

Actionable intelligence for pharma vendors

March 2007

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Pg. Pharma Sales: Lead Activity Report

1 PharmSource Lead Sheet: February Opportunities

214 overall leads for pharma vendors were reported by the **PharmSource Lead Sheet** in February.

Lead Type	Feb-07	2007 Y-T-D
Non-US Leads	76	171
Early development candidates	30	66
Late development candidates	40	88
Large molecule candidates	22	50
Small molecule candidates	53	115
Newly-funded companies	57	118
New sourcing executives	35	50
Parenteral dosage form candidates	21	53
Oral candidates	35	70
Total Leads*	214	438

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

Sales Article

How to Interview Sales Candidates - Executive Leaders, Managers, and Individual Contributors

by Ron Bates

For some executive hiring authorities who do not have any background in Sales, it can be a challenge to really know if they are making a good hiring decision when interviewing prospective Executive Sales Leaders, Managers, or quota carrying individual contributors. Why? Because any halfway accomplished sales professional is capable of putting forward a sophisticated smoke & mirrors presentation in an attempt to close a deal.

The sales process and strategic complex selling can be somewhat mystifying for some executive hiring authorities. The whole interview/screening process gets even worse if an executive recruiter is in the mix who lacks any direct background in sales and is incapable of properly screening/interviewing candidates in depth as a result. This can lead to disastrous hiring decisions given most businesses will suffer dramatically if the individuals who own producing a company's revenue fail to meet their objectives.

A number of executive hiring authorities have asked me for example questions/areas of focus that I concentrate on when interviewing Sales Executives with respect to a candidate's "battlefield" acumen. The actual flow of interview information is what really dictates how and in what order the questions are asked.

1.0 Tell me about the politically complex sales you've directly executed/contributed on as a Sales Rep, a Manager/Executive, a coaching Manager/Executive.

1.1 Describe your approach to sales strategy, planning and execution (including any "solution selling" methodologies you've consistently employed) within the targeted accounts described in 1.0.

1.2 Describe how you "mapped" out the various "players" in the accounts and your specific approach/strategy with each member you called on within the targeted accounts described in 1.0.

1.3 Describe your approach to building/creating an opportunity within the targeted accounts described in 1.0.

1.4 Describe your method of approaching/building business relationships up/down/across the targeted account's organizations described in 1.0.

1.5 Describe your approach to building and positioning a customer specific compelling value proposition at each of the levels you target within the accounts described in 1.0.

2.0 Describe an opportunity where there was no specific funding/budget originally identified/earmarked for acquiring your products/solutions. Specifically describe 1.1 - 1.5, including how you dealt with competitive product solutions or competitive projects competing for the same funding pool.

3.0 Describe your approach to coaching sales reps specifically in the context of how you've coached/influenced a sales rep's behavior within the applicable accounts described in 1.0 while specifically focusing on the coaching areas described in 1.1 - 2.0 above.

4.0 How many of your reps have been over quota? This is an important area. A sales manager can ride the success of a couple of people that "blow out" their sales quota while others consistently under perform and waste precious resources. You want a sales manager that can get a large majority of his/her people exceeding quota. The object of this question is to drill down (with the questions above) on how the manager worked with and developed the "under-performers", and if they knew when to draw the line and coach someone out of their company.

Most people directly involved in politically complex selling, versus simply flying a desk and coaching from the sidelines, can answer these questions with a lot of detail. The nature of the detail exposes if someone is just a gunslinger flying by the seat of their pants and/or lucky enough to be selling a product "that sells itself", or if they are deliberate in their approach to a sales process associated with consultative solutions selling methodologies in politically complex, multi-functional, hierarchical client situations (e.g., selling into matrix organizational structures within the Mil/Aero industry, or large international corporations). Drilling down on all the above in the context of someone being a coaching Manager/Executive will tell you how well they are able to influence the results their sales team delivers versus simply being a choke point for information and data consolidation (i.e., manage sales funnel data).

A Manager/Executive that is a good sales coach can add an unbelievable amount of value in the context of ensuring that the "right" deals are ultimately won (i.e., not all deals are good deals). A Manager/Executive that is a good sales coach can build a fantastic sales team that is welded together and that will walk through fire for their Manager/Executive/Company.

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All of the above questions should also be put into context with the size of the candidate's prior employers and the market/brand recognition associated with what they were selling. Someone whose successful selling experience only consists of selling name brand industry leading products/services for an acknowledged category leader could fall on their face walking into a never heard of them before start-up coming out of stealth mode attempting to close the company's first sales.

Most of the above questions attempt to draw out a candidate's method for producing a result/outcome. It is critical to make sure to drill into specifically - how - a candidate drove the results they are claiming. Focusing more on how someone produced a given result or outcome versus simply focusing on what results they produced will blow away a lot of the sophisticated smoke & mirrors any halfway accomplished sales professional is capable of putting forward.

Obtaining solid clear answers to the above questions/areas of focus will take an executive hiring authority unfamiliar with sales process and strategic complex selling a long way down the road to making a solid hiring decision.

About The Author

Ron Bates is an expert in mission critical retained executive search. He is a Managing Principal with the retained executive search firm Executive Advantage Group, Inc. He has delivered personal executive coaching projects to former SAP, E&Y, Oracle, and WorldCom Exec's responsible for multi-billion dollar business units, and co-founded <http://www.CV-Advantage.com>, a self-guided job search oriented executive coaching process.

With +27,000 direct contacts on on-line professional networking platforms, Ron has been referred to as "the most connected man on Earth". View Ron's networking profile on Ecademy.

As a recognized expert in building an on-line personal Internet presence, Ron has been an invited speaker at venues such as the Marketing Executive Networking Group, British America Business Council, Expert Connections, and is a regular guest on Netshare's "Ask the Coach".

Ron's blog: Internet Presence – Do you exist? can be found at <http://www.search-advantage.com>

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Knowing the Answers First

User Tips

Karnak the Magnificent, played by Johnny Carson, knew the answer even before the question was posed. Holding a "hermetically sealed" envelope, which contained a question, up to his head, he would concentrate hard, and then foretell the answer: "Sis-Boom-Baa." Next, he tore open the envelope and read the question: "What sound does a sheep make when it explodes?"

When it comes to identifying sales contacts, it's a big help to know the right answer at the outset. And that's no joke. Knowing how important this is to you, we've made it a priority of the **PharmSource Lead Sheet (PLS)**.

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Every issue lists up to 4 contact people on the front of each lead. These names and titles are verified the same week the lead is published. Our research staff validates these every week as part of the standard QC process, so the names on the front of each weekly Lead Sheet are 99% accurate and up-to-date.

The *Key Appointments* section of the *PLS* lists people who have just been appointed to new positions in research, sourcing, manufacturing or regulatory. This resource helps keep you attuned so you can be aware of these changes and take the opportunity to welcome these new key people and do some brand-building with them. Like the other contact information on the front of the Lead Sheet, this information is extremely accurate and reliable.

In addition to the names/titles on the front of the Lead Sheet, you can click on the company name for any lead, and go directly to a more extensive list of company contacts. This is a very effective resource for additional direct contact information or direct mail.

The weekly *PLS* is a valuable set of answers at your disposal – brought to you thoroughly verified. There's no magic involved, and definitely no hermetically sealed envelope.

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Prospect Profile: NeurogesX, Inc.

IPO SPOTLIGHT

NeurogesX is a biopharmaceutical company that develops pain management therapeutics. The San Carlos, California-based company develops therapies based on known chemical entities. R&D expenditures in 2006 were over \$14.3 million.

Corporate Highlights

- 1998: Founded as Advanced Analgesics, Inc.
- 2000: Commenced Operations as NeurogesX, Inc.
- 37 total employees (28 R&D, 8 General & Administration, 1 Sales & Marketing).

Manufacturing Status

- NeurogesX lacks internal manufacturing capabilities, therefore they depend on third party manufacturing for the commercial production of drug candidates, compounds, and preclinical and clinical trials.
- Manufacturing Commitments
 - 2005: Agreement with Contract Pharmaceuticals, Ltd. for clinical and commercial manufacturing services of cleansing gel.
 - 2004: Manufacturing agreement with Lohmann Therapie-Systeme AG for clinical and commercial supply of NGX-4010.
 - Supply agreement with Grenzach Produktions GmbH for the manufacture of the NGX-4010 treatment kit.

IPO Filing

- Registration statement filed with the SEC for an initial public offering (IPO) of its common stock (as reported in the February 14, 2007 issue of the *PharmSource Lead Sheet*).

- As of March 2007, the company had offered an undisclosed amount of common stock for an unknown price. Total estimated financing up to \$69 million.

Use of Proceeds

- Anticipate use for general and administrative purposes, clinical trials, R&D, and manufacturing.
- Portion of proceeds may be used to create liquidity for existing shareholders and increase working capital.

Sourcing Opportunities

- CROs for drug trials.
- Manufacturers for preclinical and clinical product candidates.
- Third party suppliers of raw materials for product candidates
- Commercial manufacturing

Pipeline

Product Candidate	Indication	Therapeutic Area	Delivery Method	Status	Next Anticipated Milestone
NGX-4010	Postherpetic Neuralgia (PHN)	Analgesic	Topical Patch	Phase III study ongoing	Filing a NDA with the FDA
NGX-4010	HIV-associated Distal Sensory Polyneuropathy (HIV-DSP)	Analgesic	Topical Patch	Phase III study ongoing	-
NGX-4010	Painful Diabetic Neuropathy (PDN)	Analgesic	Topical Patch	Phase II study ongoing	-
NGX-1998	Neuropathic Pain	Analgesic Oncology	Liquid Formulation	Phase I study ongoing	-
Opioid Prodrug	Chronic Pain	Analgesic Oncology	-	Preclinical	-

Finances

(\$ in thousands)	2004	2005	2006 (9 months)
Total Revenues	-	-	-
R&D Expenses	16,492	11,847	14,318
General & Administrative Expenses	5,113	1,715	3,458
Total Operating Expenses	21,605	13,562	17,776
Capital Expenditures	53	31	121

Contact Info

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PharmSource Lead Sheet

The **PharmSource Lead Sheet (PLS)** is the weekly web-based information service that delivers new business opportunities via e-mail each week. Our professional team of researchers does the hard work – thoroughly identifying and qualifying new companies, products and opportunities in the drug pipeline that signal a need for products and services like those offered by your company. Receiving these fresh, qualified sales leads lets you spend your time selling, not prospecting for leads. We produce between 40 and 60 leads per week, and approximately 10 of those are for European- or Asian-based opportunities.

If you are not yet a subscriber, here are some excellent reasons to become one:

- **Save time and increase sales efficiency:** The **PLS** serves as a virtual prospecting department, letting sales staff focus on making direct contact and selling.
- **Save money:** The **PLS** costs less than exhibiting at a single trade show, and far less than an internal prospecting department.
- **On-going source of fresh leads and current market information:** The **PLS** helps keep the top of the lead funnel full with fresh leads every week, and keeps you on top of pipeline trends for products as well as for 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.

The annual subscription renewal rate for the **PLS** is over 90%. This extraordinary rate is the highest praise for the **PLS**, speaks volumes to its value as a resource that produces results, and shows extremely strong customer satisfaction and loyalty.

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SPECIAL OFFER!

PharmSource would like you to take a complimentary test-drive of the **PharmSource Lead Sheet**, to see for yourself how this service can be your best tool for growing your 2007 market share and defending against increasing competition.

Call Judy Miller at 703-383-4903, ext. 103 (ET) to schedule your free test-drive. You also can read more about the **PharmSource Lead Sheet** by visiting www.pharmsource.com.



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