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Executive lunches feed search for new biotech ideas

Local group of CEOs from venture-funded life sciences firms gather monthly to share experiences, advice

By **Scott Olson**

Each month, leaders of some of the city's most promising life sciences companies gather to share lunch, but they are more interested in getting an extra dollop of advice that might contain the ingredients for a thriving company.

These 14 chief executives sharing their experiences with one another represent the city's roster of life sciences firms that have received outside financing from venture capitalists.

That means the fledgling enterprises are high-risk investments with the potential for above-average returns. And with futuristic-sounding names such as SonarMed Inc., Targanta Therapeutics Inc. and Hemo-Cleanse Inc., the startups represent the city's desire to become a life sciences and biotech hub.

Members have been exchanging information since the summer, after Jim White, CEO of CoLucid Pharmaceuticals Inc., broached the idea of a roundtable to BioCrossroads President David Johnson. BioCrossroads, a privately funded collaboration that promotes the life sciences, picks up the tab for the lunches and provides staffing assistance.

"Every time someone starts a new company, there are common issues," said White, who co-chairs the group with Claire Deselle, CEO of CS-Keys Inc. "It's helpful to be in a room of a dozen other people who may have already tackled these issues. We've all fought similar battles."

In White's case, he was a longtime Eli Lilly and Co. executive who spent five years in Boston helping grow Hypnion Inc., another pharmaceutical startup that has attracted \$80 million from venture capitalists.

He joined CoLucid, a drug development company Lilly spun out in 2005, and is making the transition from Boston to Indianapolis. White's time in Beantown, already an established tech center, led him to a similar peer group that boasts more than 100 participants.

Helping hand

These executives of local life sciences companies receiving venture capital investments share their experiences:

- Chad Barden, QuadraSpec Inc.
- Andrew Cittadine, SonarMed Inc.
- Claire Deselle, CS-Keys Inc.
- Ron Ellis, Endocyte Inc.
- Fritz French, Marcadia Biotech
- Ron Henriksen, Semafore Pharmaceuticals
- Mark Leuchtenberger, Targanta Therapeutics
- **Jennifer Marcum, Sentry Logistic Solutions**
- John Mills, BioStorage Technologies, Inc.
- Tracy Nolan, TGX Medical Systems LLC
- Laila Razouk, BioVitesse Inc.
- Robert Truitt, Ash Access Technology Inc., HemoCleanse
- Roger Wall, DCL Medial Laboratories Inc.
- James White, CoLucid Pharmaceuticals Inc.

Source: IBJ research

Johnson at BioCrossroads agreed to help organize the meetings involving the venture capital recipients here.

"We think that by getting them together, they will make a big contribution to what we're really trying to do," he said. "If someone is in the process of conducting clinical trials, it really helps to call on a colleague who has had a similar challenge."

As venture capital becomes more accessible to the life sciences sector in Indiana, it becomes more likely that startups will spawn, increasing the roundtable's membership. BioCrossroads' \$73 million Indiana Future Fund and \$6 million Indiana Seed Fund are two examples of venture capital funds.

The challenges involved in seeking additional seed money and resources to help grow companies in the earliest stages are among the topics of conversation. But they don't even have to be that complex, White said. Some that might pertain to any entrepreneur include financing, employee benefits or outsourcing issues.

Fritz French, a former Guidant Corp. executive who later spent time in Silicon

Valley leading a couple of startups, said an informal network of CEOs existed there. French has returned to Indiana to lead 8-month-old Marcadia Biotech, a Carmel-based company that is developing diabetes therapies.

Four former top scientists at Lilly formed Marcadia, which aims to build upon the research of former Lilly executive Richard DiMarchi, now chairman of Indiana University's Chemistry Department. Marcadia in November announced that it reached a licensing deal with IU to commercialize and market DiMarchi's more recent diabetes discoveries.

French already has sought suggestions from roundtable members, he said.

"We're all going to need help, and we're all facing the same issues," he said. "Hopefully, some of us will go public. But right now, we're all at the same stage."

Several peer groups have existed at various times in the city. Among the most well-known was the Entrepreneurs Alliance of Indiana, which formed in 1984 but flamed out last year due in part to a resurgence in the state's small-business endeavors.

Another, the CFO Roundtable, meets once a month and counts more than 100 members. Leadership once debated whether to split public- and private-company members, but declined after many instead preferred its diverse makeup.

That approach counters the exclusivity the executives of the life sciences companies prefer.

"This one is probably more narrow and targeted than any I've ever seen," said David Millard, chairman of the Business Department at the locally based Barnes & Thornburg LLP law firm. "It will be interesting to see how it works."

The group meets at the Skyline Club on the top floor of the AUL tower. ■