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BellBrook Labs discovers its biotech niche

By Laurel Norris and Christine Lepple

MADISON -- Most scientists believe new technology will sell itself to consumers. But the founders of BellBrook Laboratories, located in the heart of Madison's University Research Park, knew they had to market the science before others would buy into it.

"A lot of biotechnology companies start with the technology. Our company is market driven from the start by finding the technology to that market need," said Bob Lowery, BellBrook Labs president and co-founder. "For me, it was about understanding the market well and seeing opportunities for unmet needs ... we formed BellBrook to address those needs."

The need BellBrook Labs identified was for high-volume screening of possible drug targets. The idea was to speed up the process drug companies use to determine where to focus their research, saving them time and money.

"On the discovery end, which is where we are, very few of the compounds that come out of discovery actually make it into clinical trials," Lowery said. "It's all very high risk."

BellBrook Labs was founded in August 2002 to take advantage of the rapidly growing need for high throughput screening assays in drug discovery laboratories. Leveraging contacts within the biotech community are strengths of BellBrook's success, which had led to \$200,000 in revenues by 2004.

"One of the most important decisions I made early on in starting the company was getting someone to join me who could focus on the business, other than the science," Lowery said.

That "someone" turned out to be John Majer, now BellBrook Labs' Chief Operating Officer. Lowery and Majer worked together at Promega, a leading life sciences firm in Madison. The BellBrook Team now consists of 11 employees who have been hired from local firms or through Lowery's past contacts.

"There's a lot of personal acquaintances as well as people we've brought into the company they have all been involved in drug discovery," he said.

When it came to looking for investors to finance the business, Lowery stayed close to home. Half of the people contributing to BellBrook's start-up capital of \$1.5 million were from Wisconsin, while the other half came from Lowery's contacts in his home state of California.

"I had never done a private equity financing," he said. "It was a challenge getting my arms around the whole thing, what it entailed, the process, best way to do it."

In addition, Lowery used angel investors and resource programs to help in starting up the small biotech firm.

“The angel groups help you hone your business plan and documents you’re providing to your potential investors,” he said.

One of the most valuable lessons Lowery learned was realizing that he would have to do financing.

“I planned to finance the company completely with grants, which was impossible,” he said. “We were going to have to go out there and ask people for money.”

Recently, the small biotech firm took its second product to the market. With much anticipation, Lowery believes within five years BellBrook Labs will near \$15 million in revenues. For a small biotech firm in Madison, finding the right market niche will be the key to long-term success.

Norris and Lepple are students in the UW-Madison Department of Life Sciences Communications. They are part of a instructional project led by Wisconsin Technology Council President Tom Still.

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