

Steve St. Pierre's One Minute Confidence ("C") Tip

The C Tip is an insight that will inspire, educate and/or make us think about our lives differently. Give yourself a gift of the next minute to enjoy this message. (If you get something out of it...share it by forwarding to someone you care about.)

November 6th, 2014

*How They Did It: Billion Dollar Insights from the Heart of America: Tony Faras*ⁱ

Tony Faras is the cofounder of MGI Pharma, a company that started at zero and eventually sold to Eisai for \$3.9 billion.

Beginnings:

At UCSF doing his post-doctoral work, Faras was in the company of future Nobel Prize winner Mike Bishop and founding scientist at Genentech, Herb Boyer. Faras and his co-founder Frank Pass had the opportunity to work with Boyer when Genentech was considering animal healthcare, which peaked their interest in animal pharmaceuticals.

Faras held a faculty position at UMichigan before moving to UMinnesota Medical School and starting MGI. The company, which focused on viruses, used gene-splicing technology to isolate the genes that would produce a vaccine. They then moved into a business plan to develop veterinary pharmaceuticals.

After realizing that farmers were not eager to spend money on veterinary products, MGI moved to human pharmaceuticals and also got into plant genetics. Faras led the science and scientist recruitment in the company, and Pass led the business aspect.

Struggles:

"There were continuous highs and lows in biotech," Faras says. "It was a scary ride." The profit margins were not great. The company's first major success after venture capital funding was American Cyanamid buying a piece of the company, which allowed the company to expand. The company was able to raise \$100 million from a variety of sources, including private rounds of funding and Faras' own IPO.

Faras admits that he and Pass always had a fear that something could go wrong at any moment, but that fear kept them from becoming too confident and stepping away from it.

Success:

The philosophy of MGI was, "Let's keep moving and develop more revenue" (43). Faras credits the company's success not to any "secret sauce," but just "work, work, work." They went after "singles, not home runs." They recruited several outstanding scientists, and followed their lead.

Next week: Gian Fulgoni of *comScore (SCOR)*, Illinois

Quote:

"If you get too confident you might reduce the drive required to be successful." – Tony Farras

ⁱ *How They Did It* is a book of inspiration, ideas, and advice from 45 success stories cultivated by Robert Jordan. Jordan has been growing and launching companies for 20 years, and was listed on *Inc. Magazine's* 500 list of fastest growing companies for his first company, *Online Access*. Jordan spent four years gathering and interviewing successful company founders, who describe their failures and reveal their secrets to success. (Northbrook, IL: RedFlash Press, 2010). Robert Jordan is not affiliated with LPL Financial.