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Life-science assignments keep search firms humming

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If your business is finding biotech executives, chances are you're a busy person these days. Search firms ranging in size from boutique to multinational are reporting that their life science assignments jumped 20 percent to 50 percent during the past year. A March 9 report from the Association of Executive Search Consultants showed 2004 was the industry's first growth year since 2000 and, in the third to fourth quarter, "life-sciences [were] having the strongest finish, at [a] 27 percent increase in searches."

In an earlier study this year, industry executives said they anticipated biotech and pharmaceuticals to be 2005's third-fastest growing sector, behind banking and financial services, and information technology. But as the industry matures and investors cast a more pragmatic eye towards projects, the kinds of positions are shifting. Ideal candidates: An expert in biochemistry and Sarbanes-Oxley. Or someone with experience building cardiac devices and taking companies public.

Sure, they're hard to find, said Joe Peters, president of Scientific Search of Cherry Hill. "If you're looking for someone to head a manufacturing company, you've got a lot of people with manufacturing experience," he said. "But if you're looking for a protein scientist, there are only so many out there."

Peters has eight people in his office who spend their days drinking coffee, talking on the phone and tracking people through their careers. Revenues were up 22 percent over last year because companies wanted help -- both with more hiring and more services, he said.

R. Linda Resnick, president of CEO Resources Inc. of Philadelphia, works in the emerging, information-technology and life sciences sectors. With the tech sector depressed, "life sciences have really taken over," she said. In fact, they've taken over to the point of a 100 percent increase.

Most of her work is regional, but other boutiques, as well as international companies, are reporting the same trends: more biotech companies are looking for top people in sales, management, regulation and quality control, alongside the traditional chief medical and science slots.

Worldwide, people are looking for the same skill sets, said David M. Sidlar, managing director of Search Masters International of Troy, Mich. "Regulatory affairs people are a hot commodity. Quality assurance is also a hot commodity, as well," he said, noting that Search Masters has five people in the United States and 14 abroad working exclusively in biotech and life sciences. Sidlar said his business dwindled as the economy slowed. But numbers in the second half of last year doubled in the United States to 12 assignments. Internationally, that number climbed to 36.

The increase is happening because of growth in the economy and a change in how investors view biotech. "The industry has matured markedly during the past few years," said Stephen Israel, managing director of biotechnology and pharmaceuticals for Korn/Ferry International. In the early days, people bet on science because they thought there was a hope for [new technologies]." "Today, people are more realistic. No matter how interesting the science, you don't know if it's going to be effective," Israel continued. "Investors have had to become more practical. Even if it's hot technology, you take measures to make sure you've got other shots on goal."

The Food and Drug Administration has a multi-year process for approving a new drug or medical device, which can make things tricky. For instance, a drug has to go through three stages of human trials after all animal studies are finished. The first phase tests the effect of a drug on a healthy person. The second looks at the effect on a person with a specific illness. The third tests large groups of people with different conditions, including the disease, in order to look at the drug's effect on the general population. Once those hoops are jumped, the drug moves to FDA review and approval. The closer a company is to approval, the more eager investors are to fund it, Israel said. And companies are starting to turn biotech companies over to commercial management sooner.

Skott B. Burkland, president of Skott-Edwards Consultants of Morristown, N.J., agrees. During the last few years, the significant players in venture capital firms were funding start-up businesses that had technology from the university, licensed it and started companies. "In the last year or two, venture capital money has moved from the initial stage to companies with things in the phase-III testing stage. The change in emphasis has caused a flurry of hiring," he said. "When you're closer to product approval you have to have 'real business people' and 'real marketing people'."

The trouble with that shift is you have a smaller pipeline. "Five years ago, more companies were saying, 'Here's \$500,000 and we'll call you in six months'," Burkland said. Right now, few people are investing in those companies. Skott-Edwards has enjoyed more than a 30 percent increase this year over last.

Regional firms are doing well because the Delaware Valley has a standard of living, accessibility to research and teaching hospitals and access to some of the world's largest pharmaceutical companies.

Fritz Bittenbender, president of biopharmaceutical trade group Pennsylvania Bio, is quick to tout the region for the same reasons. There are 84,000 people in Pennsylvania employed in biosciences -- the bulk of them in Chester and Montgomery counties, he said. Right now, 43 states are trying to create bioscience clusters with a highly skilled, well-paid work force. "We have one of the largest [bioscience clusters] in the world. We're poised for growth. That's going to help the search firms and the accounting firms," Bittenbender said.