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Under the microscope

Getting a drug from the lab to the shelf can take decades. Biotech's slow pace makes for a painful, but potentially lucrative, industry. Companies that endure are true survivors.

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THE SURVIVOR

In a town where drivers can see green fields greeting gray skies and where a farmhouse is a rolling hill or two away from its main high school, Judith Kelleher-Andersson carefully placed her professional hopes and dreams in a petri dish.

Just 12 months prior, in December 2003, she had survived the third employer to initiate mass layoffs or come close to it. At each of the three, and as a consultant since, she had built new stem-cell drug discovery programs.

It didn't take her long to realize she could do it on her own.

In May 2004, she founded Neuronascent, using a nearby Clarksville P.O. box as her new corporate placeholder.

With some consulting dollars in her back pocket, she attended every networking event she could afford. At a particularly stimulating microbiology research association boot camp, she sat near a fellow founder of a stem-cell services company, Lifeline Cell Technology, which had a desk to spare in its two-room, two-lab Walkersville space -- nearly 50 miles from her Columbia house.

By that December, she had moved in.

She's since settled into that desk, fronting a row of cubicles in a room nearly as big as a two-car garage. A former TV repair shop in a small shopping strip, the space is mostly consumed by its two labs. Even Lifeline CEO Jeffrey Janus graciously shares his small office with a copier-size microscope-and-camera contraption that Kelleher-Andersson bought on a five-year financing plan.

She and Lifeline split everything, from freezers and cell-culture incubators down to Scotch tape and staplers, helping her bottle her spending. What she does buy, she only buys through online auctions (think eBay for biotech) where anything from Unix servers to lab autoclaves are available for a tenth of their normal prices.

When she needed to conduct animal testing, she rented time slots at Biocon's Rockville lab. When she needed help in her own lab, she hired a Shepherd University biology senior as a part-time intern.

"I'm not doing great things for the Maryland economy for now," she concedes with a laugh that punctuates many of her sentences. "But if I take these shortcuts, I'll live longer so I can grow as a company."

Her most important expenditure has been $20,000, about half of her initial Maryland Technology Development Corp. grant, on 96 specific combinations of neurons that she's praying will be the key to protecting humans from diseases such as Alzheimer's or from strokes.

As she tests her neuron compounds to see if she's right, she also ends up contracting out other services for an average $30,000 in annual revenues to pay off expenses. She spends the rest of her time writing grants, a practice even the staunchest of biotech followers say is a tough sell.

No one need tell her that. Three times in two years, she spent nights and weekends writing a 25-page application for a $150,000 grant from an aging institute for her Alzheimer's work. Three times, she attended institute conferences. Twice, she wrote articles for the institute's journal. Once, the annual meeting's topic was even based on her previous year's talk.

And yet, for the third time, around the 2005 holidays no less, she opened her inbox to the now-familiar terse e-mail rejection. That disappointment still stings today, though she did win a geriatrician investor in the process.

Now she's hunting for more like him. She says $500,000 will tide over Neuronascent until a new corporate partner can help pick up the clinical tab.

Kelleher-Andersson, who for three years hasn't earned a salary and until a few months ago trekked the Beltway in a 1998 Chevrolet Malibu boasting 180,000 miles, is still a long way away from giving up.

"You can keep things going for a long time. But that's not success, that's surviving," she says. "I'm still in surviving mode."