

Posted on Monday, Feb. 22, 2010

Organizers hope 1,300 will attend Biotech 2010

By ALAN M. WOLF

Attendance at the state's annual biotechnology conference passed 1,000 people for the first time last year.

This week's 19th annual conference in Raleigh is expected to draw a bigger crowd, despite the down economy.

Sponsored by CED, the N.C. Biotechnology Center and others, Biotech 2010 will bring together corporate leaders, university researchers, investors and policymakers to discuss an industry that's become a foundation for this region's economy. North Carolina's biotech industry ranks third in the country, employing more than 58,000 people, with many of those in the Triangle.

The conference's speakers, including Allen Roses, a genetics expert at Duke University, and Talecris Biotherapeutics CEO Lawrence Stern, are only part of the allure.

Another attraction is the chance to network, mingle and make deals, say the conference's co-chairmen. Arthur Pappas, founder of a Durham venture-capital firm, and John Russell, a partner with the Research Triangle Park office of the K&L Gates law firm, discussed Biotech 2010 with staff writer Alan M. Wolf. Here are edited highlights of that conversation:

On what makes Biotech 2010 a draw:

For starters, CEOs and other successful executives who will discuss how to get deals done and attract financing during a downturn. And some of the region's top university researchers will show off new developments.

Investors and larger pharmaceutical companies can begin to identify promising startup companies or products. And smaller companies can connect with larger partners that can pay for further research and hiring.

"We need to bring people together and help businesses that need funding get through this tough time," Russell said.

One example is Roche, a Swiss drug company that will hold a private session where it will outline what types of investments it's seeking and what types of companies it's interested in buying, Pappas said.

"The [conference] programming is substantive and I'm proud of it," Russell said. "But over time, the social aspect of it and making contacts has become just as important."

On holding a conference during a recession:

Organizers started planning this year's conference shortly after last year's, Pappas said. And they initially worried about a drop in attendance. But local companies, law firms and venture capital firms stepped up as sponsors, and the conference is expected to draw about 1,300 people, he said.

The increase is another symbol of the biotech industry's importance to North Carolina and this region, Russell added. And it's a big change from its roots two decades ago "with 10 of us sitting around a card table drinking coffee out of paper cups."

On the industry's outlook for 2010:

Pappas and Russell are optimistic that this year will bring an uptick in financing activity for small medical companies. In addition, large pharmaceutical companies continue to seek promising products and smaller firms they can buy to bolster their business, Pappas said. That bodes well for a region like the Triangle, which is home to fledgling companies.

Another positive sign: As larger players like Glaxo SmithKline cut more jobs, some former employees will try to start their own companies.

"These cycles tend to produce more entrepreneurs coming out of large companies," Russell said. "We need to help find homes for these people and get them busy with startup companies. That could be a powerful driver for this area."

On 2010's challenges:

Wall Street volatility could dampen investors' appetite for initial public offerings of stock. That traditionally has been a growth engine for the biotech industry.

That trend also could hurt the flow of venture capital, money that fuels most smaller companies' research and hiring.

"We have a backlog of promising drugs and medical devices that need funding," Russell said. "There is venture money that is looking for opportunity."

And unlike previous recessions, this region hasn't seen a huge increase in the number of business failures, Russell said. That makes the area more attractive to outside investors.

"I like to think it's because we're smarter, but it might be because we're lucky, too," he added.

alan.wolf@newsobserver.com or 919-829-4572