facility”. Each column following this will be reassigned to the next alpha letter. The descriptive name at the top of each current column will be unchanged.

As always, if you have any questions please call PharmSource at **703-383-4903** or send an e-mail to info@pharmsource.com.

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Prospect Profile - IPO Spotlight

Alimera Sciences, Inc.

Alimera Sciences is a biopharmaceutical company that develops prescription ophthalmic pharmaceuticals. R&D expenditures in 2007 were over \$8.3 million.

Corporate Highlights

- Formed as a Delaware corporation on June 4, 2003.
- 21 total employees (R&D and regulatory: 11; Sales, General & Administrative Activities: 10)
- Facility: Corporate Headquarters, Alpharetta, GA: 14,000 sq. ft.

Manufacturing Status

- Alimera does not own or operate a manufacturing facility.
- Alimera outsources all manufacturing and packaging of its clinical product candidate to third parties.
 - Alimera depends on a third party API formulator for Iluvien.
 - Alimera's clinical trial materials are manufactured by pSivida.
- Alimera is currently developing an automation manufacturing process with Avail Medical Products, Inc. to advance the production process.
- The manufacturing of Iluvien is currently being transferred to an ISO-certified contract manufacturer. Alimera expects the transfer to be complete this year.
- Alimera does not currently have a long-term agreement with any of third-party manufacturers.

Business Relationships

- Clinical trials and data management services are conducted by third parties, including contract research organizations, third-party vendors, and investigational sites in the US, Europe, and India.
- 2005: Entered an agreement with pSivida for pSivida's proprietary delivery technology.
- 2007: Entered an exclusive worldwide agreement with Emory University for NADPH oxidase inhibitors.
- 2007: Entered a license agreement with Dainippon Sumitomo Pharma Co., Ltd. for an ophthalmic injectable polymer tube.

IPO Filing

- Registration statement filed with the SEC for an initial public offering (IPO) of its common stock (as reported in the July 6, 2008 issue of the *PharmSource Lead Sheet*).
- As of July 15, 2008, the number of common shares offered and the price range for the offering have yet to be determined.

Use of Proceeds

- Complete clinical development of Iluvien for diabetic macular edema.
- Fund Phase IIIb trials of Iluvien for other retinal diseases.

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- Recompense pSivida per collaboration agreement.
- Commercialize Iluvien upon approval.
- Fund working capital and other general corporate purposes.

Sourcing Opportunities

- Alimera currently is acquiring and reformulating compounds that will require clinical trial and manufacturing services from third parties.

Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
Iluvien	Diabetic macular edema	Intravitreal insert	Phase III	Submit NDA in Q1 of 2010

Finances

(In \$ thousands)	2005	2006	2007
R&D Expenditures	2,926	6,736	8,363
Selling, General & Administrative Expenditures	2,595	3,028	3,184
Total Operating Expenses	6,078	10,380	12,516
Capital Expenditures	268	443	172

Contact Information

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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.

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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 July 31, 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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