1. Access to Venture Capital

Focus group participants agreed that access to venture capital was perhaps the most significant barrier to growth in the life sciences.

With many leading life science communities located on the coasts, participants stated that venture capital was more readily available in those locations. San Diego, the San Francisco Bay Area, and Boston were highlighted because of their concentration of venture capitalists. Not surprisingly, these locations were also at the top of their lists when asked about the leading regions for life science activity.

Participants noted that venture capitalists expect entrepreneurs to relocate their businesses so that the investor can keep close tabs on the company. For investors, this reduces some of the risk associated with investing in start up operations.

“They want to be able to effectively control it. They want to guarantee success because their investors have put a lot of money and responsibility on them. They can’t do that from 2,000 miles away.”

One researcher recently found out first hand the importance of location when negotiating venture capital deals.

“We sat down at one of the nicest restaurants I’ve ever been to… and about five minutes into the conversation, he turns to me and he says, “When are you ready to leave for San Francisco?” He jokingly pulled out the checkbook and said, “$15 million if you move the company to San Francisco.” And I turned to him and I said, “Ok, let’s start it.” I mean he was faking, he was calling my bluff. And I called his bluff. Now, we haven’t got the check and we’re not moving the company to San Francisco. But that’s what it took… And that got us to, ’Ok, let’s discuss the next step.’ That restaurant and that conversation would have stopped at that very moment if I wouldn’t have been willing to say that.

Another researcher described an alternative approach to finding venture capital.

“You get a good idea. You mortgage your house. You do as much private banking as possible. And then you decide you’re going to sell off some portion of your company. So you go on a road show and see who bites.

But for some researchers, a road show would mean shutting down their operation because they are the entire company.

“You need the money to get to a critical mass and you’re in that catch 22.”

Other participants said not all entrepreneurs in the region want to re-locate and they would like to see venture capitalists take a local interest. However, they noted that getting venture capitalists to pay attention to a particular region is not an easy task.

“More frequently, companies go where the risk capital is because the risk capital’s not willing to move. …If you’re chasing capital, the challenge is going to be getting the capital you need without having to relocate.

“It’s much easier to start a company there [coasts]. In terms of getting venture capital, it is much, much easier. Also, if you are right there and starting a small company, you can get opportunities to work with the larger companies and contract.

[Venture capitalists] tend to look in obvious places. They go and start turning stones over where they think they’re going to find something. So, you’re not going to get a lot of my classmates coming down here trying to find something, because it’s not an obvious and evident place. They’re looking for something that’s discreet enough so that nobody else knows about it so that they can garner some extraordinary profit, but it’s at least evident enough that they, in their educational background and training, know enough that they can find it.”
But participants questioned how to improve entrepreneurial activity in life sciences without an infusion of venture capital to get it all started.

You can get venture capital to come here if there’s a high deal flow, if they see a lot of things coming out of the area. So it’s a chicken and egg. You need the money to get the thing started to get the deals to get the money. So if we started to have a flow of drug development or things in the life sciences, and the deal flow picked up, money would come from other places.

One suggestion was to find regional investors to become involved in local venture capital efforts, but participants were skeptical about the practicality of this.

There’s a lot of money in Kansas City. There’s not a lot of money for high risk in Kansas City, at least what’s perceived as high risk. In fact, there’s money that goes into stuff that’s higher risk than what they think…What’s needed is a confidence factor and some way to pool money so the risk is diversified. No one is going to concentrate risk in this area. And it’s gaining the credibility and the confidence of the people with the money, that this is going to be a reasonable investment opportunity, not risk free, but not as high risk as they currently perceive it to be. There’s a lot of money; it’s hard to get it in risk and ventures.

What it does require is people in the Kansas City area who have a lot of money and are willing to put it into this kind of thing. There are a lot of people with a lot of money. I don’t see them putting it into the kind of things we’re talking about.

Difficult as it is to do, at least one participant thought there was hope for attracting venture capital without resorting to relocation.

One participant was reluctant to say that more venture capital was needed in the region. He has experience with attracting outside dollars to the region and believes it is always possible to find funding for meritorious projects.

Here’s my caveat: Given the deal flow that we have today, there’s adequate venture capital. Now the question is, if there was more venture capital, would we get more deal flow? You know, we raise money for the companies that I chair the board of, and we raised money out of New York and brought it to Kansas City. So, good deals get funded.

Some offered evidence that venture capital funds could be raised here. One researcher pointed to a successful pharmacy company that was started elsewhere by a researcher with local ties who brought the company back to this area and then raised $14 million. Similarly, a life science business leader spoke of a recent conversation he had with venture capital firms:

We also do some risk sharing, where we may invest cash or services at no cost or a discounted cost. We may invest those in a product or a company or a technology. Some of the times, I’ve had at least two venture capital groups that have come in to meet with us. One from San Francisco said if we do a deal with you and we would consider moving here because the whole economy in the state of California—they don’t feel it makes sense for them to run a business out of that state. They said we would have no problem relocating our entire business here. Now it never really materialized or came to fruition. But we’ve seen that twice. In this example I had, this was basically a venture capital group that wanted to spin off a virtual drug company.
2. Availability of Top Level Management

A second major theme was the lack of the availability of top level management, particularly management with an entrepreneurial mindset that can take a young or struggling company and make it successful.

Early stage venture guys and gals. That to me is the biggest gap that I have.

Some indicated that having strong, proven management in place is so important that it can, in fact, decrease the need for companies to be located near venture capital.

It comes back to relationships... All venture capital doesn't have to be near the investment. The ones who sign on to deals [will invest,] as long as they know there's someone there to manage it that they know and trust.

Leadership issues, I think, are the biggest issue. Capitalization will sometimes come if you can identify the right leaders.

Participants agreed that early stage managers are especially important in young companies where the researcher or inventor lacks business interests or skills. Several university researchers discussed the pitfalls of trying to get a company off the ground while juggling academic duties and other research pursuits.

The scientist has to understand they don't have the skills to manage or raise the money.

If we had wanted to work in the corporate world, we would have done it years ago. So we didn't set out to do this. But it is an opportunity. And it's right in front of you and you have some resources, and some people will go so far as to give up the university job. But other people are not prepared to do that.

Participants said proper management sometimes can mean the difference between success and failure.

One of the other companies I'm associated with is dead because one of the other inventors wanted to dominate the company and he didn't want to take risks. Which I think of the three companies we started, it could have been the best, but it's actually the worst because it was not handled right.

According to participants, not only are these entrepreneurial managers important, but also they can be difficult to attract to the region. Several explanations to this were offered.

People on the coasts don't even look at Kansas City as a major city.

The pool of managerial talent is much greater (on the coasts.)

If it doesn't work out [here,] they're looking at a major upheaval again. Whereas in San Diego and Boston, they go to a venture, if it doesn't work out, there's another venture that's in need of people. They can hop over. So, there's a pool; they can float around. They know if this one doesn't work out, they can find another one. That's not true here. It's a critical mass thing.

I've got friends of mine on the East Coast and they've got the same problem. It's not unique to us... I think finding early stage management is a problem.

But they said it can be done and many have learned that finding managers with a local connection is the key to successful recruiting.

Recruiting [managers] to come here is a challenge, unless they have been here. We find the alumni base, the association base, is how we attract people here.

The easiest people to recruit here are people who have lived here.

We can certainly find people who want to come here.
Participants said offering more money would not aid efforts to attract management to the region.

The kind of manager you want is not driven by salary. They're driven by wealth creation, which means they can take a company and turn it into a zillion dollars and take a fraction of that...You can buy them on a competitive package that says they get a piece of the action...For the entrepreneur, it’s not about the cash now. In fact, I’d be very worried about an entrepreneur that wanted to come in and manage a company for a $200,000 salary right now. What you’re really looking for is a serial entrepreneur, who has enough money to live on that isn’t worried about salary right now. They just did a deal and they’re looking for the next one and they don’t care about getting paid now. They’re interested in creating the next increment of wealth...Steve Jobs is a classic serial entrepreneur. People who have been successful and made other people money have a great ability to attract new money, even if it’s a dumb idea.

3. Recruiting to Kansas City

Although money was not believed to be a factor in attracting serial entrepreneurs to the region, participants said salaries and other resources are very important when recruiting scientists and researchers to the region.

If you can offer world-class packages of support you can get world-class people, and particularly if they see other world-class people that are there. They begin to see colleagues that they can interact with.

Some [scientists] want the security of living in New Jersey, because I know that tomorrow if I quit working at BMS, I can go to Aventis and not have to relocate my family. But there are tons of examples of where this [region] does appeal to folks. And it is an incentive. We really try and push those points when we’re recruiting and interviewing folks.

But there are also a number of people who are looking for opportunities in this region. This is usually because they have a local tie – their family is from here or they went to college in the area.

We are producing many graduates. We have many, many post-docs. And interestingly enough, once people have lived here, they are very reluctant to leave. They would just love to work here, to work in a company. I still get to talk to alumni of the department who are telling me, if you ever have anything, I would love to come back. So it’s a bit of a myth that nobody wants to work here. Certainly the people who came from here and are all working now on the east and west coast, they wouldn’t mind coming back.

The easiest people to recruit here are people who have lived here.

Getting people here to experience it first hand makes a big difference.

From my perspective, 90 percent of the time it’s an easy sell with the school systems here. Make sure schools stay good and we’ll stick around.

One life science business leader said programmers and engineers were difficult to find locally, but recent trends had improved recruiting conditions.

It’s not the best place to find programmers and engineers and so we recruit quite a bit from Iowa State and places like that. Some recruiting from KU. So that’s our challenge, finding good engineers. Particularly with the economy, we’ve found that, I’ve been hiring engineers from California and Berkley and making them relocate. Right now at least, they’re willing to do that because they have fewer options.

Did I want to move here from Seattle? No, but this is where the job was. Coming from the northwest, it was very hard to come here. Now that I have kids, I appreciate it. I had a very difficult time leaving Seattle to come here and this was definitely going to be a temporary stop. You end up making home where you lay your head at night.
4. Other Challenges

A few other barriers to technology ventures emerged in the discussions. Most were viewed as minor problems that could be easily overcome. One issue was travel:

As I travel about 75 percent of the time, probably the most difficult thing is not having an airport with a hub. But the things that make it difficult for our business… being located in the center of the country, away from a lot of our clients and activities, makes it a little more challenging. We actually have very few clients here in the Kansas City area. Most of them are on the east coast and west coast.

It would be easier from a travel perspective and a communication perspective [if our business were located near our clients,] but it’s not paramount. Our business is so diverse that there’s probably no, and it’s so big that there’s not one geography that could support it. Yeah, it’s not really a big deal.

Finance capital is a more general problem than just venture capital. Lack of funding for technology/invention development prevents many good projects from going forth from the universities. Research administrators said they simply lack the resources to move most projects forward. Similarly, the inventor doesn’t have the resources and can’t get the attention of larger companies or venture capital organizations.

Almost from the get-go we’re asking is there a likely licensing partner for this technology to cover the patent [cost]? And if we, or the inventor doesn’t know who is likely to license the disclosure of the initial patent, too often we say, ‘Well, we’ll return this intellectual property to the inventor and you’re on your own. Go see what you can do with it.’ And I think we’re leaving some good ideas on the table.

One researcher reported that it costs about $100,000 to file a drug patent worldwide — about the same amount his university has available annually for patenting expenses.

Some indicated the problem was more basic — facilities. One university researcher said his institution was hiring dozens of new faculty members but that there was no space within current facilities even for offices. Others lamented space issues, crumbling facilities, and outdated laboratories.

What’s happening is faculty members are coming and they’re not in the same building as their colleagues. So that’s going to hurt us in recruiting. That’s going to hurt us in collegiality. It’s going to hurt Ph.D. and graduate students. This is a major problem. As we grow in research, we need additional space for labs. Our leadership is fully aware of that, but we need money for more buildings. If an individual or an organization really wanted to make a difference to the viability of the life sciences, at our campus anyway, this would be one extremely viable way to do it.

This is the only two hours I’ve spent all month where I wasn’t thinking about space issues.
Chapter 8: Pathways to a Successful Initiative

1. Self-reliance and Finding Niches

Many participants argued that it was fine to look at regions that are the current industry leaders for ideas but that ultimately, this region needed to discover its own talents and make the long term commitment to nurture those niches. Area universities were often mentioned as good places to look for clues about niche opportunities.

"We’re not going to be a Boston, we’re not going to be a San Diego, we’re not going to be you know… and the list goes on and on. But we can be, what we can be is a niched microcosm of a bigger life sciences community – pick out a handful of things and do them real well. Put Kansas City on the map because of the collaboration that takes place across the life sciences and IT. Be an area that is strong in communications and commitment.

We need to look at what are our strengths and look at our universities for our strengths. Identify those in the long term planning. We don’t want to do something if we don’t even have good expertise here. Or if we feel we need that expertise, then maybe there needs to be some discussion about that and maybe it needs to be developed.

All universities, even the great universities, are not great in all fields, only in niches. I think they’ll evolve. That’s the way they always do. The spectrum is life sciences, human sciences, animal, plant. Among those, some niches will evolve. Where is the prime expertise now? That’s where it’s likely to come from.

2. Specific Opportunities

Participants had many ideas about potential areas to focus on when developing the region’s life science initiative. They also offered some clues about how to develop these niches. Examples are included below.

"I came back to academia for several reasons. I think in my area, which is agricultural biotechnology, we’re poised really to have a series of rapid advances in terms of applying agricultural biotech to solving problems in agriculture. The reason I’m saying that is because companies like the one I came from are invested heavily in generating genomics resources, but I think that the real value that’s going to be extracted from those resources will be in proportion to how many bright people who understand the biology have access to those resources and are able to translate an understanding of the underlying genetics and to value added trades. I think that pool of talent is in places like Kansas State.

Something we’ve encouraged KCALSI to think about is that the Kansas City area really should be thought of as the area extending from Columbia to Manhattan because Kansas City has traditionally been the urban center for this large agricultural region. …We need to think about agriculture in different ways in the future and we need to think about the hub Kansas City provides.

I actually think there’s an opportunity for us in the processes to move technology from research to the commercial market. And the reason I say that is having a foundation that’s focused on entrepreneurship in the Kauffman Foundation. I also say that because there’s a handful of universities that are experts at it, but there’s no region that’s an expert at it."
A few participants offered very specific ideas about niche opportunities. Human health, animal health, agricultural chemistry, orphan drug development, animal plant science, vaccine development were some of the areas named as having potential.

Bayer animal health is a big player and they’re certainly tied into the life science initiative. There are other little tiny niches. Orphan drug for cystic fibrosis treatment, we actually think orphan drug has good potential because big pharma is not interested…$100 million potential.

One group discussed the potential market for drugs targeting treatments of diseases in developing countries. According to participants, the large pharmaceutical companies are not interested because they “don’t know how to get paid.” Orphan drugs were noted by several groups as an option that should be carefully considered for development.

Utilizing the expertise of several area companies, a few participants talked about the potential to streamline healthcare delivery and also impact healthcare quality by improving the flow of information from treatment discovery to patient care protocol. Along those same lines, they discussed the opportunity for figuring out how to consolidate the massive amounts of data that exist in a multitude of formats into a common format that would allow meaningful analysis to occur.

My view is that one of the real opportunities in Kansas City that we’re not leveraging is there is a need for interdisciplinarity in research. At many of these centers, there are these huge silos of remarkable research expertise, but getting the multiple disciplines to work together translating discoveries into practice...

Another participant agreed and added to the discussion:

There’s so much valuable data, but very few people actually take the opportunity to consolidate it in a common format. So you have all sorts of observable trends, but very few answers to the questions…Why is esophageal cancer for white males just exploding since the 70s. Beats me. It doesn’t correlate to smoking habits, but it’s going on. The data is probably there.

We need more creative ways to overcome the inertia to progress. I think we can recognize opportunities that other cities have not yet taken advantage of. I think we could recognize the opportunity to look at translational medicine. Look at healthcare delivery and healthcare quality. We are so short of our potential.

3. The Kansas City Advantage

There are a number of reasons why the businesses who chose to locate here did so. For some, the decision was basically the result of Kansas City being home to them. But their secondary reasons for locating here included factors such as the high work ethic of the local workforce and the low cost of doing business, relative to other locales.

We can probably get human resources at a lot better dollar value [here]. We don’t have a lot of cost of living constraints as a San Francisco or something like that. So we’re able to get, you know, just the good Midwestern button down work ethic at reasonable prices.

And what makes it to be an ideal location is the philanthropic community, the broad diverse background, and availability of opportunities in Kansas City, culturally and technically and scientifically. And access to a good strong workforce.

Kansas City’s central location relative to either coast was cited as a factor that made doing business from here convenient.

Half of our associates don’t even live here in Kansas City so everybody has laptops now and virtual offices and you buy plane tickets. Air travel is, I think, our second highest expense item after labor. We travel. We do ask our associates to be located near a decent airport. We don’t like them to be off in the woods somewhere. But we’re very, very mobile.

It’s a central location, big city environment, and lower costs…and relatively easy to get from here to there. It’s closer than India. East Coast, West Coast, one advantage of being here rather than one of the coasts, you’re in between the two time zones and you can interact really easily during the day with people on either coast.
4. Targeted Networking

When asked about networking, participants were generally cool to the idea. In many cases, they stated that they believed enough had been done already and that it was now time for action - they know who the other players are in their industry, they’re ready to get to work.

[We need a] collaborative culture, it’s not that people aren’t talking to each other. The last few years we’ve been getting together and talking all the time.

I cannot complain that I don’t know enough about what people across town are doing, or in Lawrence. Now there needs to be some decisions that involve investment or attracting human capital, most important at the investigator level, but also at the level of real smart administration with a vision who can now raise money, build this infrastructure. I think we would all be disappointed if the outcome of these meetings is the suggestion for coming up with a few more formats for people to get together in meetings. I think that’s good but it’s already happening. Professionals in the community know enough about one another. The community at large may continue to need education. That will continue and it’s good. I don’t think professionals not talking is a bottleneck any longer.

But some participants saw value in highly targeted, specific events that were less frequent and more purpose driven.

Chambers have monthly events… Monthly is pretty frequent. Quarterly is pretty good. Then it becomes meaningful. Maybe not a banquet, but maybe a buffet dinner and cocktails. Make it a social event with a program. It is hard to say.

Last year at the life sciences banquet, there were a couple of things that impressed me. One was, I was really surprised, and frankly I had no idea, the new bio-life science-type companies that were cropping up in Lawrence and Manhattan. I think most of us were unaware of that.

This idea of cooperation- San Diego Connect is a model worth looking at. They really get people to take time across industry to connect. When you do that, you might find some synergies. They can actually learn from one another or help one another. For the small business sector, it’s particularly important and it can be stimulating. It also helps connect people with money.

One participant had an example of how such an exchange might be fruitful in creating an opportunity for cooperation.

I think, particularly in academia, maybe there is some researcher that has some model or has some sort of technology that maybe is in some way related to what we do. Put both those ideas together and maybe you create a commercial opportunity. Just to give you an example, we have some in vitro models in our laboratory that were developed in collaboration with [university] pharmaceutical sciences group. They had developed these models for their own academic interests and for their own research program. And we had a commercial application to that. We worked with them to take it to the next level. These were cell culture models. They trained our folks over at [university] and provided us with at least some of the initial cells and then functioned as consultants. Because pharmaceutical science is most of the stuff we do, we have a good relationship with them.

5. Important Next Steps

Participants were asked to discuss what needs to happen next in order to move the life sciences initiative forward.

If you had one single thing to do, it’s create a pool, a bio/life-science pool of venture capital or institutional funds that can be used to support start-ups and attracting small pharma[ceuticals] and companies. Money does work.

Incentives, and trying to do things to create the culture and pool of people, and the potential institutional linkages. You shouldn’t discount the value of K-State and KU. They are technological bases, they are assets in these areas that create people and they create technologies that facilitate the spin out of people, and technologies of people out of the institutions.
I don’t know that we’ve got optimal cooperation from the life sciences companies in this area. For example, we do very little with Stowers. We work with a couple of these small niche service providers. It strikes me that maybe there could be better cooperation. So, I would say, culture, the life sciences companies need better cooperation and we should be doing a better job of linking with K-State, KU, and MU.

If you want other things happening, the first thing is to have life sciences. Investment in basic sciences is needed. Endowed chairs in universities – how does the region compare? What about life science grants? Number of good papers coming out of this area? Not enough investment in life science is happening here.

Having an environment that includes a range of cultural opportunities was identified as an important component of a successful life science and IT initiative. Participants said sports are an important component of the cultural environment too.

If I think on Chiefs days, Fridays are our casual days, and I think how many people are walking around in Chiefs sweatshirts. I’m not sure it’s cultural. In terms of interests for your employees, I think there’s value there.

You need a blend [cultural, sports] because we’re all different.

The keynote speaker [at a recent life science banquet] focused on culture and was comparing and contrasting the successful areas like Silicon Valley and so forth, and how important culture, some music, arts play.

It’s very difficult to get big pharmaceutica companies to move. That’s not cost effective. But creating small companies and getting small companies to move here, well they’re going to move here if they think there’s an exciting atmosphere that’s going to help them be more successful. Like a pool of people and talent and learning from what the other ones are doing across the street, all those kinds of things.

6. Important Players

A number of entities were mentioned as having important roles to play. KCCatalyst, KCALSI, The Stowers Institute, Ewing Marion Kauffman Foundation, all the area universities and medical centers along with the region’s industry leaders and politicians at all levels were named as key partners for these initiatives.

I think the Life Sciences Institute has to be successful. But other than that, I think… our strength is in a little bit [of participation and action] from a lot of different people as opposed to one organization doing the heavy lifting. I just think that’s the case.

The majority of participants believe government has a very important role to play in moving the life science and information technology initiatives forward. Particularly, Congressmen and Senators were identified as the key players because they could push for resources at the Federal level.

If you want to get money in the system too, I think it’s easier for the Kit Bonds to go up to Congress and say, ‘We do not have good quality healthcare in Kansas City. We have disparities in care. We have outcomes that are substandard on the basis of race or on the basis of gender. It is the mission of the Department of Health and Human Services to eliminate these disparities by 2010; we need $150 million for Kansas City to be a pilot center for the eradication of these disparities.’

That’s exactly right… That’s how the Moffet Center in Tampa did it. And you don’t bootstrap it by taxing your local population. That’s not going to work. It was Congressional intervention. It can come out of centers where you wouldn’t expect it. I think H. Lee Moffett Cancer Center in Tampa’s an interesting example. Right? Who cares about USF [University of Southern Florida]? USF medicine, research, you know, football. It’s not really an academic powerhouse. And out of nowhere, you get, I think the number three volume-wise adult oncology center, huge research institute. They’re hiring like crazy. It was really a Congressman that really went to bat for them in the beginning. They went from 0 to 60 in 12 years.
Several pointed to examples where politicians had helped bring attention and resources to a particular region or industry.

Well, I studied Research Triangle... First off, it took it 25 years to get started. They were basically back hills land. Until the governor got IBM to commit to put an R&D facility there, and then quickly followed by an NIH facility, nothing happened. Those were the catalysts. Having said that, there's not a lot of interaction [now] between the companies. There's some interaction with the universities but not a lot, surprisingly. But there is a labor pool that's there. But these companies, in fact the way the research triangle is designed, you can't even see your neighbor, let alone reach out and touch them. They're kind of isolated. But there is a floating labor pool and people do float around to different companies in that area. They had a vision: 'This is going to be a research triangle park and the universities are going to play the catalytic story and may be a resource, a people resource and some access.' But for a long time it was really a haphazard development for decades. It really went nowhere until it had a political kick-start.

While participants were skeptical about the feasibility of venture capital funding coming from government sources, they believed tax incentives were a way the government could help.

Direct government money is difficult. The closest working model is K-Tech. Ad Astra money went away... you don't hear about it anymore. When something fails, everyone wants to know who to blame. Then you have political interests...

The government's not very good at venture capital. Tax incentives are about the only way government can help.

Participants were very interested to know more about the Kansas Bioscience Initiative. At the time of the focus groups, little information was known about the initiative. Although participants had concerns about how it would be set up and operated, they were hopeful it would provide assistance in moving the Life Science Initiative forward.

7. Examples Of Success

In the course of the discussions, a number of programs, cities and initiatives were highlighted as examples of how other communities, entities, and organizations have succeeded. A few of these discussions are included below.

We need entities in this region that can serve as conveners for different kinds of networks. We need to increase networks across the region and within our region. But we need to bring people in who might not be here otherwise. I guess the one example I found myself thinking of as I was driving to this meeting is the Burl Ag-bio partnering meetings that happen in San Francisco every year by an investment bank called Burl & Company. They host a meeting every year that's very small. The people who take part are the heads of small companies. And then groups of people from big companies like Dupont, other large ag companies, and also venture capitalists. So the heads of small companies give non-confidential discussions of their company; the status of their technology. There are opportunities to arrange private meetings with the ones who are there with the potential to invest and the ones looking for investment. I would like to have more discussions like that in the region at an earlier stage, before we've decided to launch a company or not, to create more buzz around some of the ideas that are coming out of our faculty.

One focus group brought up the success of UT Southwestern as an example of success. They said it was important for the region's universities to have a significant level of financial commitment from donors. (Note: The focus group that brought this up was not the focus group of university administrators and researchers.)

UT Southwestern is a remarkable example. In the 1960s it looked like some WWII barracks. And now they have multiple Nobel laureates. Every time I go there there's a new 12-story building there. I mean it's an extraordinary example... So, it's a theme that sort of circles around the university, that it's a source of the intellectual life that's going to give birth to a lot of capital and innovation and market opportunities.

Well, they know how to work with donors. Every thing there is endowed and named after someone.
St. Jude’s Hospital was highlighted as an example of setting a clear vision and keeping the focus.

St. Jude’s is doing something right now that’s amazing. They went out and they’re doing actual drug discovery and development and manufacturing. They’re pumping out tablets now. They got good manufacturing practice, certification, they have good manufacturing facilities. When you think of St. Jude’s you think of kids with cancer. I tell you the hospital and clinic is very small and the research center is massive and they’re building on there. So the public image of what it is… they don’t want you thinking of rats in cages and monkeys, that’s not good PR. But that’s what they’re really doing. But they’re trying to find a way to integrate the full cycle from discovery to patient treatment, outcomes analysis, surveillance.

They’re really focused on connecting that full cycle and that’s one of the things I think makes them unique and powerful. They’ve got a vision. They sell that vision. And money just pours in. It’s compelling. It’s clear; people can understand it. I can’t remember how much they raise on an annual basis. It’s a phenomenal amount of money. It’s that finding a way of connecting things that traditionally are separate disciplines in separate organizations with separate economic interests. That’s really catapulted them over and above their peers.
Chapter 9: Moving Forward

As the participants talked about the life science initiative, its barriers, difficulties, and setbacks, they were generally optimistic about the progress that has been made and their expectations for the future.

I’m not discouraged. I kind of look at it a little bit like we’re the people that are breaking the sod, you know? Because you know you’re not always the most successful farmer when you’re the first to break the sod. It’s the farmers that come along behind you. … I see these things as having an incubation period. It’s going to take some time. We’re learning by our own mistakes, what works and what doesn’t work and what’s important and what’s not important. I’m optimistic that we will be successful.

I think one broader issue is, I think for the long term viability of a life sciences initiative, you’ve got to take research, you’ve got to bring it to commercial markets, you’ve got to create wealth, and then harvest that wealth and plow it back into the community in which it was created in. I think organic growth is more important than pulling people from away into the Kansas City Area. I think the people that are jumping… moving based on personal… what deal they can cut in what location. I think they’ll jump no matter what. And as soon as we don’t have the tax breaks or whatever it is for them to be happy, they’ll be gone. That’s why I think organic growth is important. It’s just like me. I’m here because I like Kansas City. That’s the reason. If I didn’t like Kansas City, I wouldn’t live here. So when you look at companies that are trying to go to the highest bidder to move. I think that’s a bad model.

If you look at how long it took RTP [Research Triangle Park] to get started, it took a long time. It took a very long time. I think we’ll have a steady increase in those activities. The whole thing could be anchored very, very well if some relatively major company was to say, you know I’m going to make Kansas City my base. That would have been the case if Hoechst Marion Roussell would have stayed in Kansas City. … HMR leaving was a major blow to this area.

It doesn’t happen in three years, it takes a decade to really get it started.

I think people want this to succeed…If you want this to succeed, you have a much better chance of succeeding. I’m actually very confident for the future.