

Preface	xiii
Foreword	xv
Acknowledgements	xvii
Contributors	xix

Section I Biotechnology Entrepreneurship

1. Unleashing the Promise of Biotechnology to Help Heal, Fuel, and Feed the World

James C. Greenwood

Health Biotechnology: Helping to Save and Extend Lives	3
Food and Agricultural Biotechnology: Helping to Feed the World	6
Industrial and Environmental Biotechnology: A Better Way to Make Things	8
The Public Policy Environment for Biotech Innovation	11
References	12

2. A Biotechnology Entrepreneur's Story: Advice to Future Entrepreneurs

Henri A. Termeer

Path to Entrepreneurship	15
Risks of Joining a Biotechnology Company	16
Genzyme in the Early Days	16
The Importance of Understanding Business and Finance	17
Raising Capital	17
Managing the Uncertainty of Biotechnology	18
Core Values	18
Integrating the Science and Business	18
The Value of a Business Background and Experience	19
Driven from Within	19
In Touch with Events Outside the Company	20
Good Fortune and Success	20
Closing Advice	20
Reference	20

3. The Biotechnology Industry: An Engine of Innovation

G. Steven Burrill

The Birth of an Industry	22
The Industry Takes Root	24
The Industry Today	25
The Challenge of Drug Development	25
Falling R&D Productivity	26
The Consistent Challenge	27
Howdy Partner	28
The End of the Blockbuster Era	29
The Times they are a Changing	30
Mapping the Human Genome	30
An Evolving Vision	31
Changing Economics	32
A Greater Promise	33
Investing in Innovation	34
Partnerships of Convenience	34
Promoting Technology Transfer	35
Not Just About Drugs	36
Everything Old is New Again	37
The Challenge of Scale	37
Improving Yields	38
The Challenge Today	38
The Moment is Now	40
Value is Transient	41
Value is Geographic Dependent	42
Value to Payers is not a Constant	42
Value is not a Function of Sales and Earnings	42
The Challenge for Life Sciences Companies	43

4. What is Biotechnology Entrepreneurship?

Craig Shimasaki, PhD, MBA

The Significance of the Biotechnology Entrepreneur	45
The Integration of Two Distinctly Different Disciplines	45
Biotechnology Entrepreneurship Versus General Entrepreneurship	46
Entrepreneurship and Intrapreneurship	47

The Biotechnology Entrepreneur, Manager, or Leader	47
Essential Biotechnology Entrepreneurial Characteristics	48
Four Backgrounds of Biotechnology Entrepreneurs	51
Being the Entrepreneur for a Season	52
Driving Forces Behind a Biotech Entrepreneur's Decisions	53
Learning from "Failure"	55
Summary	55
References	56

5. Five Essential Elements for Growing Biotechnology Clusters

Craig Shimasaki, PhD, MBA

Biotechnology Clusters are Actively Developing World-Wide	58
What is a Biotechnology Cluster	59
What are the Benefits of a Biotechnology Cluster?	59
The Five Essential Elements Necessary to Growing a Biotechnology Cluster	61
"Growing" Biotechnology Clusters	62
Five Essential Elements to Growing a Biotechnology Cluster in a Region	62
Important Considerations	69
Other Enhancers of Biotechnology Cluster Development	69
Maintenance Factors Vs. Drivers	70
Inhibitors of Biotechnology Cluster Growth	70
The Role of Government in Developing Biotechnology Clusters	70
Where to Start?	71
Summary	72
References	72

Section II The Human Capital

6. Characteristics of Successful Biotechnology Leaders

Lynn Johnson Langer, PhD, MBA

Success and Failure	76
Requirements for Achieving Success: Organizational	76
Six Factors for Success	78
Conclusion	81
References	81

7. Building, Managing, and Motivating Great Teams

*Arthur A. Boni, PhD, Laurie R. Weingart, PhD and
Gergana Todorova, PhD*

Entrepreneurial Process Fundamentals Related to Teams	84
Summary of "Lessons Learned" (The Experiential Perspective)	87
Key Questions to Ask when Building the Team—the Academic Perspective	89
An Approach to Understand Factors that Motivate Teams	93
Summary and Conclusions	95
An Abridged Overview of Team Performance Literature	95
Acknowledgement	97
References	97

8. Building Human Relationship Networks

Tom D. Walker

Purposeful Networking is a Way to Expand Limited Resources	99
Human Networks Lead to Mentoring	103
Boards of Advisors and Directors Can Help Accelerate Company Success	105
Personal Traits and Characteristics	108
Conclusion	108

Section III The Technology

9. Understanding Biotechnology Product Sectors

Craig Shimasaki, PhD, MBA

Biotechnology Product and Technology Sectors	113
Product Development Costs Vary by Sector	114
Product Development Timeframe Varies for Biotechnology Sectors	116
Creating Value	117
Overview of Product Sectors	117
Summary	137
References	138

10. Technology Opportunities: Evaluating the Idea

Craig Shimasaki, PhD, MBA

Sources of Biotechnology Product Ideas	139
--	-----

Research to Commercialization Chasm	140	Section IV	
Experimental Paths: Basic Research Versus		The Emerging-Stage Biotechnology	
Translational Research	141	Company	
Technology is a Solution Seeking a			
Problem to Solve	141		
How to Determine if a Product		13. Company Formation, Ownership	
Concept is Worth Pursuing		Structure, and Securities Issues	
as a Company	142		
Evaluate the Underlying Science and the		<i>Craig C. Bradley, JD</i>	
Technology Team	143	Entity Formation	177
Evaluating the Product's Perceived Market		Ownership Structure	180
Potential	145	Fundraising	182
The People Factor	147	Summary	184
What to do Next?	148		
Summary	148	14. Licensing the Technology: Biotechnology	
Reference	148	Commercialization Strategies Using	
		University and Federal Labs	
11. Commercialization of		<i>Steven M. Ferguson, CLP and</i>	
Bioagricultural Products		<i>Uma S. Kaundinya, PhD, CLP</i>	
<i>Neal Gutterson, PhD</i>		The Federal Government's Investment in	
What is Agricultural Biotechnology?	149	Basic Biomedical Research	185
The Ag Biotech Commercialization Process	152	Translation of Academic Research to	
There is a Path!	154	Products for the Public Good	185
What's Been Achieved So Far	155	Accessing Academic Technologies and	
Herbicide-Tolerance and Insect-Resistance		Collaborations	186
Traits	156	Technology Transfer Office Set-Up and	
How the Landscape Changed	157	Licensing from Universities and Federal	
Patently Important Trends	158	Laboratories	189
Lessons Learned and Opportunities for		Advantages for a Biotech Start-Up to Work	
a New Entrepreneur	158	with the NIH and Universities	196
References	160	New and Innovative Programs as We Move	
		Towards "V2.0" of Technology Transfer	200
		Impact of Technology Transfer	202
		References	205
12. Understanding Biotechnology		15. Intellectual Property Protection	
Business Models and Managing		Strategies for Biotechnology Innovations	
Risk		<i>Gerry J. Elman, MS, JD and Jay Z. Zhang, MS, JD</i>	
<i>Craig Shimasaki, PhD, MBA</i>		The Intellectual Property Toolbox	207
What is a Business Model?	161	Patents	207
The Virtual Company Business Model		Contracts Relating to Intellectual Property	214
(A Temporary Start-Up Model)	162	Joint Research Projects	215
Business Model Examples	163	Copyrights	215
Therapeutics and Biologics Companies	163	Trademarks	215
Diagnostic and Research Tools		Pharmaceutical Patents and Market Exclusivity	217
Companies	166	Regulatory Approvals for Biologics and	
All Business Models have Transferable		Biosimilars	219
Component Parts or Segments	168	Diagnostics and Personalized Medicine	220
How Do You Determine the Best Business		Corporate IP Management	222
Model for a Technology	169	Patent Strategies and Product Lifecycle	
Entrepreneurial Leaders are Risk		Management	223
Managers	169	Some Resources	224
Biotechnology Company Evaluation Tool	170	References	224
Summary	173		
References	174		

Section V

Biotechnology Market Development**16. Biotechnology Products and Their Customers: Developing a Successful Market Strategy***Craig Shimasaki, PhD, MBA*

Identify the Patient	229
Identify the Physician or Healthcare Provider	230
Identify the Payers	230
Develop a Marketing Strategy for Your Future Product	230
What is Marketing?	231
Advancement of the Marketing Concept	233
Market Research and Assessment Tools	234
Other Market Tools and Concepts	237
Starting to Develop a Market Strategy	238
Identify Your Market Development Milestones	241
Biotechnology Product Adoption Curve	241
Summary	241

17. Biotechnology Product Coverage, Coding, and Reimbursement Strategies*Robert E. Wanerman, JD, MPH and**Susan Garfield, DrPH*

Understanding Reimbursement and Coding of Biotechnology Products in the United States	243
The Analytical Framework for New Technologies	245
Defining the Terms of Coverage	245
Positioning the Product for Favorable Reimbursement	248
European Reimbursement Systems Overview	248
Health Technology Assessment (HTA)	249
Pricing	249
Reimbursement Mechanisms	250
European Pricing and Reimbursement Summary	254
References	254

18. Getting the Word Out: Using Public Relations Strategies to Support Biotechnology Business Goals*Joan E. Kureczka, MSEM*

What is Public Relations and How Can It Support Your Business Objectives?	257
Get Ready: What's Your Story?	258
Get Set: Creating Your Communications Tools	259
Designing and Implementing a Strategic Communications Program	260
News Releases	260
Media Relations—Why it Still Matters	261
Working with Reporters and Editors	262
Building Visibility when you Don't Have News	263

Case Study—Strategic Use of PR to Support both Financing and Partnering	263
What About Digital and Social Media?	264
Summary	265
Additional Resources	265

Section VI

The Financial Capital**19. Sources of Capital and Investor Motivations***Craig Shimasaki, PhD, MBA*

Understanding Investor Criteria and Limitations	269
Understanding Investors' Expectations for Return on Investment	270
Understand what Comes with Invested Money: Motivations and Interests	270
What are the Capital Sources Available to Biotechnology Companies?	271
Determining the Value of Development-Stage Biotechnology Companies	277
Financing Stages for a Biotechnology Company	279
What is an "Exit" Strategy?	282
How much Money is Raised at Each Funding Stage?	283
How much of the Company is Given Up in Each Round?	283
Summary	284
References	284

20. Securing Angel Capital and Understanding How Angel Networks Operate*Robert J. Calcaterra, DSc*

What is an Angel Investor?	285
Typical Background of Angel Investors	285
How much does a Typical Angel Investor Invest?	285
Angel Investor Motivations	285
Locating Angel Networks	287
Things to Know When Presenting to Angel Investors	288
Understanding Angel Networks and How They are Formed	288
Angel Expectations	290
References	291

21. Understanding and Securing Venture Capital*Craig Shimasaki, PhD, MBA*

What is Venture Capital?	293
Capital is a Commodity, Whereas Experienced Investing Partners are Not	294

Venture Capital Partners are Time Constrained	295	Reimbursement of IVD Products	335
How can an Entrepreneur Improve Their Chances of Securing Venture Capital?	296	Application of an IVD as a Companion Diagnostic	335
How and When to Approach a Venture Capital Firm	297	Forging Diagnostic and Therapeutic Partnerships for Companion Diagnostic Applications	336
Raising Capital for Biotechnology Companies	298	Integrating an IVD into the Drug Development Pathway as a Companion Diagnostic	337
Experienced and Seasoned Management Team with Passion	299	Challenges to the Development and Commercialization of CDx Products	338
Do not Overvalue Your Company at any Funding Stage	299	Future Applications for IVD Products	339
The Presentation to VC Partners	300	Summary	340
Next Steps in the Investment Commitment Process	301	References	340
Summary	302		
References	302		
22. Your Business Plan and Presentation: Articulating Your Journey to Commercialization		25. Regulatory Approval and Compliances for Biotechnology Products	
Lowell W. Busenitz, PhD, MBA		Norman W. Baylor, PhD	
Pitching to Investors and Partners	303	History of the FDA	342
The Business Planning Process	304	Regulations Related to Biomedical Product Development	344
The Contents of the Business Plan	305	Current Regulatory Pathways	344
Presenting the Written Business Plan	310	Translational Development	345
Orally Communicating Your Business Plan	311	Human Clinical Testing Phases	347
Conclusion	312	Biologics License Application (BLA)	348
		Summary	348
		References	349
		26. The Biomanufacturing of Biotechnology Products	
		John Conner, MS, Don Wuchterl, Maria Lopez, Bill Minshall, MS, Rabi Prusti, PhD, Dave Bocclair, Jay Peterson and Chris Allen, MS	
		The History of Biotechnology and Biomanufacturing	351
		A Typical Biomanufacturing Process	353
		Biosimilars	356
		Discovery	357
		Process Development	357
		Clinical Manufacturing	358
		Clinical Trials	359
		Good Manufacturing Practices	360
		Facility Requirements	361
		The Biomanufacturing Team—Their Typical Roles and Responsibilities in a Biologics Manufacturing Facility	363
		Material Management	366
		Biologics Drug Substance Manufacturing	366
		Manufacturing Support Functions	379
		Contract (CMO) Versus In-House Manufacturing	383
		Summary	385
Section VII			
Biotechnology Product Development			
23. Therapeutic Drug Development and Human Clinical Trials			
Donald R. Kirsch, PhD			
Small Molecule Drugs	315		
Large Molecule Drugs	323		
Clinical Transition Studies—Investigational New Drug Approval	325		
Clinical Trials	326		
Summary	330		
References	330		
24. Development and Commercialization of In Vitro Diagnostics: Applications for Companion Diagnostics			
John F. Beeler, PhD			
Bringing IVD Products to Market	332		
Successful Adoption of IVDS	334		

Section VIII

The Later-Stage Biotechnology Company

27. Company Growth Stages and the Value of Corporate Culture

Craig Shimasaki, PhD, MBA

Corporate Development and Transition Stages	389
The Start-Up Phase	390
The Development Phase	391
Expansion Phase	393
Decline Phase	393
The CEO's Role in the Transition of Life Stages	394
Management Skill Sets	394
Corporate Culture and Core Values in a Biotechnology Company	394
Guidance for Hiring Team Members	398
Recognizing When to Let Some People Go	399
Summary	400
References	400

28. Biotechnology Business Development: The Art of the Deal

Jack M. Anthony and Phil Haworth, PhD, JD

Background of Biotechnology Licensing and Partnering Deals	402
What is a Business Development "Deal?"	402
Starting the Process	404
The Deal Requires a Plan	407
Closing the Deal	411
A Summary of the Deal Dance	412
References	414

29. Biotech-Pharma Collaboration—A Strategic Tool: Case Study of Centocor

Lara V. Marks, D.Phil. (Oxon)

The Birth of Centocor	415
The Collaborative Journey Begins	416
Finance: "Grab as Many Cookies as You Can"	418
Expanding its Market Potential	418
Therapeutics	419
Centocor Goes it Alone	420
"Centocorpse": Centocor in Crisis	421
Collaboration—A Means of Rescue	421
Centocor Becomes Profitable	422
Conclusion	423
Acknowledgements	423
References	423

30. Ethical Considerations for Biotechnology Entrepreneurs

Gladys B. White, PhD

The Nature of Ethical Reasoning	427
Key Issues and Practical Matters for Biotechnology Entrepreneurs	429
Case Studies	431
Summary	433
References	433

31. Career Opportunities in the Life Sciences Industry

Toby Freedman, PhD

An Overview of the Many Different Vocational Areas in the Life Sciences Industry	435
Making a Career Transition	441
Finding a Job in the Life Sciences Industry	442
Networking	443
Interviewing	443
Careers in the Life Sciences Industry: Job Security and Volatility	443
Final Comments and Conclusions	443
Resources	443

32. Summary

Craig Shimasaki, PhD, MBA

Biotechnology Entrepreneurship	445
Biotechnology Sectors and Product Diversity	446
Growing Biotechnology Clusters	446
Technology Opportunities	447
Intellectual Property Protection Strategies	447
Company Business Models	448
The Virtual Company	448
Development of a Company Culture with Core Values	448
Sources of Capital for Product Development	449
Company Growth Stages	450
Biologics Manufacturing	450
Regulatory Approval for Biotechnology Products	450
Biotechnology Products have Three Customers	451
Business Development and Partnering	451
Public Relations for Biotechnology Companies	451
Ethics in Biotechnology	451
Career Opportunities in the Life Sciences Industry	452
Conclusions	452

Index	453
-------	-----