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from the publisher

As we head into this US presidential election year, and the economy continues to bump and grind from the poor financial decisions that have been made over the past several years, it could be a good time for serious reflection, as well as a consensus on what it will take to reinvigorate the biotech industry.

If the financial institutions have their way, the government will bail them out of their indiscretions, plus give them lower interest rates, which got us into trouble in the first place, and wouldn't necessarily result in any benefit being passed on to the rest of the economy. I'm afraid that the best medicine may be for our government to keep a safe distance and make the finance industry pay for its greed and risky behavior.

Although there are good arguments for helping investors who bought into deals that were "too good to be true," such assistance should not come from taxpayers, but from the institutions that created rampant speculation with money that used to be protected by federal regulations. Those who will lose their homes have my sincere sympathy, but companies that are in trouble from highly leveraged and mismanaged acquisitions should have no one to blame but themselves and their financial advisors.

Cheap money and speculation not only hurt the investment and housing industries, but lead far too many organizations in the biotech industry to ignore their core businesses and focus on "growth through acquisition." Now these companies are still trying to pay for their deals, and are cutting costs in the areas that once made them competitive. Except for very few examples that I can't recall, this spate of acquisitions has resulted in less competition, less products, less innovation, and less jobs for the highly talented people who were the backbone of this industry. Those who are left are spending their time cutting costs, developing new letterheads, selling off assets, and finding other ways to pay off executive bonuses, attorneys, accountants, and investment bankers.

Many of the acquired companies have completely disappeared from the marketplace, or are struggling to build recognition for their new identities with extremely limited marketing budgets. The technologies for which they were purchased are most likely on the back burner as the parent company works to eliminate redundancy and rearrange the furniture. And somehow, the promised "synergy" of the deal is lost because no one planned on the hard work it would take to meld the corporate cultures and chemistries of the key individuals.

As we move into 2008, please help me encourage a return to the principles that built this industry like: entrepreneurship, good science, strong relationships, and innovation. If your company wants to obtain a technology, make an investment or simply license the rights you want. But whatever you do, leave the small companies alone to do what they do best, and what made them attractive in the first place. The value of a company is seldom in its buildings, equipment, products, and IP. It's in the goodwill that has been built through the value it offers, and the people who created this value.

Happy New Year.

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