PHARMSOURCE® LEAD SHEET
PERISCOPE

PharmSource®

New Business Opportunities for Companies Serving Pharma **June 2010**

In This Issue:

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Welcome to the June 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 June issue.

The PharmSource Team

Pharma Sales: Lead Activity Report

PharmSource Lead Sheet: May 2010 Results

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

Lead Type	May-10	2010 Y-T-D
Non-US Leads	161	707
Early development candidates	94	423
Late development candidates	71	313
Large molecule candidates	62	238
Small molecule candidates	115	523
Company financings	104	464
New sourcing executives	25	122
Parenteral candidates	88	372
Oral candidates	65	318
Total Leads*	**372**	**1,714**

* 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

Phase I	
Company:	Inotek Pharmaceuticals
HQ Location:	Lexington, MA
Product:	INO-8875
Dosage Form:	Liquid - Sterile
Nature of API:	Chemical - Normal potency
Therapeutic Area:	Ophthalmology
Comment:	Inotek plans to initiate a Phase II trial with INO-8875 for the treatment of glaucoma later this month. Delivered as an eye drop, INO-8875 is a selective adenosine 1 (A1) agonist. A1 receptor stimulation induces metabolic activity suppression, depression of atrioventricular nodal conduction and lowering of intraocular pressure.
Clinical Research Contact:	Rudolf A Baumgartner, MD, CMO
Clinical Research Contact:	Tiffany Crowell, Director, Clinical Operations
Print Lead Email Lead	

Corporate Finance, Alliances, and Acquisitions

Corporate Finance	
Company:	Otonomy, Inc.
HQ Location:	San Diego, CA
Financing Type:	Venture capital investment
Amount Raised:	$10.00 million
Description:	Otonomy raises $10 million in a Series A round of financing. Proceeds will be used to support the ongoing clinical trial for OTO-104 in Meniere's disease, initiate IND-enabling studies for OTO-203 and continue early-stage development of a third program.
Strategy:	Otonomy develops therapies for disorders of the inner and middle ear such as Meniere's disease, sudden sensorineural hearing loss, noise-induced hearing loss, age-related hearing impairment, tinnitus and otitis media.
Corporate:	Jay Lichter, PhD, President & CEO
Research Contact:	Carl LeBel, CSO
Print Lead Email Lead	

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Key Appointments: May 2010

This 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:	[Aastrom Biosciences Inc.]
HQ Location:	Multiple
Appointee:	Sharon Watling, Pharm.D
Position:	VP, Clinical and Regulatory

Company:	Fate Therapeutics
HQ Location:	San Diego, CA
Appointee:	Tom Novak, PhD
Position:	VP, Research & Drug Discovery

Company:	Infinity Pharmaceuticals Inc.
HQ Location:	Cambridge, MA
Appointee:	Vito J. Palombella, PhD
Position:	CSO

Company:	Lycera Corp.
HQ Location:	Plymouth, MI
Appointee:	Robin S. Goldstein, PhD
Position:	VP, Preclinical Development & Program Management

Company:	Morphotek, Inc.
HQ Location:	Exton, PA
Appointee:	Joye L. Bramble, PhD
Position:	VP, Pilot Plant Operations

Company:	Mucosis BV
HQ Location:	GX Groningen, Netherlands
Appointee:	Roberto Grimaldi
Position:	CMO

Company:	Novavax, Inc.
HQ Location:	Rockville, MD
Appointee:	Mark O. Thornton, MD, PhD
Position:	CMO & VP, Development

Company:	Silence Therapeutics plc
HQ Location:	Multiple
Appointee:	Jorg Kaufmann, PhD
	VP, Research

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Sales Article

[Editor's Note: In this month's sales article, author Dave Kahle raises a topic of great interest both to sales managers and to salespeople looking to improve their results. He addresses a major influence that often restricts sales performance: a lack of established best practices. As in other areas of business, best practices in sales result in better outcomes. There's great value in establishing best practices among your sales team and applying associated metrics that motivate staff to faithfully follow these best practices through the selling process. Kahle poses the difficult question of whether those who resist using best practices are, in fact, avoiding accountability. This short article can be used as a starting point for exploring this important issue and its impact on your bottom line. These ideas can also be applied by individuals seeking to create a better personal sales model. JLM]

I Have My Own Style of Selling

by Dave Kahle

Occasionally, at a seminar or training program, I'll overhear one salesperson mention this to another -- " I have my own style of selling."

From my perspective, that idea is more detrimental to that salesperson's success than almost any other. Not only that, but that idea holds down entire sales forces, renders sales management impotent, and dissipates the sales team's potential. Of all the ideas that detract from sales performance, this is the most malignant.

Here's why. In the profession of sales, just like in every other profession, there is a set of best practices – specific things to do, behaviors and processes that are proven to produce results. (see my article, Best Practices for Salespeople for a more detailed explanation.)

"Planning for every sales call," for example, is a best practice. Those salespeople who adhere to that discipline achieve better results than those who don't. That's an easy example. The truth is, though, that there are literally dozens of best practices, impacting every aspect of the sales process. There are proven ways to identify your highest potential prospects, to approach a prospect, to uncover opportunities, to present your solutions, to acquire agreement, and to leverage that transaction into greater opportunities.

The world is full of sales trainers who make a living teaching some of these practices. And professional salespeople make it a quest to continually seek the best practices, and to inject them into their routines, turning them into habits.

Here's the problem. When a salesperson believes that he/she "has his own style of selling," they are negating the entire concept of best practices and discounting the past 70 years of development of the sales profession. It doesn't matter what anyone else says, it doesn't matter what practices the vast weight of professional judgment reinforces, it doesn't matter what behaviors research identifies as effective -- the only thing that matters is "my style."

How can anyone teach you anything as long as you have "your style?"

While I occasionally hear that in my seminars, I'm convinced that the salespeople who really believe it are the ones who don't show up at the seminars. Why bother? They have their own style.

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I suspect that, in many cases, there is something deeper going on. I suspect that those salespeople who maintain that they have their "own style" are really hiding a more profound situation. Maintaining that you have "your own style," is a way of avoiding scrutiny and sliding out from under accountability How can anyone teach you anything? How can anyone coach you? How can anyone question anything that you do? That's the issue!

I believe that many salespeople who maintain they have their own style are really, at the heart, insecure about their performance. They may understand that they aren't really suited to selling, and they are insecure and uncomfortable with what they do. So, to avoid scrutiny, to escape being accountable for their actions, they hide under the cloud of "their own style."

"Their own style," is then, in many cases, the hiding place of the mediocre. Salespeople who announce it, sales managers who allow it, and sales executives who tolerate it are severely limiting the performance of their sales teams.

About the Author

Dave Kahle (www.davekahle.com/aboutdave.html) has trained tens of thousands of B2B salespeople and sales managers (www.davekahle.com/manageroverview.html) 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 (www.davekahle.com) or sign up for his weekly newsletter (www.davekahle.com/mailinglist.html).

Sales Article

Conducting an Effective Account Review

By Jeanne Buchanan

In a time of global competition, rightsizing, and demands for predictable quarterly performance, executive teams cannot afford to waste critical resources, investments, or time. It is imperative to "manage up" the accurate and timely information needed to make the best decisions. An account review is an ideal vehicle for this communication, and a critical part of effective sales management execution. A valuable source of perspective for sales leaders, it helps us identify both opportunities and sales gaps, assign critical resources, and create investment needs for the sales organization. It can also be an effective communication tool for sales leaders to share best practices with their teams, and develop their sales bench through mentoring and coaching.

Account Overview

How are we going to achieve our sales plan? Or more important, can we achieve our plan with the resources we have, directed to the customers we know, with the products and services we have? If the answer is no, the account review sparks the process to assess gaps and brainstorm options to close them. If the answer is yes, the review can be used to define extraordinary objectives for the individual, the team and the company. A review of a single account (or set of accounts) focuses attention on critical areas of customer relationships, and our company's ability to add value, to advance both objectives.

Account reviews are also an efficient tool to communicate information to those not directly involved day -to-day in the territory. In this case, we focus on the customer gap assessment, potential changes in the

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current state that may affect the customer's planned initiatives, and how we position our company to impact the customer. For example, what is the vision for this account? What gap is the customer challenged with, and what key initiatives are they undertaking? What relationships do we need to be successful, to add value to this customer?

Moving forward with consistent targeted actions results in a tight cycle of value with key customers that bring continued and ever-greater rewards for both parties.

Opportunity Assessment

A review of the top opportunities can offer critical insight into our account and our company. It provides perspective to current investment and yield. It tells us what's working.

Then, it's on to the pivotal value dialogue with our team to discuss top unforecasted opportunities. What is necessary to move these to the next pipeline stages and a win? What resources, investments, terms and conditions are needed? Ideally, the total of forecasted sales opportunities plus the top unforecasted opportunities exceeds our stretch goal. If it doesn't, we may need to revisit the plan and tweak the objectives.

There are some key questions to answer as we look at each sales opportunity or solution. In what ways are our solutions supported by value metrics? How are our solutions connected to the customer's initiatives? What other services could we add to these solutions that would make them more compelling and further differentiate our company? What can we do to improve the odds of achieving our extraordinary goal?

Relationship Alignment

It is essential that we be aligned with key customers. Who are the sponsors for each of our opportunities--the key approver, decision-maker, user and influencers? How do they rate our company or solution, and what key message will have the most impact on each of these individuals? The objective is to create a relationship goal, which is achievable and strong enough to ensure that we have covered the key people. Our relationship strategy is critical to achieving extraordinary objectives. We need to invest our time to gain maximum leverage in the decision-making process. What relationships can we leverage in this situation? Have we validated the lines of influence? A good test of our relationship strategy is to ask, "Is it strong enough to win?"

Leverage Resources

During the account review, we will want to focus on key leverage points. For this to be successful, the sales teams will want to pinpoint the most important customer pains and the competition's weakest links. This will help us identify critical strengths to highlight in our sales pursuit that demonstrate our company's differentiation while exposing competitor weaknesses. A well-targeted strategy most effectively uses resources, lowers cost and time spent while increasing our win percentage, which means more dollars to us.

Account Review Outcomes

The account review process is an excellent tool for uncovering information we don't know or have not validated. It is acceptable to not know some of the critical information-with a little research, we can remedy this. What is not acceptable is to make important decisions lacking good, valid information.

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Consistent attention to elements of strong account management, including account reviews, will have significant positive effects on account success. Account reviews work well to assess where our abilities to fulfill the needs of our customers line up. They help us look at complex processes required for strategic customer relationships and demystify them into sustainable, win-win, business-to-business relationships that, if nurtured, will yield extraordinary results.

About the Author

Jeanne Buchanan is a marketing and sales consultant for Critical Path Strategies, a sales training and consulting company that helps sales leaders build successful selling organizations. Her professional career includes senior management positions in marketing, investor relations, corporate communications, and media relations with Fortune 500 companies. Skilled at establishing and managing relationships with essential internal and external clients and adept at crafting key messages to influence strategic change, Jeanne advises sales management teams on market messaging and strategic communications-related issues. Please visit www.criticalpathstrategies.com.

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2nd Annual Effective Business Development for Clinical Trial Service Providers Conference

On July 13-14, 2010 ExL Pharma will hold its **2nd Annual Effective Business Development for Clinical Trial Service Providers Conference**: *Gaining New and Repeat Business by Providing Superior Quality and Ensuring External and Internal Client Satisfaction* at the Sheraton National Hotel in Arlington, VA.

To get a 15% discount when registering, mention code P1305-PharmSource. For information or to register contact Pam Sobotka at psobotka@exlpharma.com or visit www.exlpharma.com/bizdev.

Prospect Profile

Ikaria, Inc. (IKAR)

Ikaria is a biopharmaceutical company that discovers, develops and commercializes treatments for critical care. The company filed an initial public offering (IPO) as reported in the May 16, 2010 issue of the ***PharmSource Lead Sheet***.

Corporate Highlights

- August 2006: The company was incorporated in Delaware as ITL Holdings, Inc.
- February 2007: The company name was changed to Ikaria, Inc.
- Investors include: 5AM Ventures, ARCH Venture Partners, Black Point Group, New Mountain Capital, The Linde Group and Venrock.
- May 13, 2010: IPO filed.
- 463 employees, including 111 in R&D, 100 in manufacturing, 56 in distribution, 107 in commercial operations and 89 in general and administrative support.
- Corporate headquarters: Clinton, NJ - 60,000 sq. ft.
- Office space: Hampton, NJ - 14,600 sq. ft.
- R&D facility: Seattle, WA - 8,000 sq. ft.
- International locations: Australia, Japan and Canada.

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Manufacturing Status

- Ikaria relies on contract manufacturers for clinical trial materials.
- Ikaria owns and operates a 49,000-sq.-ft. manufacturing facility in Port Allen, LA. The site includes office, warehouse, laboratory and manufacturing space.
- Ikaria leases a 5,000-sq.-ft. site in Geismar, LA, which includes office, warehouse and manufacturing space.
- Ikaria leases a 16,100-sq.-ft. drug delivery system manufacturing facility in Madison, WI. The site includes office, manufacturing, R&D and warehouse space.

Business Relationships

- Clinical trials are conducted by third parties, including CROs.
- Ikaria licensed IK-5001, IK-1001 and the IK-600X portfolio from BiolineRx Ltd, the Fred Hutchinson Cancer Research Center and Fibrex Medical, Inc., respectively.

Sourcing Opportunities

- Clinical trials
- Manufacturing

Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
IK-6001/IK-600X portfolio	Conditions characterized by vascular leakage	Parenteral	Preclinical	TBA
IK-1001	Conditions characterized by tissue ischemia	Parenteral	Phase II	TBA
LUCASSIN	Hepatorenal syndrome Type 1	Parenteral	Phase III	TBA
INOMAX	Bronchopulmonary dysplasia/ acute respiratory distress syndrome	Inhaled	Phase III	TBA

Finances

(In $ thousands)	2008	2009
Revenues	236,794	274,592
R&D Expenditures	68,538	75,421
Selling, General & Administrative Expenditures	61,844	83,879
Total Operating Expenses	212,762	241,990
Capital Expenditures	41,183	43,933

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