

Executive Profile

RICHARD D. DIMARCHI

■ BY MARION WEBB

World-renowned chemist Richard DiMarchi was one of four Eli Lilly scientists to develop Humalog, the first genetically enhanced insulin that freed diabetics from insulin dependence as they knew it.

"I was in Sweden for the launch of Humalog," recalled DiMarchi, now chief executive of Ambrx, a biotechnology start-up in San Diego. A Finnish fireman traveled to Sweden to thank DiMarchi for allowing him to return to a normal life by reversing an insulin resistance that left him in an intensive-care unit.

But the joy of that moment didn't last.

Shortly thereafter, DiMarchi participated in a lobbying event to raise funding for diabetes research, in Washington, D.C.

A single father of two adolescent children — left legally blind after 30 years of living with diabetes — told legislators and advocates that all he wanted is five more years so that his kids could get to independence.

DiMarchi said the vision of that man still haunts him, challenging and reminding him every day of the urgency and necessity to make better, less costly medicines.

BUSINESS PHILOSOPHY

Essential business philosophy: Win-win.

Best way to keep a competitive edge: Surround yourself with outstanding people — listen and trust.

Guiding principles: What is far more important than the organizational structure of a company is the relationships that exist among employees at all levels. In particular the flow of information — how freely it flows from top to bottom and back again, and how accurate it is.

Yardstick of success: Happiness.

Goals yet to be achieved: Rational drug discovery. How can I look at a disease like Alzheimer's, reduce it to a particular molecular target, and then design a reagent, a drug, that will have efficacy in human clinical studies. The likelihood of failure is at least 100 times greater than the likelihood of success. At this point and time, there is far too much luck and trial and error that surrounds drug discovery.

JUDGMENT CALLS

Best business decision: My decision to spend so much of my time, so much of Lilly's resources — money and people — in the area of recombinant DNA yielded a fistful of drugs — Humulin and Humalog for diabetes; Forteo, a protein to treat osteoporosis, Xigris, a sepsis drug — all life-saving or life-altering drugs.

Worst business decision: The belief that we could make the discovery and development of small molecules rational with the technologies that we have at hand. It's just proven to be far more difficult than I would have expected and hoped. These materials are inherently xenobiotic — foreign to the body — so there is always the potential for toxicity.

Toughest business decision: Terminating natural product-based lead identification.

Biggest missed opportunity: High school.

Those were four years of my life when I probably should have been investing in my education and I was off doing different things even to the point where I had high school counselors tell me that I wasn't smart enough to take high school chemistry.

Mentor: My wife, Susan. She has taught me there's more to life than mathematics, chemistry and biotechnology. She's a nurse by profession, but she's a full-time nurse to about everyone who surrounds her. She's the embodiment to me of what Christianity should be.

Word that describes you: Trustworthy.

TRUE CONFESSIONS

What you like best about your job: Co-workers, diversity, autonomy.

What you like least about your job: Distance from family (DiMarchi spends one week at Ambrx, every other week at Indiana University, where he's a chemistry professor).

Pet peeves: Wasted time, selfishness, spam e-mail.

Most important lesson learned: The golden rule.

Person most interested in meeting: Jesus Christ (DiMarchi says there are so many questions. If granted one question, I'd ask: How would one maintain their composure given the manner in which (Jesus) was received and treated in this world?)

Most-respected competitor: 1963 Dodgers.

Four greatest passions: Family, religion, biotech, baseball.

First choice for a new career: Teacher.

I think that the best leaders of organizations are teachers. That they see that as their role to instill in their companies a thirst for learning

And they provide the space for people to grow as intellectuals.

PREDILECTIONS

Favorite quote: "Leave all things you have and come and follow me." Matthew 19:21

Most influential book: Bible.

Favorite status symbol: Gulf Stream jet.

One of the biggest differences between the life as an executive in a major corporation like a Lilly vs. a start-up like an Ambrx is the access to a corporate fleet.

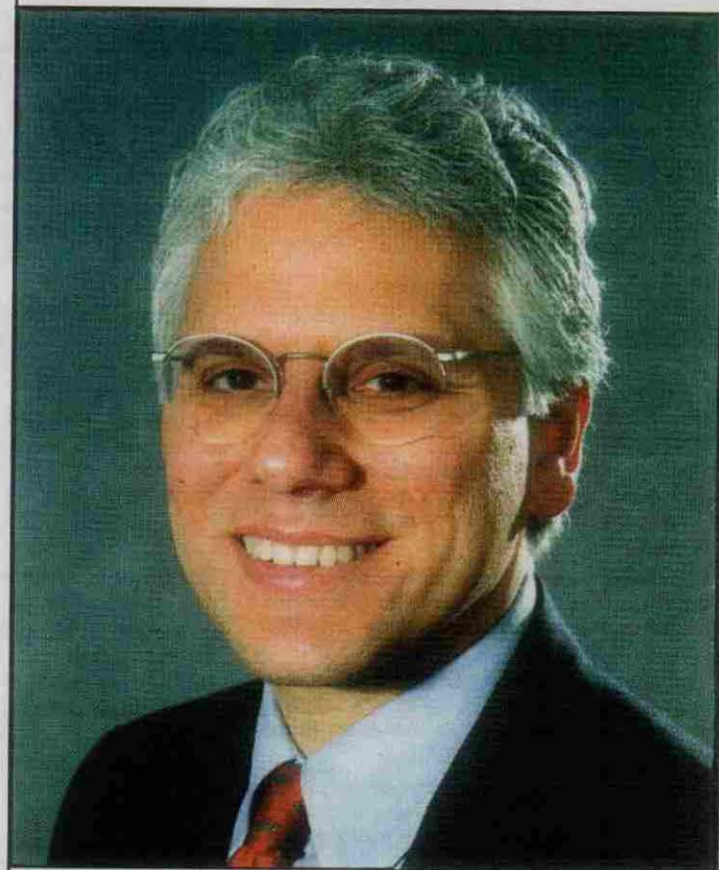
Favorite movie: "Casablanca," and "Treasure of Sierra Madre."

Favorite restaurant: Spumoni Gardens — Brooklyn, N.Y.

Favorite place for business meetings: Yankee Stadium — I take the Yankees very, very seriously having grown up in New York City (Bensonhurst) at a time when the Yankees never lost (1950-1964). I find that people are most creative in a business environment where they are relaxed. There is no place like it.

Favorite vacation spot: A quiet ocean with a coral reef.

Resumé



Title: CEO.

Company: Ambrx Inc.

Address: 10410 Science Center Drive; San Diego, CA 92121.

Background: DiMarchi is a chemistry professor and the Jack and Linda Gill Distinguished Chair in Biomolecular Science at Indiana University.

As group vice president for biotechnology and product development at Lilly Research Laboratories, a unit of Eli Lilly & Co., DiMarchi led the development of a host of life-saving drugs, including Humalog, the first biosynthetically enhanced protein, approved for human use.

Education: Ph.D. in biochemistry in 1978 from Indiana University; B.S. in chemistry in 1974 from Florida Atlantic University in Fort Lauderdale, Fla.

Age: 50.

Residence: Del Mar.

Family: Wife Susan; three daughters: Alissa, 14; Christina, 18; and Maria, 20.

Favorite way to spend time: Floating in the Gulf of Mexico with my family.

Favorite automobile: The bumper cars at Coney Island. That is the child within myself.

Reform: State Leaders Dust Off Tax Proposals, Revisit Ideas Like the Split Roll

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out certain local and state income taxes. Under the current convoluted system, all income taxes go to Sacramento, as does a large share of property taxes. Meanwhile, a large share of sales taxes, which tend to be more stable, goes to local governments. This has prompted cities and counties to chase after big-box retailers, auto malls and other retail tax generators.

For the past couple of years, Steinberg has carried a proposal to swap property taxes that now go to the state with sales taxes that go to cities. "This is absolutely crucial for the long-term development of our cities and counties," he said. "And it also gives the state a more stable source of funding."

But opposition from the League of Cities and other local government lobbies has been intense. They fear losing the only revenue source now guaranteed to them. And they are wary of promises to replace those revenues with property taxes, especially considering that the state took away \$3 billion in local property taxes in the early 1990s to balance its own books.

Such swap proposals present another problem: their very complexity slows them down.

"It's so difficult to do these types of complicated swaps, because there are so many winners and losers. You've got one set of winners and losers in the short term and a whole different set in the longer term as you factor in growth,"

Helmke said.

That is the basic underlying problem with almost every change that's been proposed to the state's tax structure. With each proposal, there are winners and losers, and the losers exert tremendous pressure to stop them.

But given the unique convergence of the recall election, the budget crisis and the possible court rulings limiting the state's

Program Encourages Doctors to Prescribe Generic Drugs

Blue Cross of California, Blue Shield of California, Health Net of California, and PacifiCare of California entered a new program designed to encourage doctors to prescribe less costly generic drugs whenever appropriate.

Under the Generic Advantage program, health plans will provide discount coupons for doctors to attach to new prescriptions for generic drugs.

Patients taking the coupon, prescription and health plan identification card to a retail pharmacy in their health plan network can save up to \$10 of their co-payment on their first generic drug purchase.

"The patients are going to get a financial benefit for switching to the generics, so they will ask their physicians to prescribe generics," said Dr. Steve Green, a family physician with Sharp Rees-Stealy Medical Group in Mira Mesa. "Many

of us already prescribe generics, because they often will offer an inexpensive, safe, and effective treatment."

In some cases, the discount will cover the co-payment entirely, the health plans said.

Generics available through the program include Ibuprofen, sold under the brand name Motrin, and Naproxen, sold under the Naprosyn brand name, for arthritis pain.

"The generic Ibuprofen is essentially equivalent to the higher-priced brand name Motrin," Green said. "Most of the time it makes no sense at all to prescribe a brand name when there is a generic available."

The generic ranitidine is used in place of the brand name Zantac to treat acid reflux.

Glipizide, glyburide and metformin whose brand name

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