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**Welcome to the September 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 September issue.

*The PharmSource Team*

**Pharma Sales: Lead Activity Report**

**PharmSource Lead Sheet: August Results**

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

Lead Type	August-09	2009 Y-T-D
Non-US Leads	160	937
Early development candidates	83	545
Late development candidates	65	491
Large molecule candidates	50	323
Small molecule candidates	113	774
Company Financings	104	552
New sourcing executives	15	148
Parenteral dosage form candidates	72	464
Oral candidates	69	482
<b>Total Leads*</b>	<b>375</b>	<b>2398</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.

## Products in Development

FOR WEEK OF:  
**08-23-2009**

Products in Development ●

Product Acquisitions ●

Corporate Finance ●

Other Sponsor Events ●

Key Appointments ●

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Preclinical	
<b>Company:</b>	<a href="#">Resverlogix Corp.</a>
<b>HQ Location:</b>	Calgary, AB, Canada
<b>Product:</b>	RVX-208
<b>Dosage Form:</b>	Oral
<b>Nature of API:</b>	Chemical - Normal potency
<b>Therapeutic Area:</b>	Hyperlipoproteinemia and hyperlipidemia
<b>Comment:</b>	Resverlogix reports positive data from a Phase Ib/IIa trial with RVX-208, a potential treatment for atherosclerosis. A dyslipidemic drug, RVX-208, is a small molecule designed to increase ApoA-I production, thereby raising functional high-density lipoprotein (HDL) levels. Increased HDL levels enhance reverse cholesterol transport and are associated with atherosclerosis regression and reduced adverse cardiovascular events.
<b>Clinical Research Contact:</b>	<a href="#">F. Allan Gordon</a> , MD, PhD, SVP, Clinical Development
<b>Clinical Research Contact:</b>	<a href="#">Jan O. Johansson</a> , MD, PhD, SVP, Medical Affairs
<b>Preclinical contact:</b>	<a href="#">Gregory S. Wagner</a> , PhD, SVP, R&D
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

## Corporate Finance, Alliances, and Acquisitions

Corporate Finance	
<b>Company:</b>	<a href="#">Nanotherapeutics Inc.</a>
<b>HQ Location:</b>	Alachua, FL
<b>Financing Type:</b>	Government grant
<b>Amount Raised:</b>	\$30.90 million
<b>Description:</b>	Nanotherapeutics receives a five-year, \$30.9 million contract from the NIAID to develop an inhaled version of cidofovir for smallpox.
<b>Strategy:</b>	Nanotherapeutics employs several platform technologies to manipulate and enhance the properties of drugs.
<b>Research contact:</b>	<a href="#">Dennis Tomisaka</a> , VP, Operations & Product Development
<b>Research contact:</b>	<a href="#">James F. Kirk</a> , VP, R&D
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

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## Customer Service Tip

### Got Voice Mail?

By Lydia Ramsey

"There's not anybody who really cares about using voice messaging the way I envisioned it." According to Gordon Matthews, the inventor of voice mail, he never anticipated that his automated message system would be used to confuse and frustrate business callers. He didn't foresee how many ways businesses could devise to misuse his system.

When asked what aggravates them most about modern phone communication, the majority of people will say it is voice mail. Pressed for details, they explain that it is the automated answering process that companies use to screen and direct calls that bugs them, not the basic messaging-taking function.

Companies are spending large sums of money to antagonize their customers and it only seems to get worse. When a person needs help with a problem and can't reach another human, the situation deteriorates rapidly. Using the numbers on your touch tone pad is fine when you want to verify your bank balance, pay a bill or have a dry newspaper delivered; but when your pipes are backing up, your new computer just crashed, or a tree just fell on your brand new SUV, call processing may not be the answer.

There are advantages to an automated system. It saves money in salaries and benefits. It prevents old-fashioned phone tag by allowing people to leave detailed messages in their own voice with clear and correct information. Voice mail crosses all time zones so people can leave and retrieve messages at their convenience.

The disadvantages are that people can hide behind voice mail, often the prompts are confusing, working through the menu can be more time-consuming than speaking to a "live" person, and some people just don't like talking to machines. If your company uses an automated system to process calls make sure it provides the best customer service by following these suggestions:

1. Keep your greeting short & sweet. (No one cares that your menu options have changed. They only want to know what options they have now.)
2. List your menu options according to popular usage.
3. Tell callers how to reach another human early in the process.
4. Think twice before using voice mail for customer service issues.
5. Survey your customers from time to time to see how they feel about your voice mail system.
6. Try calling your own system occasionally and find out first hand what your customers are experiencing.

Voice mail can be either an incredible asset to your business or an incredible pain for your customers. Don't force innocent people to spend their valuable time in your voice mail jail.

#### **About the Author**

*Lydia Ramsey is a business etiquette expert, professional speaker, corporate trainer and author of Manners That Sell—Adding the Polish that Builds Profits. She has been quoted or featured in The New York Times, Entrepreneur, Inc., Real Simple and Woman's Day. For information about her programs, products and services, e-mail her at [lydia@mannerthatsell.com](mailto:lydia@mannerthatsell.com) or visit [www.mannerthatsell.com](http://www.mannerthatsell.com).*

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Sales Article

## Telltale Signs of Problem Clients

*By Michael W. McLaughlin*

"Here's one project I wish I'd never taken on. They never even paid me," griped Steve as he waved a three-year-old client invoice at me. "And," he added, "I should've seen it coming." Steve's project "blew up" according to the client and, piqued, the client withheld the final payment. Even though he had toiled long hours to deliver a great outcome, when the results fell short, he took the fall. Sadly, such project blow-ups happen more often than most consultants care to admit. While misfires can happen because of unforeseeable circumstances and self-inflicted blunders, most project failings are avoidable.

Prospective clients often send unmistakable signals during the sales process about how they'll work with you and how the project is likely to unfold. Watch for and heed these early clues. They will help you to decide whether you should work with the prospect or move on to the next opportunity.

### Canned Goods

Consultants often walk into initial client meetings with canned questions to "spur a dialogue on the issues." Such questions, the theory goes, demonstrate your analytical prowess while revealing the client's needs. Naturally, you want to know the client's vision for the future, the obstacles the client sees, and how the project will facilitate the client's goals. Unfortunately, over-reliance on generic questions can set your eventual project on the road to disaster.

When one consultant asked a client to "describe the problem your company is facing," the client laid out the shortcomings of the company's supply chain. The consultant did not question that analysis but accepted it at face value, and the supply chain shortcomings became the focus of the project. After weeks of effort, the consultant discovered that inaccurate data from the company's accounting system was causing the problem – not inefficiencies in the supply chain.

The biggest drawback to canned questions is that they are rarely adequate for diagnosing complex problems. The answers you get can lead to a false sense that the client and consultant understand and agree on the definition of the problem. As a result, you might unintentionally end up treating symptoms instead of causes.

There is no magic set of questions to ask in every situation. Instead, you have to be a dogged detective. If you and the client aren't pushing past generic questions to the substance of the issues, it's likely that your understanding of the objectives will suffer, and so will the eventual project.

### Yeah, Yeah, Whatever

I don't know any clients with lots of time to shoot the breeze with consultants, but some clients are just too hard to reach. That should be a red flag. When your client is rushed, or doesn't have time for you during the sales process, the project isn't a priority. When that's the case, expect trouble down the road. Once the project gets moving, you'll find access to client executives just gets more difficult. When

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review of your work becomes complicated, the schedule can slow to a crawl. When faced with a disengaged client, you have four choices:

1. You can wait until the client focuses on the project, which may be never.
2. You can find your way around that person to a committed sponsor.
3. You can proceed with the project in spite of the handicap.
4. Or, you can walk away.

In my experience, it's rare for a disengaged client to suddenly jump on the bandwagon once a project launches, but it does happen. If you do go forward, just make sure you have a plan for inevitable project delays.

### **Fussy Over Fees**

A disengaged client isn't the only warning sign to watch for. When you find yourself in endless fee negotiations, that's a clue about what's ahead. Lots of clients understand the relationship between value and fees, and they are willing to spend more as their perception of value increases. Unfortunately, some clients never see that perspective. Instead, they will always haggle over fees, regardless of how fair they are.

It's also more common now to find yourself negotiating final fees with someone other than the buyer. Some clients believe that distasteful fee discussions can strain a professional relationship, so they prefer to let someone else handle the chore. Don't expect the tendency to fuss over fee details to go away when the project gets underway. It's more likely to show up again and again in challenges about invoices, requests for detailed expense documentation, and slow payments.

### **Hired Hand**

Some clients will specify from the get-go exactly what they want you to do, regardless of what you think. In fact, I've talked to clients who were only vaguely interested in an assessment of the problem - never a good omen. When clients believe they have all the answers and only need help putting the solution into place, you are no longer a business adviser, but contract labor.

If it suits your practice, nothing is inherently wrong with taking on such work. But once clients have settled on a solution, their expectations may outpace your ability to deliver. You'll have implied responsibility for ill-defined results with minimal control over how to achieve those results. That's what happened to Steve, and he ended up holding the bag.

The key to success in this situation lies in your ability to influence the project scope and approach so you can create better alignment with the desired results. This often means lobbying for changes to the client team composition, the timing of achieving benefits, or tightening project scope. Without this level of influence, expect to be simply a hired hand and to assume a disproportionate share of responsibility for the project outcome. You are, after all, the expert.

### **Follow Your Instincts**

It's true that some client relationships and projects just don't work out. Yet, if you pay attention during the sales process, you will see problems coming from a mile away and you can stop them before they

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begin. Use canned questions judiciously. Focus on the real causes of the client's problem. Decipher clues from the client's behavior. And don't ignore your own instincts as you decide whether or not to take on the client's problem. Remember, the client isn't the only buyer. You're one too.

#### **About the Author**

*Michael W. McLaughlin is a RainToday.com Contributing Editor, a Principal with MindShare Consulting, LLC and the co-author of Guerrilla Marketing for Consultants. He is also the publisher of Management Consulting News and The Guerrilla Consultant. Before founding MindShare Consulting LLC, he was a Partner with Deloitte Consulting, where he spent more than two decades helping clients.*

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## Prospect Profile

### **Cumberland Pharmaceuticals, Inc. (CPIX)**

**Cumberland Pharmaceuticals, Inc.** is a pharmaceutical company that acquires, develops and commercializes products for hospital acute care and gastroenterology. The company's registration statement was filed with the SEC for an initial public offering (IPO) of its common stock as reported in the August 8, 2009 issue of the *PharmSource Lead Sheet*. At \$16.84 a share, Cumberland raised \$85 million through the sale of five million shares. The proceeds will support future product acquisitions and the commercial launch of Caldolor, a recently FDA-approved drug that is injected to treat pain and fever.

#### **Corporate Highlights**

- 1999: The company was incorporated in Tennessee.
- 2000: Cumberland Pharmaceuticals, Inc. formed Cumberland Emerging Technologies (CET), Inc., an 85%-owned subsidiary of Cumberland, with Vanderbilt University and the Tennessee Technology Development Corporation, to identify preclinical candidates.
- August 14, 2009: The company completed its IPO.
- 106 total employees, of which 77 are hospital sales force representatives and managers.
- Facility: Corporate Headquarters, Nashville, Tennessee: 9,300 sq. ft.
- R&D expenditures in 2008 were over \$4.4 million.

#### **Manufacturing Status**

- Cumberland does not own or operate a manufacturing facility.
- Acetadote is manufactured and supplied by Bioniche Teoranta and Bayer Healthcare, LLC.
- The company has a supply agreement for Kristalose with Inalco S.p.A. and Inalco Biochemicals, Inc.
- Caldolor is manufactured at:
  - Hospira's Australia Pty. Ltd. facility located in Australia.
  - Bayer's Kansas facility.

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### Business Relationships

- Clinical trials are conducted by third parties, including contract research organizations, clinical investigators, research institutions and academic centers.
- Third parties that Cumberland relies on include:
  - Cardinal Health Specialty Pharmaceutical Services warehouses and ships marketed drugs.
  - Ventiv Commercial Services, LLC’s sales team focuses on Kristalose.
  - Vanderbilt University and the Tennessee Technology Development Corporation provide preclinical R&D.

### Sourcing Opportunities

- Manufacturing
- Clinical trials
- Sales and marketing

### Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
Anti-infective*	Fungal infections	TBA	Preclinical	TBA
Asthma treatment*	Asthma	TBA	Preclinical	TBA
Pulmonary/cancer treatment*	Fluid buildup in the lungs of cancer patients	TBA	Preclinical	TBA
Caldolor	Pain and fever	Parenteral	FDA approved	Launch later in 2009
Acetadote	Acetaminophen poisoning	Parenteral	Marketed	—
Kristalose	Chronic and acute constipation	Oral solution	Marketed	—

\* Preclinical development performed by Cumberland Emerging Technologies, Inc.

### Finances

(In \$ thousands)	2006	2007	2008
Revenues	17,815	28,064	35,075
R&D Expenditures	2,233	3,694	4,429
General & Administrative Expenditures	2,999	4,138	5,140
Total Operating Expenses	15,592	21,338	27,793
Capital Expenditures	365,774	459,843	432,413

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### Contact Information

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Gordon R. Bernard, MD, SVP & Medical Director

Leo Pavliv, SVP, Operations

Arthur P. Wheeler, MD, Director, Medical Affairs

Barry L. Lee, Product Director

Amy D. Rock, PhD, Sr. Director, Reg. & Scientific Affairs

### PharmSource Lead Sheet Special Offer

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