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**Welcome to the February 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 February issue.

*The PharmSource Team*

**Pharma Sales: Lead Activity Report**

**PharmSource Lead Sheet: December Opportunities**

256 overall leads for pharma vendors were reported by the *PharmSource Lead Sheet* in January, 2009.

Lead Type	Jan-09	2009 Y-T-D
Non-US Leads	113	113
Early development candidates	54	54
Late development candidates	46	46
Large molecule candidates	27	27
Small molecule candidates	78	78
Newly-funded companies	56	56
New sourcing executives	23	23
Parenteral dosage form candidates	43	43
Oral candidates	45	45
<b>Total Leads*</b>	<b>256</b>	<b>256</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:  
**01-25-2009**

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="#">DelSite Biotechnologies, Inc.</a>
<b>HQ Location:</b>	Irving, TX
<b>Product:</b>	GelVac influenza vaccine
<b>Dosage Form:</b>	Inhaled powder
<b>Nature of API:</b>	Biologic - Vaccine - inactivated
<b>Therapeutic Area:</b>	Vaccine (infectious target)
<b>Comment:</b>	DelSite receives FDA approval to initiate Phase I trials with GelVac influenza vaccine. The drug utilizes an inactivated whole virion antigen in the company's proprietary GelVac in situ gelling powder formulation, which is then nasally delivered. Leading up to this IND application, DelSite has completed a Phase I safety study of GelVac influenza vaccine formulated without antigen.
<b>Research contact:</b>	<a href="#">Yawei Ni</a>
<b>Research contact:</b>	<a href="#">Lying Tian</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

## Corporate Finance, Alliances, and Acquisitions

Corporate Finance	
<b>Company:</b>	<a href="#">Lytix Biopharma AS</a>
<b>HQ Location:</b>	Tromsø, Norway
<b>Financing Type:</b>	Venture capital investment
<b>Amount Raised:</b>	\$10.40 million
<b>Description:</b>	Lytix Biopharma closes a funding round with a total value of \$10.4 million. Proceeds will support the early -stage clinical development of two novel drugs, LTX-109, an antimicrobial compound, and LTX-315, a treatment for solid tumors.
<b>Strategy:</b>	Lytix develops drugs for the treatment of resistant bacterial and fungal infections, as well as oncology treatments.
<b>Corporate:</b>	<a href="#">Øystein Rekdal, PhD</a>
<b>Research contact:</b>	<a href="#">John S. Svendsen, PhD</a>
<b>Research contact:</b>	<a href="#">Anders Fugelli, PhD</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

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## User Tip

### E-mail Addresses: Newest Addition to *PharmSource Lead Sheet*

We know how important having the e-mail addresses of your prospects is to you, so effective with the *PharmSource Lead Sheet (PLS)* issue to be released on February 26, 2009, all spreadsheet downloads will include a new column named "Standard Email Format". Confirmed company e-mail formats will be shown using the name "John Q. Doe", and you can apply formats provided to names in the *PLS* database or other resources you may use. If you import *PLS* spreadsheet data into CRM software, be sure to make accommodations as needed if you wish to include the new field in your data import.

Basic-level *PLS* subscribers who do not have access to spreadsheet downloads will find commonly used e-mail formats for companies reported in the weekly issues by clicking on a company's name and looking under the *Locations(s)* section in the company pop-up box.

A word of caution: Using e-mail as the first method of contact for hot/warm leads like those reported in the weekly *PLS* is NOT recommended by PharmSource, because of the challenge of getting through corporate spam filters.

The process of finding commonly used e-mail addresses resulted in identifying confirmed e-mail formats for about 50% of companies. Conducting this research for each of the 3,500+ companies in the *PLS* database has been a major undertaking, and we want to give special acknowledgement and thanks to Kasaundra Long, who managed this project.

**If your team would like a complimentary group training teleconference/refresher course to review how to use the advanced features of the Lead Sheet, please contact Judy Miller at [judy@pharmsource.com](mailto:judy@pharmsource.com) or call 703-383-4903, ext. 103.** If you don't yet have access to the advanced features of the Lead Sheet, please contact Judy to learn more.

## Sales Article

### Following a Process: The Best Way to Sell

*By Tom Sant*

John Henry Patterson had a problem. Bored with running a coal business, he and his brother Frank bought a small company—the National Manufacturing Company located in their hometown of Dayton, Ohio. But he found that selling the company's product was almost impossible. The product was technically complex, very expensive, and apparently unnecessary. It was—and you probably already know this—the cash register.

After two years of struggling, Patterson invited his brother-in-law, Joseph Crane, to join the company as a sales agent. Crane quickly became National Cash Register's biggest producer. When Patterson asked how he was doing it, Crane admitted, somewhat sheepishly, that he did the same thing every time he presented the machine to a customer.

Immediately, Patterson had Crane's presentation typed up and sent to every sales agent in the field. The company's sales soared. And Crane's approach became the most influential sales method in the world

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because Patterson's vice president of sales, Thomas Watson, became the head of IBM, where he duplicated all of Patterson's methods, including the sales process. By promulgating Crane's method as the standard at NCR, Patterson set the standard for success in selling high technology products.

What made Crane's approach so powerful? It focused entirely on the customer's needs rather than on the company's product. And it delivered the right information at the right time to match the way a customer typically thinks as he or she is making a buying decision. As a result, the presentation seems "logical." It seems to "make sense," unlike sales presentations that start out focused on the product or the vendor's history.

Crane's method involves four steps in the process—steps that are just as effective today as they were a hundred years ago. Here they are:

**First: identify the customer's problems.**

Where are they losing money? What goals are they failing to achieve? What gaps in their current capabilities are keeping them from being successful? Patterson constantly told his sales reps, "Never talk cash register when you first meet customers. Talk about their problems. There is nothing in which customers are so interested as their own business." That's still great advice.

**Second: develop a specific value proposition.**

Identify the specific areas where losses are occurring and quantify them. Summarize the losses and show the potential for increased profitability in concrete dollars and cents. The more you know about the customer's business in detail, the more convincing your value proposition will be. Don't offer marketing fluff ("world class," "best of breed") instead of real value, or argue for a value proposition ("Improved quality!") that the customer doesn't care about.

**Third: demonstrate the solution.**

Summarize the customer's problems and the potential for increasing profits. Then show how the solution works, not in terms of its technical functions, but in terms of its business impact. Functions are relevant only in terms of the value they deliver. Technology for its own sake is not part of the selling message. Link the solution back to the problem and the payoff.

**Fourth: ask for the order.**

Assume that an intelligent business person will want to buy. If the customer has objections, answer them and close again.

And that's it! Research into the psychology of decision making has proved that these four points match the way people think when they are making a decision. That's why starting off with your company's history is the kiss of sales death. That's why failing to offer a value proposition leaves the customer interested but unmotivated. Patterson didn't know that there was a basic for his brother-in-law's method in cognitive psychology of course. All he knew was that it worked! And it'll work for you, too.

**About the Author**

*Dr. Tom Sant is the author of critically-acclaimed Persuasive Business Proposals, which is required reading for top sales forces around the world. The Sant Corporation is the leading provider of enterprise-strength tools for automatically generating client-focused proposals, RFP responses, presentations, and related documents. Businesses trust Sant to improve sales productivity, increase sales, and deliver accurate, consistent documents to their customers. Visit them online at [www.santcorp.com](http://www.santcorp.com) or call 888-448-7268.*

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## Prospect Profile

### XenoPort, Inc. (XNTP)

**XenoPort, Inc.** is a public biopharmaceutical company that discovers and develops products designed to improve existing treatments, with an emphasis on the body's natural nutrient transport system. R&D expenditures in 2008 were over \$83 million.

#### Corporate Highlights

- May 1999: Incorporated in Delaware
- June 2005: IPO
- 181 total employees (R&D: 138; General & Administrative: 43)
- Corporate Headquarters, Santa Clara, CA: 103,000 sq. ft.

#### Manufacturing Status

- XenoPort does not own or operate manufacturing facilities.
- XenoPort obtains clinical and commercial supplies from third party manufacturers.
- Compounds are produced by third party manufacturers.
- XenoPort currently obtains:
  - Gabapentin, an active agent for XP13512, from Teva, and currently is seeking an alternative source.
  - API for XP13512 from Lonza.
  - XP19986 in API form from Lonza.
  - R-baclofen, an active agent for XP19986, from Heumann Pharma GmbH, and currently is seeking an alternative source for R-baclofen.
  - Sustained-release tablet formulations of XP19986 from Xcelience, LLC.
  - L-Dopa, an API of XP21279, from Ajinomoto Company.
  - Sustained-release tablets for XP21279 from UPM Pharmaceuticals.
- XenoPort currently is seeking a supplier for manufacture of XP21279 in the API form.

#### Business Relationships

- Clinical trials are conducted by third parties, including CROs, contract laboratories and clinical investigators.
- December 2005: XenoPort entered into an agreement with Astellas Pharma whereby Astellas was granted rights for XP13512 in Japan, Korea, the Philippines, Indonesia, Thailand and Taiwan.
- February 2007: XenoPort formed a collaboration with GSK for the development and commercialization of XP13512 in all territories not granted to Astellas.
- October 2007: XenoPort made a license agreement with Xanodyne for the development and commercialization of XP21510 in the US.

#### January 2009 Financing

- XenoPort received \$40 million in private placement (as reported in the January 4, 2009 issue of the *PharmSource Lead Sheet*).
- Use of proceeds was not disclosed.

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### Sourcing Opportunities

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

### Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
XP20925	Migraine	Oral	Preclinical	TBA
XP21510	Menorrhagia	TBA	Preclinical	TBA
XP21279	Parkinson's Disease	Oral	Phase I	Complete Phase I in Q1 of 2009
XP19986	Gastroesophageal Reflux Disease/ Spasticity	Oral	Phase II	Phase II results mid-2009
Solzira (known as XP13512 outside of the US)	Neuropathic Pain	Oral	Phase II	Phase II results in 2009
	Painful Diabetic Neuropathy	Oral	Phase II	Phase II results in 2009
	Restless Legs Syndrome	Oral	NDA Filed	TBA

### Finances

(In \$ thousands)	2006	2007	2008
Revenues	10,606	113,822	41,996
R&D Expenditures	65,434	74,397	83,172
General & Administrative Expenditures	14,834	18,652	26,228
Total Operating Expenses	80,268	93,049	109,400
Capital Expenditures	3,532	6,791	11,470

### Contact Information

#### XenoPort, Inc.

3410 Central Expressway

Santa Clara, CA 95051

Tel.: (408) 616-7200

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

Web: [www.xenoport.com](http://www.xenoport.com)

#### Key Officers

Ronald W. Barrett, PhD, CEO & Director

Kenneth C. Cundy, PhD, SVP, Preclinical Development

Mark A. Gallop, PhD, SVP, Research

David R. Savello, PhD, SVP, Development

David A. Stamler, MD, SVP and CMO

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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 February 27, 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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