

**PUBLISHER** Lisa Banket

**EDITOR** Taren Grom

**CREATIVE DIRECTOR** Marah Walsh

**DIRECTOR OF SALES**

Darlene Kwiatkowski

**CONTRIBUTING EDITORS**

Diane Hoffman

Virginia Kirk

Denise Myshko

Kim Ribbink

Deborah Ruriani

Lynda Sears

Copyright 2002  
by PharmaLinx LLC, Titusville, NJ  
Printed in the U.S.A.  
Volume Two, Number Three

**PharmaVOICE** is published eight times per year by PharmaLinx LLC, P.O.Box 327, Titusville, NJ 08560.

**Postmaster:** Send address changes to PharmaVOICE, P.O. Box 327, Titusville, NJ 08560.

**PharmaVOICE Coverage and Distribution:**

Domestic subscriptions are available at \$106 for one year (8 issues). Foreign subscriptions: 8 issues US\$220. Contact PharmaVOICE at P.O. Box 327, Titusville, NJ 08560. Call us at 609.730.0196 or FAX your order to 609.730.0197.

**Contributions:** PharmaVOICE is not responsible for unsolicited contributions of any type. Unless otherwise agreed in writing, PharmaVOICE retains all rights on material published in PharmaVOICE for a period of six months after publication and reprint rights after that period expires. E-mail: tgrom@pharmalinx.com.

**Change of address:** Please allow six weeks for a change of address. Send your new address along with your subscription label to PharmaVOICE, P.O. Box 327, Titusville, NJ 08560. Call us at 609.730.0196 or FAX your change to 609.730.0197. E-mail: mwash@pharmalinx.com.

**IMPORTANT NOTICE:** The post office will not forward copies of this magazine. PharmaVOICE is not responsible for replacing undelivered copies due to lack of or late notification of address change.

**Advertising in PharmaVOICE:** To advertise in PharmaVOICE please contact our Advertising Department at P.O.Box 327, Titusville, NJ 08560, or telephone us at 609.730.0196. E-mail: lbanket@pharmalinx.com.

## Letters

Send your letters to feedback@pharmalinx.com. Please include your name, title, company, and business phone number. Letters chosen for publication may be edited for length and clarity. All submissions become the property of PharmaLinx LLC.

**T**hey all may not be ready to go from the dish to the docks, but biotechnology companies are in a much better position to become integrated entities, maintaining more control over their innovative products and technologies.

According to Ernst & Young, there are more than 1,200 biotechnology companies in the U.S., of which 300 are publicly held. There have been 133 biotechnology drug products and vaccines approved by the FDA. Of the biotech medicines on the market, more than half were approved in the past five years. In 2001, the FDA approved 16 new biotechnology-based medicines and vaccines, as well as eight new indications for previously approved biotech products. There are more than 350 biotech drug products and vaccines currently in clinical trials targeting more than 200 diseases.

These numbers are evidence of a maturing and growing industry. With more products coming on line, translating into steady revenue streams, it's no wonder more and more biotechnology companies are retaining marketing and commercialization rights to their products or at least negotiating better royalty deals for their out-licensed products.

"Within the ranks of biotech companies are future Pfizers, Mercks, GlaxoSmith-Klines, and Eli Lillys," says Carl Feldbaum, president of the Biotechnology Industry Organization. "Taking that initial leap into the marketplace is perhaps the most critical step. Already, this process is under way. Many of the dozen or so largest biotech companies have transitioned into launching and marketing products on their own. Indeed, these companies are now able to act much like large pharmaceutical companies themselves."

It's an exciting time for biotech executives — the stakes are higher as are the risks. In the past 12 to 18 months there has been a shift in business models for many biotech companies. Instead of relying on collaborations for their technology, biotech companies are realizing that to better serve investors and shareholders, they need to have a recurring source of revenue, which isn't found on the content side.

As biotech companies begin to anticipate future product launches, they have



Carl Feldbaum

The President of Biotechnology Industry Organization says many of the dozen or so largest biotech companies have transitioned into launching and marketing products on their own. Indeed, these companies are now able to act much like large pharmaceutical companies themselves.

started to build internal marketing organizations. These companies are studying closely their options for developing their own salesforces as well as tapping into contract sales organizations. According to Steve Burrill, CEO of Burrill & Co., the biotech industry is cash rich today relative to where it has been, thus allowing once junior partners to become equity stakeholders — reaping more reward from their effort. The industry is in substantially better financial shape than it's ever been in its history.

Over the next few years, as biotech companies continue to grow, their negotiating base also will continue to grow. They are positioning themselves to be able to generate greater return on their product investments.

Many biotech CEOs recognize that the best path to profitability is to capitalize on their product development investment by selling their own products.

Amgen established the model of a fully integrated biopharmaceutical company and obviously that trend is continuing.

Taren Grom  
Editor

# Raising the Stakes