

**In this Issue:**

- **Pharma Sales: Lead Activity Report** ..... 1
- **Lead Sampler** ..... 1
- **User Tips: Preferences Filters** ..... 3
- **Sales Article: A True Story: Marketing Becomes a Fixed Expense When It Proves ROI** ..... 3
- **Prospect Profile: Ardea Biosciences, Inc.** ..... 5
- **PharmSource Lead Sheet: Special Offer** ..... 7

**Welcome to the January 2009 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 January issue.

*The PharmSource Team*

**Pharma Sales: Lead Activity Report**

**PharmSource Lead Sheet: December Opportunities**

**194** overall leads for pharma vendors were reported by the *PharmSource Lead Sheet* in December, 2008.

Lead Type	Dec-08	2008 Y-T-D
Non-US Leads	74	1058
Early development candidates	49	633
Late development candidates	45	706
Large molecule candidates	32	410
Small molecule candidates	67	965
Newly-funded companies	34	617
New sourcing executives	7	245
Parenteral dosage form candidates	55	601
Oral candidates	38	575
<b>Total Leads*</b>	<b>194</b>	<b>2,849</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 up to 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:  
**12-21-2008**

- 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="#">PTC Therapeutics, Inc.</a>
<b>HQ Location:</b>	South Plainfield, NJ
<b>Product:</b>	PTC299
<b>Dosage Form:</b>	Oral solid
<b>Nature of API:</b>	Chemical - Normal potency
<b>Therapeutic Area:</b>	Oncology
<b>Comment:</b>	PTC Therapeutics initiates a Phase Ib trial with PTC299 for patients with locally advanced or metastatic solid tumors and a Phase I/II trial for patients with Kaposi's sarcoma. The drug candidate is a small molecule compound that inhibits the production of the protein vascular endothelial growth factor (VEGF). Because many types of tumors result from overexpression of VEGF, PTC299 serves as a potential treatment for various types of cancer.
<b>Preclinical contact:</b>	<a href="#">John Babiak, PhD</a>
<b>Preclinical contact:</b>	<a href="#">Joseph M. Colacino, PhD</a>
<b>CMC R&amp;D Contact:</b>	<a href="#">Neil Almstead, PhD</a>
<b>Clinical research contact:</b>	<a href="#">Langdon Miller, MD</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

## Corporate Finance, Alliances, and Acquisitions

Corporate Finance	
<b>Company:</b>	<a href="#">Trophos</a>
<b>HQ Location:</b>	Marseille Cedex 9, France
<b>Financing Type:</b>	Government grant
<b>Amount Raised:</b>	\$9.70 million
<b>Description:</b>	Trophos receives \$9.7 million in government grants to study cholesterol-oxime programs for neurodegenerative diseases.
<b>Strategy:</b>	Trophos develops drugs to prevent neuronal loss in patients with neurodegenerative disease.
<b>Research contact:</b>	<a href="#">Rebecca Pruss, PhD</a>
<b>Clinical Research contact:</b>	<a href="#">Jean-Louis Abitbol, MD</a>
<b>Research contact:</b>	<a href="#">Patrick Berna</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

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## User Tips

### Preferences Filters

If you're a Corporate or Premier level user of the *PharmSource Lead Sheet (PLS)*, you can use the *Preferences* feature to filter your weekly Lead Sheet to view only leads that meet specific criteria you have designated. If you use *Preferences* filters, please take a minute to review them to make sure you're not inadvertently "hiding" any new business opportunities that might be relevant for you.

To view your *Preferences* settings, just click on the *Preferences* link in the *PLS* left navigation bar. To assess whether or not you should use the *Preferences* filters, determine which, if any, of the following are relevant to your search for new business opportunities:

- Development Phase
- Nature of Active Pharmaceutical Ingredient (API)
- Dosage Form
- Therapeutic Area
- Geographic location

If a criteria listed above is not relevant to you, do not make any selections for the associated tab. If one or more criteria ARE relevant, select only those options within the associated tab (or tabs) that are of interest. Keep in mind that the system uses "Boolean And Logic" when you select from multiple filter option tabs (i.e., if you select *Phase III* and *Tablet* and *Tennessee*, your results will be **ONLY** for products that meet ALL of the criteria selected).

If no selections are made for one or more tabs, all options in unselected categories will be included in the results. Once you have selected *Preferences* filters, these remain "on" until you change or delete them. If you use *Preferences*, you can easily toggle to a view of the complete weekly Lead Sheet from a link on the *Preferences* page. Not everyone uses (or should use) *Preferences* filters. If you're not sure, please consult with a PharmSource representative.

## Sales Article

### A True Story: Marketing Becomes a Fixed Expense When It Proves ROI

*By James W. Obermayer*

When Marketing can prove a return on its investment in lead generating dollars, then department expenses will be considered a fixed expense (equal to sales) rather than a variable expense (easy to cut at will). I learned this early in my career as VP of Marketing at Brentwood Instruments.

The president, Del Freeman, called me into his office one fine fall day and said, "Jim, I need to make my earnings projections for the up-coming quarter and I have to get that money from marketing."

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"How much do you need," I asked in my most un-defensive posture. He needed a nickel or a dime per share, I don't remember the exact number. Some of it had to come from marketing. The point is, he wanted me to reduce immediate spending on marketing to contribute to his bottom line and therefore help him to make the earnings forecast.

"I'll get back to you," I replied. "Give me a few hours," and I'll have something for you."  
At the end of the day I came back and offered my pound of flesh, but I did it with confidence in knowing the outcome because I had the backup data to help Del and I make a decision.

I started off by outlining the shows that could be cut, the committed dollars and savings. We visited the print media budget, strayed into the direct marketing line items, stopped over at the PR budget and finished up with the outbound lead generation campaign. When it was all laid out, Del could count on me for about \$350,000 for the quarter. He smiled and as he was writing down the number, but I held up my hand and said, "There is a price to be paid, however, for the cuts because we will not generate approximately 2,500 inquiries."

I continued, "As you know 45% of these are buyers so we will not get a chance to sell to the 1,125 buyers out of 2,500. Our closing ratio varies between products. but our average for all products is 33%. This means that over the next 12 months we will have 371 fewer sales. With an average sales price of \$6,500 we will get \$2,411,150 less sales over the coming year. Each of our 40 salespeople will not make \$60,287 in sales. While our pipeline will carry us in the coming quarter, despite a dramatically drop in inquiries, in the crucial first quarter of next year we will sell about \$600,000 less. Each quarter after that will have the same result. What do you want me to do," I asked.

Del was not smiling when I left his office. His comment was, "I'll get back to you." Of course I made some cuts in non-lead generating activities, put off some new hires, cut the travel budget to nil and everything considered optional was delayed or killed outright. But the lead generation dollars survived and Del didn't cripple his future business. It was a sweet victory for marketing but a better victory for the salespeople, all because three years before Del himself taught me the finer points of proving the ROI for marketing.

Marketing's budget from that time forward became as close to a fixed part of the corporate budget as any I have experienced. But this doesn't happen unless you can prove the ROI for your lead gen dollars and have the numbers at your fingertips. The numbers were possible because our inquiry follow-up was greater than 70% (as reported from our inquiry management system). Without the system, we would have had no data on sales results and therefore no ability to foretell the future. We would have also lost \$2,400,000 in future sales.

#### **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](mailto:jobermayer@salesleakage.com). Phone: 714-998-1737. [www.salesleakage.com](http://www.salesleakage.com).*

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## Prospect Profile

### Ardea Biosciences, Inc. (RDEA)

**Ardea Biosciences, Inc.** is a public biotechnology company that discovers and develops products for the treatment of HIV, gout, cancer and inflammatory diseases. R&D expenditures in the first three quarters of 2008 were over \$34.1 million.

#### Corporate Highlights

- January 1994: Company was incorporated in Delaware as IntraBiotics Pharmaceuticals, Inc.
- December 2006: Company changed name to Ardea Biosciences, Inc.
- 73 total employees (R&D: 59; General & Administrative Activities: 14).
- Corporate Headquarters, San Diego, CA: 52,000 sq. ft.

#### Manufacturing Status

- Ardea does not own or operate a manufacturing facility.
- Ardea obtains clinical trial material from various suppliers and companies.
- Drug products are produced by third party manufacturers and suppliers.

#### Business Relationships

- Clinical trials are conducted by third parties, including CROs, medical institutions, contract laboratories and clinical investigators.
- December 2006: Ardea entered into a research collaboration with Valeant Pharmaceuticals International to develop treatments for neurological disorders.

#### December 2008 Financing

- Ardea received \$30.6 million in private placement (as reported in the December 21, 2008 issue of the *PharmSource Lead Sheet*).
- Use of proceeds was not disclosed.

#### Sourcing Opportunities

- Manufacturing.
- Conduct clinical trials.
- Marketing and sales of products (that become approved).

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## Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
3rd Generation	HIV	TBA	Discovery	TBA
RDEA427	HIV	Oral	Phase 0*	Phase I in Q1 of 2009
RDEA436	Cancer/Inflammatory Disease	Oral	Phase 0*	Phase I in Q1 of 2009
RDEA119	Cancer/Inflammatory Disease	Oral	Phase I	Phase IIa in H1 of 2009
RDEA594	Gout	Oral	Phase I	Phase II in H1 of 2009
RDEA806	HIV/Gout	Oral	Phase IIa	Phase IIb in Q2 of 2009

\*Phase 0 are microdose studies performed in humans that are under an exploratory IND or CTA.

## Finances

(In \$ thousands)	2006	2007	9 Months ended September 30, 2008
Revenues	—	3,095	260
R&D Expenditures	72	23,103	34,147
General & Administrative Expenditures	2,674	7,566	9,927
Total Operating Expenses	2,746	30,669	44,074
Capital Expenditures	726	879	2,507

## Contact Information

### Ardea Biosciences, Inc.

4939 Directors Place  
 San Diego, CA 92121  
 Tel.: (858) 652-6500  
 Fax: (858) 625-0760  
 Email: [info@ardeabio.com](mailto:info@ardeabio.com)  
 Web: [www.ardeabio.com](http://www.ardeabio.com)

### Key Officers

Barry D. Quart, President, CEO & Director  
 John W. Beck, CFO & SVP, Finance & Operations  
 Christopher W. Krueger, SVP, Chief Business Officer  
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 Colin E. Rowlings, PhD, SVP, Pharmaceutical Sciences

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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 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 new business opportunities every week, keeping 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) or send an email to [judy@pharmsource.com](mailto:judy@pharmsource.com).

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