



published 08/15/2003



## Aiming For The Next Winner

*Unusual as it is to start one successful biotech company, it's even more unusual to start several. Which is why serial entrepreneurs make us wonder all the more: How did they do it? And are there lessons for me?*

*The lessons are mostly ones you've heard before, no doubt: Get a thorough grounding in science before you start a company; exploit the happy accident; hold fast in hard times; have passion; be lucky. But there are also others mentioned less often, perhaps because some lessons are more easily considered in the experiences of people who have started several companies than in the lives of those who have started only one. For instance, that wisdom may call for letting someone else be CEO of the company you've founded. Or that finding a mentor need not necessarily happen at the outset of an entrepreneurial career.*

*There are those who believe that being an entrepreneur is something you cannot learn. You either have it in you or you don't. Whether that's true or not, one thing's for certain: Serial biotech entrepreneurs live extraordinary lives.*

By Tom Hollon  
Special To Signals 

*"My old pappy used to say that the best way to deal with temptation is to yield to it."  
----- Bret Maverick, card shark and riverboat gambler*

You have to wonder -- did some of biotech's greatest entrepreneurs absorb pappy's wisdom from actually watching those old 1950s television shows? Or were they just born with pappy's words already pumped into their souls like plasma, destined to surrender to every desire to start a biotech company?

Biotech venture capitalists may credit themselves with originating numerous startups, but more often than not their primary concern is making money, and that is not what we mean here by serial entrepreneurs. No, we're talking about scientists motivated to start multiple companies for different reasons – although becoming wealthy in the process was certainly a plus.

Donny Strosberg will tell you that he's well off, but not the way you might think from all the companies he's started. Friendship has been one of his motivations in addition to science, and startups probably serve as an outlet for his stupendous energy. Chris Henney has always delighted in his companies first for their discoveries and clinical achievements, and only second for their financial rewards. And for Henry Blair, to witness what enzyme-replacement therapy can do, to watch in rapt attention as a bedridden patient literally gets out of bed and walks, has been unforgettably thrilling and motivating. Besides, says the self-taught enzymologist, he hates having a boss. The way around that is to be the boss.



## The Night Owl Sidekick

Everyone has a big, big favor to ask Donny Strosberg, founder, president and CEO of [Hybrigenics](#) SA, in Paris, France. "Donny," they all say, "you know so much about starting biotech companies, would you help me start one?"

Since 1984, biotech startups have been all in a day's work for Strosberg, who before starting Hybrigenics was also a highly productive academic researcher with 45 trained PhDs and nearly 400 papers to his credit. All in a night's work, too: One reason he accomplishes so much is that he goes right on working long after everyone else has collapsed into bed. That's one of his strengths, he says: "Really, I think sleep is a waste of time."

Strosberg, who is Belgian, says he cannot recall the Swiss refugee camp where he was born in 1945. His childhood memories are of Antwerp, where his parents settled soon after World War II. He earned his Ph.D. in protein chemistry at the Free University of Brussels, and returned there in 1973 as a professor after a three-year postdoctoral fellowship at [Massachusetts General Hospital](#) in Boston.



Arthur Donny Strosberg

Strosberg established his two-jobs-a-day routine in 1977 when he became a full professor at the University of Paris while retaining his position in Brussels. Shuttling back and forth between labs went on for three years before he decided Paris was the better place to make his name. In 1985 he made a move to the [Pasteur Institute](#).

By then, however, his career was no longer strictly academic. The year before Strosberg had started his first company, [Chemunex](#) SA, "which develops systems for rapid microbiological analysis in industrial samples," he says. "Later, it was one of the first French biotech companies to be listed on the public market." Chemunex set the pattern he used for startups for the next 13 years. "My way was to put it all together and then remain as an advisor and have

other people run it," he says. "I assembled the team, I put together the intellectual property, I helped raise the money and I found a CEO to run it." Hiring CEOs was only common sense, because at the outset of his entrepreneurial career, he explains, "I didn't consider myself ready to run a company."



In the late 1980s Strosberg, recognized as an expert on cell surface receptors, was advising [Genentech](#) Inc. and spending one week each month in the U.S. when he met Moshe Alafi, a San Francisco venture capitalist well known for his investments in [Amgen](#) Inc., [Biogen](#) Inc. and [Cetus](#) Corp. Moshe "asked me to help him with a company that he had started, and then he offered to help me start a daughter company, Ideon, where I could develop my own research and development ideas."

The parent, Invitron Corp, in St. Louis, MO, was a manufacturer-for-hire for biotech companies in need of large-scale production of recombinant proteins. Strosberg located Ideon next to Invitron's research unit in Redwood City, CA and focused his company on therapeutic antibodies and proteins. "Ideon was complementary to Invitron's development of production tools," he says.

Unfortunately, after Invitron's IPO in October 1987 and the company's initial expansion, its

business prospects soured. At the time there weren't many therapeutic recombinant proteins to manufacture, and most companies that had developed these proteins preferred to manufacture them themselves. So in the early 1990s, Strosberg folded Invitron's research unit into Ideon and then obtained financing for the renamed entity, [Incyte Pharmaceuticals Inc.](#) (now Incyte Corp.). Not long afterwards, Incyte switched to the business for which it became famous, sequencing the expressed human genome. Strosberg credits the idea to his colleagues from Ideon – the late Jeff Seilhamer and particularly Roy Whitfield, who became Incyte's CEO -- and from Invitron -- Randy Scott, who became Incyte's CSO.

## “Other Things In Life”

The California adventure did more than deepen Strosberg's business experience. In Alafi he had found a mentor, a friend who over the years has helped him solve many problems. But before starting more companies, Strosberg first had to attend to a problem back home: "The Pasteur Institute didn't like my involvement with the biotech industry."

It was a matter of principle: In those days the administration's view was that scientists at Pasteur did not have ties to industry. "They said I had to choose between continuing my involvement with biotech or my scientific career at the Pasteur," he recalls, "and they were totally convinced that I would stay, because no successful scientist had ever voluntarily left the Pasteur."

Until he did. Although the Pasteur Institute is the top of the line in French medical research, "I valued my scientific freedom and considered that there are other things in life." So in 1990, Strosberg moved his lab together with 50 people into the new [Cochin Institute](#), also in Paris, which he started along with two other scientists.

Startups, now perceived more positively, continued. In 1992 Strosberg helped his daughter Muriel start and run Vetigen, a company that was "active in allergy tests for animals," he says. "It's still going but she sold off most of the business. Right now the company is more virtual than anything else."

That same year, while he was on sabbatical at [Harvard Medical School](#), Malcolm Gefter at [MIT](#) proposed that he, Strosberg and a third scientist start a company with support and assistance from MIT. The company, Pharmaceutical Peptides, Inc., focused on peptide drugs discovered using phage display technology. Later renamed [Praecis Pharmaceuticals Inc.](#), it is now located in Waltham, MA. Gefter is CEO. "He's the man who really started the company," Strosberg emphasizes. "I was only a sidekick."

"In 1995 I started another company in France at the urging of my long-time associate Pierre-Olivier Couraud, who had also been with me at Ideon, and three of our students who absolutely did not want to go abroad for a postdoc. So I obliged, and that was Neurotech." John Goodhardt, who had run Chemunex for its first seven years, signed on as [Neurotech's](#) first CEO. Neurotech develops therapies for ophthalmologic and central nervous system diseases.

## Where the Fun Is

Increasingly, though, being advisor, teacher and sidekick left Strosberg dissatisfied. "To start a company and then hand it over to somebody else" had become "extremely frustrating," he says. In part this was because too few of his companies rose to the level of his dreams. Incyte and Praecis succeeded, he's glad to say, but in contrast he believes the later management of Chemunex starved the company for capital by treating investors like adversaries. "That's not the right attitude," he warns. "You must have your investors as

allies, as your support." Consequently, when the Pasteur Institute came calling with a deal, Strosberg thought the time had come to run a company himself.

"In 1997," he says, "the whole management of the Pasteur came to see me and asked whether I would help them start biotech companies." It was "basically the same group" that seven years before had commanded him to give up his biotech startup activities or leave. Now, "they recognized the need to start biotechs, and since I had a lot of experience, they asked whether I would help them do it."

"You bet I would!" he replied. "Before they had the time to change their minds, I came up with a project and a company and they immediately gave me the space and everything I wanted." Within three months the Strosberg-Pasteur Institute alliance had created Hybrigenics. Strosberg took a leave of absence from the Cochin Institute to become CEO. And following what he taught them, the Pasteur Institute has started about 10 companies, he says.

Hybrigenics sprang from Strosberg's expertise developing screening technologies. Hybrigenics maps protein-protein interactions in order to decipher biological pathways relevant to infectious diseases and cancer. In particular, the mapping technology has been applied to hepatitis C virus and HIV infections. From protein interaction maps Hybrigenics can find, validate and prioritize protein targets for therapeutic intervention. Strosberg anticipates that several anti-cancer drug candidates may soon move into preclinical analysis.

Strosberg admits still finding himself tempted to focus on research instead of development. For example, he says, "If I want to find a therapeutic target to develop a drug, I have to make a selection among the hundreds of protein interactions I've discovered and choose one or two proteins as targets, and then I have to just ignore everything else I've discovered. That's extremely frustrating." But hard choices go with the job, so he makes them and then encourages his team to follow. That isn't always easy: "You have to kill many projects. You have to discourage scientists. You have even to send some scientists back to academia."

Strosberg probably could have started a company like Hybrigenics in the United States. But he stays in Paris for the same reason he turned down offers in the early '90s from [Alza Corp.](#) founder Alex Zaffaroni to start and help run [DNAX](#) and later, [Affymax](#) Inc. -- he thinks France is a wonderful place to live. So he runs Hybrigenics where there are no SBIR grants, fewer venture capitalists, "no public support," science bureaucrats suspicious of industrial biotechnology and severe cutbacks in government support of basic research -- a business climate tailor-made for a man who says he never gives up. "It's easy to start a company in the States," he says. "It's difficult to start one here. Therefore it's more fun to start it here."

Continued .../...

—Tom Hollon ([thollon@starpower.net](mailto:thollon@starpower.net)) is a writer and biocommunications consultant in Rockville, MD.