

Marsha Fanucci

a **TEAM**
B · U · I · L · D · E · R

PEOPLE MAKE AN ORGANIZATION.

For **MARSHA FANUCCI**, Senior VP

of Finance and Corporate Strategy at

Millennium Pharmaceuticals Inc.,

BUILDING A QUALITY TEAM CAPABLE

OF PROPELLING A COMPANY FORWARD

IS THE BEST MEASURE OF SUCCESS.



From pharmaceutical consulting to start-up companies to Genzyme, and now to Millennium, Marsha Fanucci has been focused on broad strategic issues, as well as business growth.

Throughout her career, Ms. Fanucci has aspired to one overarching goal: to build resilient, incisive teams capable of directing and moving a company forward.

"I would like to think the most significant contribution I have made throughout my career has been to encourage people to think differently about the broader strategic issues a company faces and help them build skill sets to make a valuable contribution," she says.

For Ms. Fanucci, her role as a mentor goes beyond being a wise and trusted counselor. Her goal is to build a team environment that allows people to engage in broad strategic thinking to achieve solutions to complex problems.

"Building an organization that is able to apply this strategy, I hope, will be my greatest achievement," she says. "Being part of an organization that is built around collaboration and one that recognizes that its people are the company is very satisfying."

At Millennium, which Ms. Fanucci joined in 2000, she has played a central role in propelling the company forward from an innovative young R&D company, to a respected biotechnology organization, with a healthy pipeline and two market-leading products.

"The collaborative culture of Millennium and what I like to think of as my managerial style are very much aligned," she says. "As a manager I am focused on building a team that believes it has a seat at the table and can discuss the broad set of issues that face the

company, and that their individual voices are heard and are important. Allowing individuals to achieve their potential enables the company to achieve its maximum potential. If I'm not doing this, then I am not living up to my aspirations."

CHANNELED ENERGY

Ms. Fanucci's interest in the life sciences developed early on.

"I was always very attracted to science and biology studies," she says. "As part of a career development activity in middle school, I looked for role models among women in my community. I happened to strike up a conversation with the mother of a school friend who was a pharmacist. I had the opportunity to accompany her to the hospital where she worked. I got to sit through a formulary committee meeting with her and heard technical questions about the use of various drug products. I didn't know what it all meant at the time, but I got to listen to the debate and found it all very interesting.

"For me, pursuing a pharmacy degree was a very applied way to study science and biology on an academic level and then have a tangible profession that built on these interests," she says.

After a brief period working for a retail pharmacy, Ms. Fanucci

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quickly realized that she wasn't getting enough traction from her education and soon looked for an alternative where she could also use her training in drug information services.

She took a job at the management consulting company Arthur Little. The transition was, she says, inspirational.

"I was able to move into a role where I was focused on competitive assessment in the pharmaceutical industry," Ms. Fanucci says. "I was evaluating the drug information and formulary processes and looking at how different products deliver value to the patient. This was a very familiar concept for me. "My experience in drug information services at West Virginia University gave me a great grounding to make the transition," she says. "When I started at Arthur D. Little, I was a very junior level person supporting a person focused on pharmaceutical industry dynamics, which opened a new world for me. The first day at work I thought I'd died and gone to heaven, and I've never looked back. This was a wonderful transition for me."

This fascination led Ms. Fanucci to want to delve further into how the industry operated, and so to better prepare herself for the business world, she embarked on a MBA.

"This formal training enabled me to expand my horizons and think about the whole set of issues that face the industry, not only competitive assessment and dynamics, but also strategy, finance, and organization dynamics," she says.

This was in the early 1980s and a key business opportunity emerging was start-up biotech companies. Ms. Fanucci joined Angenics Inc. as manager of market development, then spent another few years focused on business development at another start-up, Moleculon Inc.

"I was a manager of business development activities in both those companies," she says. "Angenics was a monoclonal antibody company, and Moleculon was a drug-delivery company. Each only had about 40 to 60 people on staff, so I was working on real start-up initiatives. I spent five years working in that setting."

She returned to Arthur Little in 1988, using her experience to guide nascent pharmaceutical and biotech companies, later becoming a VP and director of the company. Though she loved consulting, the desire to be part of a company and to play a central role in moving an organization forward led her to join Genzyme as VP of corporate development and strategy.

For Ms. Fanucci, building strong teams and developing processes that endure are some of the most significant contributions a person can make.

"I think if the people and processes survive after one leaves an organization, that's the most valuable contribution anyone can make to a company," she says. "One of my goals is to build teams that have the right methodology, perspective, and approach to be able to continue in my absence. As a manager, if you don't leave something behind that the organization can build on, then you haven't been very successful."

STACKING THE BLOCKS TOGETHER

In 2000, the opportunity to join Millennium came along, and, as Ms. Fanucci says, she was enticed away.



hand in hand with inspiration; there's no way to separate the two.

ARE THERE INDIVIDUALS WHO HAVE INSPIRED YOU AND LED YOU TO WHERE YOU ARE TODAY?

Assembling Strategic Teams

IN AN EXCLUSIVE INTERVIEW WITH PHARMAVOICE, MARSHA FANUCCI, SENIOR VP OF FINANCE AND CORPORATE STRATEGY AT MILLENNIUM PHARMACEUTICALS INC., TALKS ABOUT WHAT INSPIRES HER, THE IMPORTANCE OF STAYING FOCUSED, AND HOW SHE LEADS HER TEAM.

WHAT MOST INSPIRES YOU ABOUT THE PHARMACEUTICAL INDUSTRY?

It's unique to be able to come to work every day and have experiences that demonstrate that you are a part of a very complicated system that is making a material difference in a lot of people's lives. At Millennium, we have a close relationship with our patients. We often have the benefit of hearing directly from them about how we've affected their lives. It's impossible not

to be inspired. We heard a story recently at one of our company meetings from a patient who had exhausted every option available in treating multiple myeloma. The only reason this patient was able to be treated in time was because our product was approved in record time, and our launch team got the product out to patients in less than a week. Hearing stories such as this makes the whole team realize that what we do every day can make a material difference to a patient. This is an industry that goes

A Focused Pathway

MARSHA FANUCCI - RESUME

2003-PRESENT. Senior VP, Finance and Corporate Strategy, Millennium Pharmaceuticals Inc., Cambridge, Mass.

2000-2003. VP, Mergers, Corporate Development, Millennium Pharmaceuticals Inc., Cambridge, Mass.

1998-2000. VP, Corporate Development and Strategy, Genzyme Corp., Cambridge, Mass.

1994-1998. VP and Director, Arthur D. Little Inc., Cambridge, Mass.

1990-1994. Director, Arthur D. Little Inc., Cambridge, Mass.

1988-1990. Senior Consultant, Arthur D. Little Inc., Cambridge, Mass.

1986-1988. Manager, Business Development, Moleculon Inc., Cambridge, Mass.

1983-1986. Manager, Market Development, Angenics Inc., Cambridge, Mass.

1977-1983. Consultant, Arthur D. Little Inc., Cambridge, Mass.

1976-1977. Staff Pharmacist, Medi-Mart, Boston

EDUCATION

1982. MBA, Northeastern University, Boston

1976. B.S. Pharmacy, West Virginia University, Morgantown, W.V.

“The vision to transcend the limits of medicine was tantalizing,” she says. “The opportunity to become an integral part of building an early-stage company and having a very material impact on that organization was too tempting to resist. There aren’t many opportunities to join a company on the verge of becoming fully integrated with the goal of leading the industry.”

Ms. Fanucci brought a wealth of experience and business development skills, which were put to good use at an important juncture of the company’s life — moving downstream to focus on product development and becoming a commercial organization.

“To accelerate building the company in a

sustainable way, Millennium’s approach from its inception in 1993 was that it required the best of two worlds: a strong internal set of skills, technologies, and capabilities, and a complementary partnership, licensing, merger, and acquisition strategy,” Ms. Fanucci says.

Although the company had attracted the attention of scientists, investors, and analysts, Millennium needed downstream capabilities and products on the market to give it greater presence and to fulfill its mission of delivering value to patients.

In 1999, Millennium purchased LeukoSite Inc. and with it clinical development capabilities and a sizeable portfolio. The acquisition also included rights to Campath, an antibody that is

indicated for the treatment of B-cell chronic lymphocytic leukemia (B-CLL) in patients who have been treated with alkylating agents and who have failed fludarabine therapy. Millennium received regulatory approvals in both the United States and Europe, where it is known as MabCampath, in 2001. Millennium has since sold its interest in this product.

In 2000, Millennium acquired Cambridge Discovery Chemistry, adding about 85 expert chemists to its discovery research team, a critical necessity for future growth.

In the same year, Millennium and Aventis Pharma established a \$450 million codevelopment and commercialization agreement in the field of inflammation (asthma, cardiovascular disease, and gastrointestinal disorders). In 2001, Millennium struck a \$250 million agreement with Abbott Laboratories focused on new treatments for obesity and diabetes. These 50-50 research-and-development alliances enabled Millennium to maintain significant ownership and decision-making rights from discovery through commercialization in the company’s disease areas.

But it was the 2002 merger with COR Therapeutics Inc. that served as a final milestone in achieving Millennium’s goal of creating a major biopharmaceutical company.

The two companies’ complementary capabilities united COR’s cardiovascular expertise, product pipeline, and commercial infrastructure for its market-leading anti-platelet cardiovascular product, Integrilin, with Millennium’s genomic-based research, drug discovery and development technology platform, business leadership in strategic alliances, and product

One of the most wonderful aspects of my career has been being a part of an industry that attracts individuals who are focused on making a difference at the highest level of quality and ethics. This has been the case from the beginning, from my friend’s mother who was the hospital pharmacist through my experiences at Arthur Little where I was surrounded by individuals who were focused on making big things happen. Having the incredible opportunity to work with two of the strongest leaders in the biotechnology industry — Henri Termeer, CEO of Genzyme, and Mark Levin, chairman and CEO of Millennium — has been inspirational. Henri has established a standard for thinking

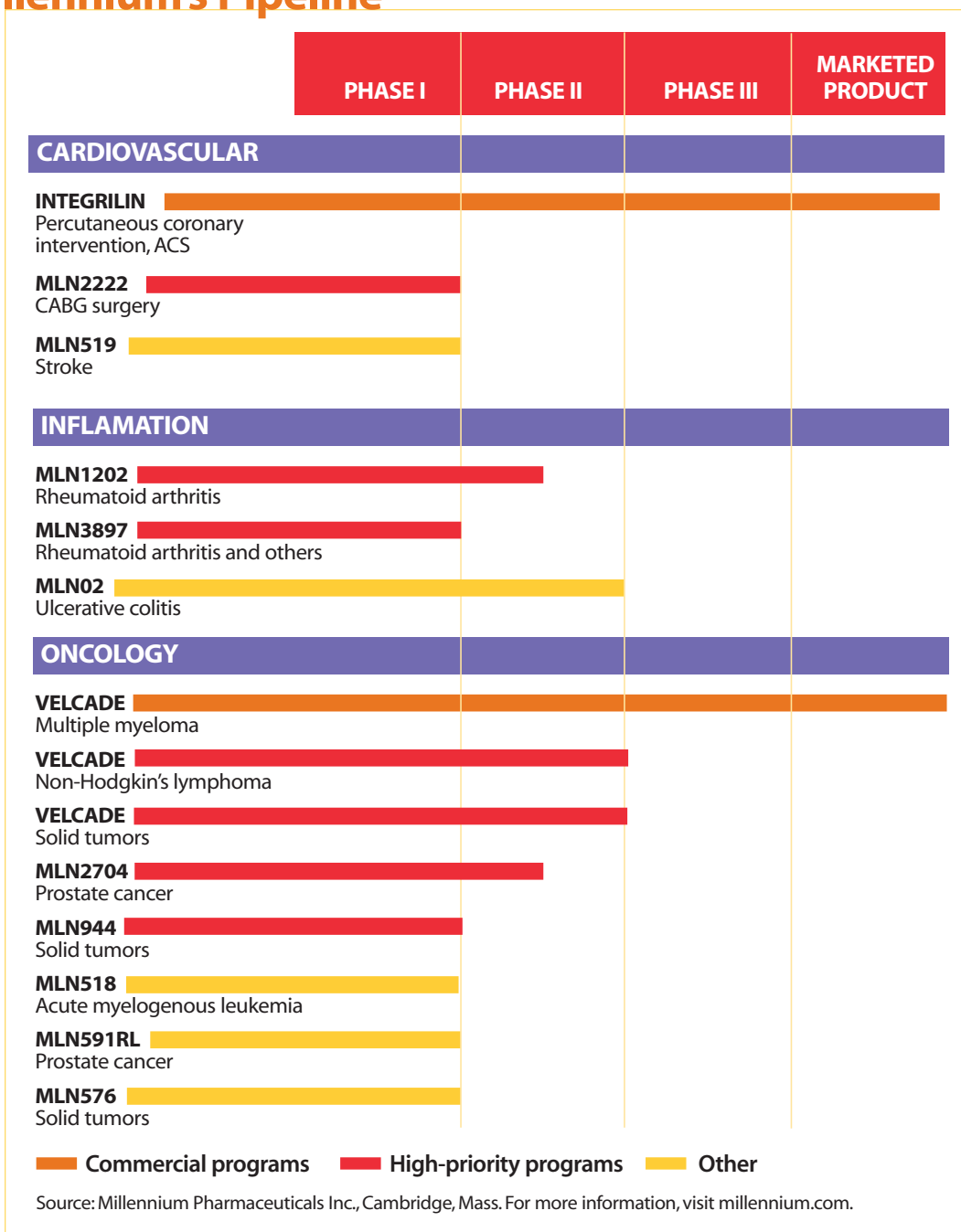
outside of the box and has built an exceptionally solid organization. With Mark, I’ve had the rare opportunity to work with a CEO who defines what it means to lead a company by vision.

WHAT DO YOU BELIEVE ARE THE MOST PRESSING CONCERNS THE INDUSTRY FACES IN THE COMING YEARS? AND WHAT CAN COMPANIES SUCH AS MILLENNIUM AND LEADERS SUCH AS YOURSELF DO TO ADDRESS THESE?

As an industry and as a company, it’s critical for us to maintain our focus on our overarching objective: to make a material difference for the

patient. If we achieve that, all the other challenges that often get presented to the industry fall by the wayside. Innovation, focus, and bringing value to the patient are what will allow us to be successful in the long term. We have to continue to raise the bar, to remain focused on how we define value to the patient, and how we make those products happen that advance care and bring benefit to the healthcare system as well as to the individual patient. At Millennium we’ve been unwavering in our focus on those breakthrough products. Innovation is part and parcel of everyday life at Millennium.

Millennium's Pipeline



pipeline in oncology, inflammation, and metabolic disease.

"Beyond the specific commercial skills that we acquired, we also acquired that ability to be a patient-driven company that understands unmet needs, clinical practices, and how this translates into treating the patient and how to use this insight to shape R&D activities," she says.

The role Ms. Fanucci played in the COR acquisition — she was VP of mergers and acquisitions and strategy at the time — was in helping to foment ideas among the company's decision makers and to encourage consultation and teamwork.

"If there ever was a need for teamwork, it

was combining the strategy and M&A functions," Ms. Fanucci notes. "My most important role was as a facilitator: to get the right questions on the table and to get people's opinions heard and to ensure considerations were made in as even-handed a fashion as possible."

Since 2003, Ms. Fanucci's role at the company has expanded. She is now senior VP of finance and corporate strategy, positions that bring with them some challenges, mostly, according to Ms. Fanucci, a need for more hours in the day.

"I view these two activities as being the almost perfect complement of bringing the left brain and the right brain of the organization together," she says. "I am able to view all of our

decisions about building the company from a quantitative, practical perspective, as well as from a strategic vantage point."

Ms. Fanucci says by having her corporate strategy and finance teams work together, it is possible to think about what is best for the company as a whole.

"A lot of synergy has emerged as a result of having my staff participate on this level and by having their awareness raised on a broader set of issues," she says. "And because my team interfaces broadly within the organization at every level, we get the opportunity to be the missionaries. We can plant strategic thinking throughout the organization."

Ms. Fanucci's enthusiasm for her job is palpable. "Corporate strategy is one of the most exciting jobs in a company," she says. "It's my role and the role of my group to think about all the forces and the counterbalancing influences that affect the decisions we make as an organization."

EXPANDING THE CABINET

Millennium has three therapeutic disease areas of focus: cardiovascular, inflammation, and oncology. While many companies keep their therapeutic areas separate, Millennium's research and development strategy is to find pathway synergies between those disease areas.

This approach expands the possibilities for Millennium's pipeline of products and gives the company greater flexibility as it researches new indications for its marketed products.

Two marketed products currently make up the Millennium treasure chest: Velcade and Integrilin.

In May 2003, Velcade received FDA approval for the treatment of multiple myeloma patients who have received at least two prior therapies and who have demonstrated disease progression on the last therapy. It was a particularly rapid approval — less than four months after submitting a marketing application to the FDA and just four and a half years from the first human dose to FDA approval.

Furthermore, within less than a week of receiving marketing approval, the launch team had the product in the hands of physicians, Ms. Fanucci says.

Millennium entered into an agreement in June 2003 with Ortho Biotech Products LP, a Johnson & Johnson company, to collaborate on the commercialization and continued clinical development of Velcade.

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Millennium retains all commercialization rights to Velcade in the United States, while Ortho Biotech and its affiliate, Janssen-Cilag, will commercialize Velcade outside the United States.

Future development costs will be shared between the two companies; in 2004, there will be about 80 trials ongoing that evaluate the drug's potential in hematological and solid tumors.

Integrilin is approved for marketing in the United States for the treatment of patients with acute coronary syndrome (unstable angina and non-Q-wave MI), including patients who are to be managed medically and those undergoing percutaneous coronary intervention (PCI). Integrilin also is indicated for use at time of PCI, including procedures involving intracoronary stenting.

Millennium contributed to the development of an additional marketed product, but sold its interest in Campath in 2001. Campath was developed by M&I Partners, a collaboration between Millennium and Ilex Oncology Inc., and comarketed with Schering AG.

In late 2001, Millennium sold its share of Campath to Ilex. Under that agreement, Millennium received an initial \$20 million cash payment and up to \$120 million in scheduled payments over three years. Millennium also will be entitled to payments based on U.S. sales above certain levels beginning in 2005.

The Campath sale helped Millennium invest

further resources into developing its product candidates.

Millennium continues to research Velcade and Integrilin for alternative indications.

"We have a number of ongoing and planned studies for Integrilin, including one for early, acute coronary syndrome that could expand its application," Ms. Fanucci says.

Velcade is being explored for use across a spectrum of solid and hematological tumors in about 80 trials. In January 2003, the company announced the initiation of a Phase II clinical trial of Velcade in patients with stage IIIb (locally advanced) or stage IV (metastatic) non-small cell lung cancer.

"Consistent with our pathway strategy, Velcade also is being explored in a number preclinical studies for indications beyond oncology," Ms. Fanucci notes. "There is potential applicability in a number of inflammatory diseases."

Beyond Velcade and Integrilin, Millennium has a number of product candidates in the pipeline for all three of its therapeutic areas.

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ne of the things about Millennium that is very exciting for someone in my role is that **WE HAVE A VISION AND THAT VISION IS IMMOVABLE.**

“Among the products, being developed inside and outside the company, one that we are very excited about is an anti-PSMA antibody that targets a novel antigen associated with prostate cancer and that has potential applicability in other solid tumors,” Ms. Fanucci says.

That product, MLN2704 is in Phase II trials for prostate cancer.

On the inflammatory disease side, Millennium is exploring MLN1202, an inhibitor for the chemokine receptor known as CCR2, which is in Phase II trials for a variety of inflammatory diseases, including rheumatoid arthritis. (See box on page 50 for more pipeline information.)

ONWARD AND UPWARD

“One of the things about Millennium that is very exciting for someone in my role is that

we have a vision and that vision is immovable,” Ms. Fanucci says. “The vision of the company is transcending the limits of medicine, with a focus on the patient through breakthrough science and breakthrough medicine. We’re building a company for the long term, and our goal is to be the leading biopharmaceutical company.”

While these are worthy goals, the company also recognizes the importance of practical midterm milestones. One important goal is to be profitable by 2006.

Millennium has set explicit goals for 2004 relating to how it expects to progress its pipeline and to demonstrate its ability to be disciplined in its operating performance.

For example, in 2003, Millennium reported revenue of \$433.7 million, an increase of 23% from \$353 million the previous year. The year-

over-year increase in revenue was attributable to the launch of Velcade in May 2003 and the recognition of the full-year of copromotion revenue associated with Integrilin.

The company reported 2003 R&D expenses of \$488.5 million, a decline from 2002 R&D expenses of \$511.2 million, which it attributed to a restructuring that the company undertook in 2003.

“From the operating discipline standpoint, the goal is to ensure that the company delivers against its operating plans as promised. From the corporate perspective and product portfolio-management perspective, my team continues to be an integral part of the decision making team that evaluates how we can optimize our internal portfolio profile and where we need to complement those efforts with potential external moves as we go forward.” ♦

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Building a Biopharmaceutical Company

MILLENNIUM WAS FOUNDED IN 1993 AND FROM THE START, ITS APPROACH HAS BEEN TO MELD STRONG INTERNAL SKILLS, TECHNOLOGIES, AND CAPABILITIES WITH PARTNERSHIPS, LICENSING, AND MERGERS AND ACQUISITIONS. BEGINNING IN 1994, MILLENNIUM CREATED MORE THAN 20 STRATEGIC ALLIANCES WITH LEADING PHARMACEUTICAL AND BIOTECHNOLOGY COMPANIES, PROVIDING THE COMPANY WITH ABOUT \$2 BILLION IN FINANCING AND GIVING IT INSIGHT INTO HOW MATURE ORGANIZATIONS OPERATE.

“From its start as a genomics-based company, Millennium moved into the chemistry of drug development through the 1997 acquisition of ChemGenics, a United Kingdom-based company,” says Marsha Fanucci, senior VP of finance and corporate strategy at Millennium Pharmaceuticals Inc. “We acquired a later stage pipeline and clinical-development capabilities with the merger of LeukoSite in 1999.”

In 2000, Millennium acquired Cambridge Discovery Chemistry, adding about 85 expert chemists to Millennium’s discovery research team, a critical necessity for future growth.

With those pieces in place, the next big challenge for the company was taking the products to patients. The purchase of COR Therapeutics Inc., finalized in February 2002, set Millennium on that path.

“With the acquisition of COR Therapeutics, we had an integrated organization where we could take a product all the way through the commercial infrastructure process,” Ms. Fanucci says. “It positioned us to innovate and deliver to the patient.

“Since joining the company in 2000, Millennium has had two break-

through products that have moved through the regulatory approval process,” she says. “From 2000 to early 2004 that’s a remarkable achievement.”

Millennium has created several “megadeals” with leading pharmaceutical partners. These agreements help the company to gain access to the developmental and commercial wisdom of established biopharmaceutical firms, some of which include:

- Bayer AG (September 1998): This is a \$465 million partnership in small-molecule discovery, in the areas of cardiovascular disease, cancer, osteoporosis, pain, liver fibrosis, hematology, and viral infections.
- Aventis Pharma (June 2000): This is a \$450 million codevelopment agreement in the field of inflammation (asthma, cardiovascular disease, and gastrointestinal disorders). The partnership was expanded in August 2001 to include an additional 11 projects.
- Abbott Laboratories (March 2001): This is a \$250 million codevelopment agreement in metabolic disease, specifically focused on new treatments for obesity and diabetes.