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Welcome to the February 2010 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: January 2010 Results

413 overall leads for pharma vendors were reported by the *PharmSource Lead Sheet* in January, 2010.

Lead Type	Jan-10	2010 Y-T-D
Non-US Leads	171	171
Early development candidates	85	85
Late development candidates	87	87
Large molecule candidates	56	56
Small molecule candidates	121	121
Company Financings	108	108
New sourcing executives	34	34
Parenteral dosage form candidates	83	83
Oral candidates	80	80
Total Leads*	413	413

* 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:
02-07-2010

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

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Products in Development

Phase I

Company: [Lithera, Inc.](#)
HQ Location: San Diego, CA
Product: LIPO-102
Dosage Form: Parenteral
Nature of API: Chemical - Normal potency
 Chemical - Steroid
Therapeutic Area: Ophthalmology
 Metabolic
Comment: Lithera successfully completes Phase I trials of LIPO-102, a treatment of thyroid-related (Graves Disease) exophthalmos (bulging of the eye anteriorly out of the orbit). The candidate is an injectable formulation of salmeterol xinafoate and fluticasone propionate. LIPO-102 locally reduces fat tissue that causes the eye to protrude from the orbit.
Research Contact: [Kenneth W. Locke, PhD](#), CSO
Clinical Research Contact: [Murray C. Maytom](#), CMO

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

Corporate Finance, Alliances, and Acquisitions

Corporate Finance

Company: [Syndax Pharmaceuticals Inc.](#)
HQ Location: Waltham, MA
Financing Type: Venture capital investment
Amount Raised: \$9.00 million
Description: Syndax adds \$9 million to its Series A financing round. Syndax previously raised \$40 million in a Series A financing round in 2007. Funds will be used for clinical trials of entinostat, a treatment for cancer.
Strategy: Syndax focuses on modifying the tumor phenotype to restore or extend targeted therapies.
Clinical research contact: [Gloria Lee, MD](#), PhD, VP, Clinical Development
Research Contact: [Miranda M.C. Rees](#), VP, Product Development
Research contact: [Peter Ordentlich, PhD](#), Director, Scientific Affairs/Strategic Relations

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

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User Tip

User Tip: Your Feedback is Important!

We value your feedback and suggestions for the *PharmSource Lead Sheet*, so we make it fast and easy for you to communicate with us. Here are two convenient ways to send us instant feedback or ideas you may want to share as you're working in the system:

1. On your *PharmSource Lead Sheet* main page, simply click on the "Comments/Questions" button located in the left navigation bar. This will enable you to immediately send us an e-mail message - on the spot. You can use this to copy and paste a lead that you have a question about, or to quickly and efficiently send us your comments or suggestions.
2. If your subscription allows access to the "Email Lead" link located in the lower left corner of each individual lead, you can use this function to send us a lead you have a question about, along with your question, message or comment. Just click on the "Email lead" link, and complete the "Message" section with your feedback, then direct your inquiries to info@pharmsource.com in the "Email To" space. The "Email From" space will self-populate with your e-mail address, and a copy of the message will automatically be sent to you.

In both of the above methods, messages are sent directly via the web, so there's no need to bother opening your Outlook (or other e-mail program). It's fast, easy and simple! We look forward to hearing from you any time.

Key Appointments: January 2010

This new section of the *PERISCOPE* summarizes just a small sampling of the many recent appointments of new people to high-level positions in pharma/biotech. For more information of this nature, see the "Key Appointments" section of the weekly *PharmSource Lead Sheet*.

Key Appointments

Company: [Acetylon Pharmaceuticals, Inc.](#)
HQ Location: Boston, MA
Appointee: Simon S. Jones, PhD
Position: VP, Biology & Preclinical Development

Company: [Amorfix Life Sciences](#)
HQ Location: Mississauga, ON, Canada
Appointee: Robert Gundel
Position: VP, R&D

Company: [Array BioPharma, Inc.](#)
HQ Location: Boulder, CO
Appointee: Bengt Bergstrom, MD
Position: VP, Clinical Development

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Company: [CPEX Pharmaceuticals Inc.](#)
HQ Location: Exeter, NH
Appointee: Nils Bergenhem, PhD
Position: CSO

Company: [Dynavax Technologies Corp.](#)
HQ Location: Berkeley, CA
Appointee: William Heyward, MD
Position: VP, Clinical

Company: [IRX Therapeutics, Inc.](#)
HQ Location: New York, NY
Appointee: Neil L. Berinstein, MD
Position: CSO

Company: [MediciNova, Inc.](#)
HQ Location: San Diego, CA
Appointee: Kirk Johnson, PhD
Position: CSO

Company: [Vical, Inc.](#)
HQ Location: San Diego, CA
Appointee: Richard T. Kenney, MD
Position: VP, Clinical Development

Sales Article

Ideas That Hinder Sales Performance

by Dave Kahle

It's a common mindset. The field sales person wants every communication with the customer to go through him/her. In other words, instead of calling customer service with a problem, the customers are instructed to call the sales person first. Instead of calling technical service for a repair issue, call the sales person. Need a price? Don't call inside sales, call the sales person.

It's easy to see why so many sales people adhere to this idea. It makes them feel important – look at all the phone calls they receive. It puts them into more regular contact with the customer, hopefully providing opportunity for enriching the relationship. And, since the sales person is, in effect, providing some service to the customer, the sales person believes that he is bringing value to the customer, and that the customer will come to rely on the sales person.

At one level, all of that sounds good. However, that idea costs both the company and the sales person dearly, and frustrates the customers. It is an insidious hindrance to sales performance.

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Here's why. First, it fills the sales person's day with needless administrative tasks that can be done better and cheaper by someone else inside the company. Here's an example. The customer received ten line items on their last shipment, and one of them is not the item they ordered. In the "everything must go through me" scenario, the customer calls the sales person, who interrupts a visit with another customer to take the call. He tells the customer he'll get back to him. Then he calls customer service and makes arrangements to handle the problem. Next he calls the customer, and gets his voice mail. The sales person leaves a message for the customer to call him. The customer does, but, alas, gets the sales person's voice mail. The cycle repeats until live contact is made, and the sales person conveys the message.

The net impact is to increase the frustration on the part of the customer, to add costs to the selling company, and to weigh the sales person down with needless tasks. This kind of thing happens multiple times every day.

Look how much time the sales person wasted. He really didn't need to be a part of any of this. If the customer would have called customer service directly, the problem would have been handled immediately – saving the customer and the sales person lots of time. The customer service rep is far better (and cheaper) at responding to service issues than is the sales person.

The culmination of hundreds of these kinds of scenarios, played over time, combine into a huge cost to the company. Not only is the selling company using an expensive asset (the sales person's time) to accomplish a task that is more efficiently done by a less expensive asset (the customer service rep), but the opportunity costs are even larger. While the sales person was spending his time on the phone in this needless set of tasks, he wasn't calling on another customer. In other words, the sales person made the choice to involve himself in this administrative clutter rather than use the time to sell something. Add those costs up, and the numbers will keep you awake at night.

But an even more insidious effect has to do with the message you are sending to the customer. What is the implication of "call me for everything" on the customer? He perceives that there are no competent people working for your company other than the sales person. Why else would you need to call him first? There must not be any infrastructure to take care of customers -- no systems to handle these kinds of issues.

If the only person you can talk to is the sales person, then there must not be much of a company supporting him. Why would you want to do business with a company like that?

The real culprit in this very common situation is the errant mindset of the sales person relative to how he/she sees his job. It's the fundamental answer to this question: "How does a sales person do his job?" The world is full of distributor sales people who think the answer is to become a mobile customer service rep. Their job, so they believe, is to be a super-responsive "go-fer" for the customer -- have every communication come through the sales person, respond to every whim of the customer, solve every problem.

This "mobile-customer-service-rep syndrome" lives at a deeper level in the sales person psyche and in the culture of the company that employs him. In our Top Gun Seminars for Distributor Salespeople, we identify it as the entry-level sales mindset, but one from which most sales people never progress. This approach, of course, fills the sales person's day with "stuff", and makes him feel busy and important. Unfortunately, it leaves little time for the nuts and bolts of selling – proactively uncovering the customer's deeper needs, presenting products, services and programs that help him grow his business and do his job better.

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The symptoms of this syndrome pop up all over the place. Sales people who make sales calls with nothing to sell. Sales people who rarely make cold calls on prospects they don't know. Sales people who spend their days on the cell phone, making needless calls for things that rightly should be done by others.

As long as the sales person is burdened by the mobile customer service rep mentality, and as long as the company's culture supports that mindset, the sales people will never grow to reach their potential, and the company will be forever burdened by the costs of ineffective sales efforts.

About the Author

Dave Kahle has trained tens of thousands of B2B salespeople and [sales managers](#) to be more effective in the 21st Century economy. He's authored seven books, and presented in 47 states and seven countries. Visit his [website](#) or sign up for his weekly [newsletter](#).

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Prospect Profile

Evotec AG (EVT)

Evotec is a public pharmaceutical company that discovers and develops early-stage products for the treatment of central nervous system diseases. As reported in the January 17, 2010 issue of the *Pharmsource Lead Sheet*, Evotec recently extended its collaboration with the CHDI Foundation to continue the R&D of treatments for Huntington's disease. The extension will provide Evotec with \$37.5 million of research funding over the next three years. R&D expenditures were \$58.9 million in 2008.

Corporate Highlights

- 1993: Company was founded in Hamburg, Germany as Evotec BioSystems GmbH.
- 1999: Company established Evotec Neurosciences GmbH in Hamburg, Germany.
- November 1999: Company became public as Evotec BioSystems AG.
- The company has 418 total employees.
- Corporate Headquarters (includes laboratories): Hamburg, Germany - 60,500 sq. ft.
- Office and lab space: Hamburg, Germany - 12,900 sq. ft.; Berlin, Germany - 2,422 sq. ft.; Oxfordshire, UK - 96,870 sq. ft.; South San Francisco, CA - 70,235 sq. ft.

Manufacturing Status

- Evotec does not own or operate a manufacturing facility.
- Evotec relies on partners, licensees and CDMOs for the manufacture, supply, storage and distribution of products.

Business Relationships

- Preclinical and clinical trials are conducted by CROs and independent clinical investigators.
- 2009: Biogen Idec - a discovery alliance for targets selected by Biogen Idec.
- 2009: Cubist Pharmaceuticals - an agreement that focused on discovery and development of antibacterials.
- 2008: Spermatech - a partnership for high-throughput screening and lead discovery of non-hormonal reversible male contraceptives.

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- 2008: Novartis - a collaboration to discover and develop small molecules.
- 2008: Ono Pharmaceutical Co., Ltd. - an agreement focused on fragment-based drug discovery.
- 2007: Intermune - a collaboration to support Intermune's research efforts in its hepatitis C program.
- 2006: Roche - an alliance to discover and develop CNS disease treatments.
- 2006: CHDI - a partnership that focused on discovery and development of Huntington's disease therapies.
- 2005: Pfizer - originally a partnership with Renovis (acquired in 2008 by Evotec) to develop small molecules that target the VR1 receptor.
- 2004: Boehringer Ingelheim - a joint collaboration to develop preclinical treatments for various indications.

Sourcing Opportunities

- Manufacturing.
- Preclinical trials.
- Clinical trials.
- Sales (upon commercialization).
- Marketing (upon commercialization).

Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
BACE	Alzheimer's disease	TBA	Discovery	TBA
Orexin 2	Insomnia	TBA	Discovery	TBA
PDE10a	Schizophrenia	TBA	Discovery	TBA
Serine Racemase	Neurodegeneration	TBA	Discovery	TBA
B1 antagonist	Pain/Inflammation	Oral	Lead Optimization	TBA
P2X3 and P2X2/3 antagonist	Pain/Urological disease	TBA	Lead Optimization	TBA
H3 antagonist	Cognition/narcolepsy	TBA	Preclinical	TBA
EVT 101/103	Depression	Oral	Phase I	TBA
EVT 302	Alzheimer's disease	Oral	Phase I	Seeking partnership for further development
EVT 401	Rheumatoid arthritis/inflammatory diseases	Oral	Phase I	Preparing for Phase II
EVT 201	Insomnia	TBA	Phase II	Seeking partnership for further development

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Finances

(In \$ thousands)	2007	2008
Revenues	75,402	54,923
R&D Expenditures	51,215	58,978
Selling, General & Administrative Expenditures	29,035	27,661
Total Operating Expenses	96,047	125,958
Capital Expenditures	5,701	4,853

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 Klaus Maleck, CFO
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 John A. Kemp, Chief R&D Officer
 Mark Ashton, EVP, Business Development

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, 28 2010 and
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To schedule your free **test-drive**, call Judy Miller at (703)383-4903, ext. 103 (ET) or send an email to judy@pharmsource.com.

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