

connect

THE WEEKLY NEWSLETTER OF UCSD CONNECT

Pyxis: One of MIP's Biggest Success Stories

by Andrea Moser

Around CONNECT, where company success stories are the means by which we measure our success, some stories have become legends. When Pyxis won a Most Innovative New Product Award in 1989, the two year old company was just starting out. Sales were low, and the concept had been greeted with what company founder Tim Wollaeger describes as "yawns and disdain."

"We were just introducing our first product, the MedStation," says former Pyxis CEO Ron Taylor, "an automated teller-like machine for nurses to access drugs in hospitals." Taylor says after Pyxis won the award they included a segment in their sales video about their award for innovation.

"Because what we had was unique—there was absolutely no competition—the nurses and pharmacists were very interested to know that we had been evaluated by a panel of business professionals and had already won an award," says Taylor. In fact, they would take their award with them to trade shows and display it in their booth. "When you are a very new, small company you have to make a big deal out of everything you have!" says Taylor.

If you don't already know, or haven't guessed, Pyxis went on to become a highly successful company, creating a new product category in healthcare — automated medication dispensing — and changing the way hospitals and other healthcare providers manage inventory.

The company went public in 1992 and in 1996 became a wholly-owned subsidiary of Cardinal Health. Pyxis now has nearly 1,500 employees, most of them based in San Diego. "Our design, development, manufacturing and service is done in San Diego," says John Rodenrys, vice president of research and development at Pyxis. Rodenrys says winning a Most Innovative New Product Award had several benefits for the company. It gave the company credibility, it provided good exposure — locally and nationally — and it helped with recruitment. "When people are looking at different companies, they want to know who's doing cool stuff," says Rodenrys, "and being recognized for innovation is important."

Today, Pyxis has more than 3,300 customers, and is the leading provider of medication and supply dispensing systems to hospitals, nursing homes and other healthcare facilities. Pyxis technology allows these institutions to streamline

the medication and supply distribution process, thereby cutting costs, saving time, and providing benefits to pharmacy, central supply, nursing, and administration.

Pyxis is still winning awards. The company was recently awarded a Sybase "Most Innovative Partner Award" for 1998. Pyxis earned the honor for its use of Sybase(R) Adaptive Server(R) Anywhere (ASA) technology in the development of Pyxis' MEDSTATION(R) Rx System 2000. Pyxis used the Sybase ASA technology as the underlying database engine for the MEDSTATION Rx System 2000. Sybase, Inc. is one of the largest global independent software companies. Pyxis is one of a select few companies, including Hewlett-Packard Company and EDS, to receive a Sybase award this year.

But back to those early days — when the CONNECT MIP committee could see what others couldn't yet see. Wollaeger, now a general partner in Kingsbury Associates, a local venture capital firm, laughs about the difficulties in getting funding for the start-up. "Ron Taylor and I went up to Sand Hill Road to try and raise money for Pyxis," he says. "A venture capitalist I knew waved me out of the room and told me the MedStation concept was the single worst idea he'd ever heard. That was really hard to take."

Wollaeger is clear in his advice to entrepreneurs: "When you have a really innovative idea, don't worry about protecting it...because you're going to have to ram it down people's throats to get them to pay attention."

Join us

**Friday, September 10 from 7 - 9 a.m.
at the Hilton La Jolla Torrey Pines
for UCSD CONNECT's annual
Membership Breakfast**

This year Steve Kirsh — philanthropist, inventor of the optical mouse, and Chairman and Founder of Infoseek Corporation — will speak on "Breaking the Rules."

Newsweek has recognized Mr. Kirsh as one of the most influential people in cyberspace. The UCSD CONNECT Millennium Directory will be distributed at the event. Call CONNECT at 858-534-6114 to register.

FROM THE DIRECTOR *By William W. Otterson (botterson@ucsd.edu)*

THIS COMMENTARY IS THE OPINION OF THE WRITER, AND DOES NOT NECESSARILY REFLECT THE OPINION OF UCSD CONNECT AND/OR OUR SPONSORS AND MEMBERS.

Meet Theresa Cervantes de Torres

Theresa Cervantes de Torres recently joined the CONNECT team as Marketing Manager. Theresa's marketing background encompasses product/program marketing, marketing communications, and graphic design. Theresa came to us from UCSD Extended Studies' English Language Programs, where she oversaw the program's marketing activities and represented the program and Extended Studies in marketing trips abroad. She previously worked at the Museum of Contemporary Art, San Diego as Membership Coordinator, as well as Marketing Manager for an international software distributor in Los Angeles.

Theresa has a truly international background: she has lived in the Philippines, Egypt, Italy, and Spain, speaks fluent Spanish and Tagalog (the Philippine mother tongue), is conversant in Italian and French, and is married to a Mexican-American - Spaniard, who is an American when in the US and a Spaniard when in Spain!

Murray Goodman Inducted Into Russian Academy of Sciences

Murray Goodman, a professor of chemistry and biochemistry at the University of California San Diego, has been elected a foreign member of the Russian Academy of Sciences in recognition of his "scientific merits." He becomes one of only a limited number of foreign members in this prestigious society.

"Let us express our confidence that your election as a foreign member of RAS will contribute to further strengthening of ties between scientists of our two countries," Russian Academy of Sciences president Yu. S. Osipov wrote in a letter commending Goodman.

Goodman has made a number of trips to Russia since 1959 in the pursuit of international science and the continued efforts to contribute to a Russo-American scientific exchange.

Goodman's areas of research expertise include efforts to improve drugs to relieve pain, combat rejection in organ transplantation, treat illness with fewer side effects and define the molecular basis of taste, including sweetness. The work in his laboratory involves the use of computer simulations to design and analyze new candidate drugs and various sensing techniques to determine their molecular structure. He then takes the candidates to colleagues in pharmacology, oncology and other clinical sciences to learn how they act in living cells.

Goodman has been on the UCSD faculty since 1970. He received his doctorate in organic chemistry from UC Berkeley. He is the author of hundreds of scientific articles and a member of numerous professional and honorary societies.

The Russian Academy of Sciences, celebrating its 275th anniversary, was founded in 1724 by Tsar Peter the Great as the premier scientific institution in Russia. It is the center of fundamental research in the natural and social sciences in the Russian Federation.

From T. George Harris, Editor-at-Large

"News organizations all think they are alike, but they differ widely in practice. The closest thing to an orthodoxy is to name the person in charge of news as the Managing Editor, the person in charge of policy as the Editorial Page Editor (also Op Ed, in charge of the Opposite Editorial Page, columns and such), and the person in charge of both as the Editor, an unadorned title. Since Bill is Editor and the only one expressing personal opinions, he is the one to make the disclaimer as he has done since about 1993 when we first worked out the disclaimer and moved toward "Bill's Biases" so as to have the personal flavor of the Executive, not the cold detachment of impersonal connection with readers he sees in meetings. Since the print version was then the original and most widely used form of CONNECT newsletter, running the disclaimer there seemed to cover all the versions, but we should have run it in other versions as they grew."

Letter to the Editor

Dear Editor, Thank you for discussing Internet privacy in last week's newsletter. You pointed out that "The Federal Trade Commission (FTC) which recommended to Congress recently that new Internet privacy laws are not needed, supports the industry contention that new laws are not needed."

The rate of change in information technology doesn't leave us much breathing room. While the regulatory environment continues to evolve, Internet users must remain alert to the capabilities of the new technologies.

I noted with interest these U.S. Patent and Trademark Office disclosures presented on their web site: "Please note that PTO does not record or log the parameters of search requests submitted to these databases. Such uncollected information has thus never been disclosed through sale or FOIA request, intentionally or otherwise, to any third party. PTO does not plan to change this operational policy," <http://www.uspto.gov>. On a page titled "Information Collected by this Server" the patent office states that "The PTO web server collects and saves only the default information customarily logged by World-Wide Web server software: specifically, for each http request received: the date and time, the originating IP address, the object requested, and the completion status of the request... We don't seek or collect any other data related to specific users of this server."

Interpretation of these statements will depend upon the reader's perspective. The lesson here is that information users and gatherers should follow the developments in this evolving area of privacy.

Best regards,
Cynthia L. Shamel
Shamel Information Services
Poway, California
<http://shamelinfo.com>
<mailto:cshamel@shamelinfo.com>

HEALTH CARE NEWS

Mo Bio Laboratories Inc. is introducing two kits for isolating total Genomic DNA from blood samples. The first kit, The BloodSpin Kit yields DNA ready for use in PCR, Digests, Southern Blots, and many other applications. This spin filter kit includes all tubes and reagents in a ready to use format. This eliminates potential error in making up reagents and takes away the inconvenience of having to search for tubes to fit the spinfilters. Mo Bio's other kit for isolating genomic DNA from blood samples is the DNA Blood Isolation Kit, which yields DNA ready for use in PCR, Digests, Southern Blots, and many other applications. This kit takes 1 hour including hydration step.

Irvine Biomedical, Inc. announced the issuance this week of a U.S. Patent entitled, "Catheter Having Multiple-Needle Electrode and Methods Thereof" that is directed towards the use of a therapeutic catheter system for ablating and treating tachycardia in atrial flutter and atrial fibrillation. Electrophysiology devices based on this and other issued patents have been approved under CE mark and are under clinical evaluation in the United States.

Laser Diagnostic Technologies (LDT), received its largest investment in the company's history - \$8.75 million - and announced its 1999-2000 business plans, including expansion in the San Diego area. The lead investor is Vector Fund Management (VFM) along with San Francisco-based Newtek Ventures, San Francisco-based Sigma Partners and San Diego-based, Sorrento Ventures. The investment will allow LDT to continue to improve and develop breakthrough technology products in glaucoma detection.

Digirad Corporation announced that it has signed a nonexclusive worldwide license agreement with Segami Corporation to provide its Nuclear Medicine acquisition, processing and display software with Digirad's solid-state 2020tc Imager(TM). The imaging system provides Nuclear Medicine customers with state-of-the-art design, in both instrumentation and software capabilities.

HIGH-TECH NEWS

Select Tee Times.com announced it has added three San Diego area golf courses to its roster of member courses. The three new courses are: La Costa Resort & Spa; Lake San Marcos Country Club; and Mt. Woodson Country Club. Select Tee Times now has 17 member courses in San Diego County.

VISTAinfo announced that the company has entered into an agreement to sell a total of \$15 million of preferred stock to Century Capital Partners II, L.P. (Century) of Boston. Century manages the oldest mutual fund in the nation specializing in bank and insurance company stocks. The transaction is part of a financing that is expected to raise \$40 million in total.

QUALCOMM announced a victory in its ongoing litigation against Motorola. The United States District Court in San Diego granted QUALCOMM's motions for summary judgment that QUALCOMM's Q(TM) phone does not infringe two Motorola patents on the appearance of Motorola's StarTAC(R) phone. QUALCOMM still has cases pending against Motorola.

Overland Data announced that its full product line will support Legato Systems Inc.'s Celestra(a) agent technology, the latest move in Overland's Storage Area Network(SAN) Ready initiative aimed at accelerating the development of turnkey standards-based SAN solutions. Celestra support enables Overland customers to take advantage of a new generation of SAN-based backup and data management solutions such as LAN-free and serverless backup technologies.

ANNOUNCEMENTS

The Life Science Industry Council (LINC) will host a breakfast meeting on **Wednesday, September 8**, from 7 - 9 a.m. at the Irvine Marriott. The topic will be Finding and Keeping Qualified Employees & Managing Human Resource Issues. The cost is \$30.00 for Members/\$37.00 for Non-Members For reservations and information contact 714-573-4780.

NEW: The San Diego Software & Internet Council presents, "Establishing a League of Their Own — The Peregrine Success Story," with Steve Gardner, President and CEO, Peregrine Systems, Inc., on **Thursday, September 9**, 5 - 7 p.m. at the La Jolla Marriott. Cost: \$10 for SDSIC members, \$20 for non-members(Pay at the door)Learn how Peregrine built a league of his own to achieve rapid growth. Mr. Gardner will share with us infrastructure management strategy formulation, development and execution, and the keys to operational effectiveness for a fast-growing company. RSVP is requested. To reserve your spot for this event please call:(858) 450-5935 or <mailto:sic@sdsic.org>.

The San Diego Telecom Council presents "The Challenges of E-Commerce and Digital Security," **Tuesday, September 14**, at the Hyatt La Jolla. Registration, networking and hors d'oeuvres — 5:15 - 6:30 p.m. Program — 6:30 - 8:00 p.m. \$40 in advance/\$45 at the door. The topic will be addressed from the viewpoint of a large financial institution, a security solutions company, and an e-commerce company. The panelists: Harvey Weiss, CEO of Global Integrity; Robert Newton, senior vice president, Strategic Technology & Integrated Payments Services, Bank of America; and Duane Maxwell, chief technology officer, EntryPoint Inc. To receive the \$40 rate and a pre-printed name badge, payment must be received by September 10. To register go to <http://www.sdtelecom.org> and click on Events.

NEW: Gray Cary Ware & Freidenrich, Pricewaterhouse Coopers and the Directors Roundtable announce the upcoming National Conference on Earnings Management, Audit Committees and SEC Enforcement. The event will be held from 12:00 - 2:00 p.m. at the Hyatt Regency Hotel in La Jolla on **Tuesday, September 14**. Valerie Caproni, Pacific Regional Director of the U.S. Securities and Exchange Commission, Shirli Fabbri Weiss, Partner at Gray Cary Ware & Freidenrich, and Dr. Keith Ugone, Partner at PricewaterhouseCoopers, will speak. There is no fee to attend and lunch will be served. RSVP to Erika Schumacher, Gray Cary Ware & Freidenrich, (858) 638-6645. For more information, contact Jack Friedman, Chairman of the Directors Roundtable, at (323) 939-9010.

BIOCOM/San Diego September breakfast meeting, **Wednesday, September 15** at the Hilton La Jolla Torrey Pines, from 7:30 - 9 a.m. Topic: Bioethics. For information call 619-455-0300, fax 455-0022, or see <http://www.biocom.org>

MIT Enterprise Forum Case Presentation "Wireless Knowledge: Dominating the Data Airwaves" with John Major, CEO, on **Wednesday September 15**, 1999 5:30 - 8:00 p.m. at the La Jolla Marriott. Panel: Bob North, CEO, HNC Software; Tom Monroe, CEO, Wireless Facilities; and Franz Birkner, CEO, Simpact. MIT Enterprise Forum **NEW TICKET PRICES***: \$35 paid by noon, MONDAY Sept. 13, \$40 at the door, \$25 for students; \$120 (\$30 apiece) for a book of 4. Tickets may be

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ANNOUNCEMENTS CONTINUED

used by the same person for different events and/or several people at the same event. Reservations: Phone 619.236.9400, Fax 619.236.8940, E-mail <mailto:sndforum@aol.com>.

EW: The Foundation for Enterprise Development presents "Equity Options for Private Companies: Alternatives to Sharing Real Equity with Employees" on **Thursday, September 16** at the Sea Lodge on La Jolla Shores from 7:30 to 9:30 a.m. The presenters are Don Curristan of Financial Kinetics Corporation and John Salbego of Grant Thornton LLP. The cost is \$40 in advance and \$45 at the door. For additional information or to register, please call (619)459-4662 or <mailto:mreynolds@fed.org>

The San Diego Regulatory Affairs Discussion Group presents "Import and Export of Medical Devices, IVDs, Biologics and Drugs — A Primer for Regulatory Professionals," on **Thursday, September 16**, from 5:30 - 7:30 p.m. at Quintiles CNS Therapeutics located at 10201 Wateridge Circle in San Diego. RSVP to Sabina Roaldset at <mailto:sroaldset@quintiles.com>.

NEW: UCSD Extension presents Career Night and Open House on **Thursday, September 16** from 4 - 7 p.m. at the UCSD Extension Complex located on the University's La Jolla campus. Free parking, refreshments and take-home materials are included. The event includes an Open House with UCSD Extension instructors and staff, a speech by World Trade Center director of trade services, Hugh Constant who will discuss San Diego's unique position in the global economy as it relates to international trade, commerce and tourism and a free information session. A \$15 registration fee admits visitors to either of two professional development seminars on Careers in International Trade or Careers in Travel, Tourism & Meeting Management. Advanced registration is recommended. For further information, call UCSD Extension at (858) 534-3400.

Temecula CONNECT presents the "Links" program on **Friday, September 17** from 11:30 a.m. - 1 p.m. at the Temecula City Council Chambers. The topic is "Raising Capital for Emerging Companies," with speaker Stacey Sanchez, Economic Development Specialist with the U.S. Small Business Administration. RSVP to Barbara Knudsen Sharp at 909-780-6517.

FastTrac is an 11-week program meeting one evening a week. Each session combines interactive instruction by veteran San Diego entrepreneurs with one-on-one coaching, peer-group activities, guest speakers and comprehensive workbooks. The program is open to business owners running companies with annual revenues of at least \$500,000. Cost for the program is \$525. Sessions are limited to 30 participants and the **registration deadline is September 24**. Call for details at 858.459.4662 or online at <http://www.fed.org/events/fastrac>. The fall program begins October 4 and runs through December 13, 1999. Classes are offered each Monday evening from 6:00 p.m. to 9:30 p.m. at SAIC's Campus Point Complex in the UTC area. Presented by the Foundation for Enterprise Development.

porting Medical Devices to Europe & China. This one-day seminar for small and medium sized enterprises will be held on **Tuesday, September 28**, at the Paradise Point Resort (the former Princess Resort). This seminar is sponsored by the **San Diego World Trade Center** and co-sponsored by UCSD CONNECT. For more information please call 619-615-0868 ext. 110.

Swenson Advisors LLP, Seltzer Caplan Wilkins & McMahon, Rancho Santa Fe Insurance & Financial Services, Wells Fargo Bank and O'Riordan & Associates present "Advance Tax & Estate Planning Strategies," on **Friday, October 1**, from 9 a.m.- 1 p.m. at the Fairbanks Ranch Country Club. For more information call Swenson Advisors at 800-783-3289.

The University of California BioSTAR project invites proposals for new research projects in biotechnology and biochemical engineering and for competitive reviews of existing BioSTAR grants. **Deadline for notice of intent to submit is October 1.** Deadline for full proposal submission is October 15. For information contact 510-643-0725 or <http://www-biotech.berkeley.edu/STAR-Forms>.

The Fifth Annual Software and Internet Investment Conference will be held on **Wednesday, October 20**, from 7:00 a.m. - 12:30 p.m. at the Hilton La Jolla Torrey Pines. The Software Investment conference helps early-stage companies meet those elusive "business angels" and early stage venture capitalists. Eighteen early-stage companies will have the opportunity to present their business plans to an audience of potential investors. For more information please email <mailto:rcustard@sdsic.org>.

The University of California Biotechnology Program invites proposals for Interdisciplinary Research and Training Grants, and for research in Economics, Business, Law and Public Education Grants. **Deadline for full proposal submission is October 29.** For information contact 510-643-0725 or <http://www-biotech.berkeley.edu>.

NEW: The California Office of Trade and Investment in South Africa has been in discussions with Motorola in South Africa regarding a number of telemedicine pilot projects taking place with Provincial Ministries of Health. To date, two such projects are underway in South Africa, one involving Siemens in the Eastern Cape, and another, with Motorola, involving a telepsychology project in the Western cape. Plans are now underway for another project in the rural province of the Northern Cape. The California Office has been approached to help identify a California technology company, or organization, with expertise in providing telemedicine technology and/or equipment solutions that might be willing to participate in this third pilot project. For information contact Dwayne Gathers, Director of the California Office in South Africa, at <mailto:dgathers@icon.co.za>.

NEW: UCSD HUMAN RESOURCES CONNECT presents, "The 360 Review" **Friday, September 17**, from 7:30 - 9:15 a.m. at the Hilton La Jolla Torrey Pines. At this meeting a panel of experienced professionals will talk briefly about their experiences using 360-degree reviews. The panel will then answer questions concerning the best practices, best instruments to use, best rollout processes, and what to do with results. We will conclude with table discussion groups to explore targeted issues of the 360-degree process. Speakers Include: Karen Connolly, Director of HR, Hewlett Packard; Jan Thompson, Principal, Jan Thompson & Associates; Frank Rogers-Witte Ph.D., Consultant and Executive Coach, Drake Beam Morin. Contact CONNECT at 858-534-6114 or <mailto:connectinfo@ucsd.edu> to receive registration forms and more information.