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### THE CONVERSATION

## UM's Kelly Sexton: Biotech industry continues to thrive, find new solutions

**UNIVERSITY OF MICHIGAN:** Last May, the University of Michigan inked a \$130 million deal with New York City health care investment firm Deerfield Management Co. LP in an effort to ramp up drug commercialization efforts coming out of the Ann Arbor university's tech transfer office. The deal created Great Lakes Discoveries LLC as the vehicle to drive those developments. The partnership is still in the early stages, said **Kelly Sexton, the university's associate vice president for research, technology transfer and innovation partnerships**. But it's indicative of the need to grow more biotechnology at the university level and figure out ways to bring it to market, Sexton said. | **BY NICK MANES**

► **What would you say is the significance today of the May announcement of the deal with Deerfield Management Co.?**

That was a wonderful time to have a good news headline for campus, because that was — as you may recall — kind of in the dark days of the pandemic. And we had a lot of uncertainty about what that meant for how we were even going to engage in research moving ahead, but it was forward-focused, and it was nice to be able to deliver some good news to the community, (and) to the research community, specifically.

We've since learned a lot about how we can continue to do amazing research at UM. Even in these challenging circumstances. And so our research labs are back up and running at reduced capacity, very safely, with no COVID transmission in any of our research laboratory facilities across campus. So we're really proud of that, and we're happy to have been able to bring new sources of research funding to help catalyze that research on campus.

► **And where do things stand now with the deal with Deerfield?**

We began recruiting for the Great Lakes Discovery managing director (job), and we were really happy to be able to bring on a new member of our team to focus full time on supporting that alliance (Deerfield). And that is Seohee You ... Seohee brings a lot of industrial drug discovery R&D experience to our team and we

were really happy to be able to get her. And so her role is really to work with faculty in the life sciences, with drug discovery portfolios, and help to connect them to Great Lakes Discovery for research funding. And to help with selecting the projects to present to Deerfield.

► **Are deals in the works?**

So we recently closed the first request for proposals that we put out across campus to invite faculty to apply for funding. We are working with the Deerfield team. Seohee is in conversation with them, and with faculty really frequently, helping them to, you know, select the appropriate UM projects to advance towards funding.

And Deerfield has a very specific criteria and a very specific investment hypothesis, in terms of what they're looking for projects that they want to take on, because this is, you know, very much a long-term investment and a long-term strategy on their road. We're still in the early days of it, but I remain really impressed with the scientific rigor that they're bringing to the process, the resources that they're putting in to support the technology scouting efforts. And, you know, they're definitely approaching it as a long-term relationship with the university.

► **What else is the university working on as it relates to technology transfer initiatives?**

As devastating as this year has been

for large swaths of the economy — and I in no way want to understate that — the biotech industry has really continued to thrive. I think society is saying that we need new solutions to health care crises, I think that's clear. As important as infectious diseases and the COVID response (has been), cancer hasn't gone away, either.

So we've seen a lot of activity in our biotech startup portfolio. We've seen a number of acquisitions of our life science startup companies, by big Pharma. We've seen a number of new strategic alliances announced.

► **The flip side to much of what we're talking about is the sad but true reality that most biotech and pharma startups won't succeed in getting a fully commercialized product. How does the university address that?**

There are a lot of reasons the clinical candidates don't advance. I mean, it is a tough, tough industry, and that's why it's very much a high risk, high reward undertaking. I think that's why we have such a robust kind of public-private partnering model around this. You know, universities can't take this risk on and advance these therapeutics that are in house. And we shouldn't. You need people ... that are laser focused on driving value, looking really hard for signs that the project wasn't going to advance as was hoped, and willing to pivot to try to find new indications, or try to bring new drugs to market.

► **To what extent has the pandemic changed how a univer-**

**sity like UM is looking to spin out new types of technology, particularly as it relates to health care?**

The optimist in me says that as a society, we're going to realize that it wasn't just good luck that were able to have these incredible vaccines available for us in less than a year. So I'm hoping as a society, that we recognize that these investments in research and innovation are vital to our success as a society and as a species. So that's the optimist in me.

The realist says that the research community needs to be helping the public to understand this. I mean, you hear Pfizer and Moderna and so there could be a perception in the public that, 'Oh, these big pharma companies made this happen.' The reality is that almost all of the underlying technology can trace its roots back to (National Institutes of Health)-funded research labs, or in academic laboratories. So we need to be sure we're telling that story about the many years it takes to go from basic research funded by taxpayer dollars to, you know, civilization-saving technologies. So, that's my hope is that we realized that we need these investments and that they continue to happen.



**Kelly Sexton,** associate vice president for research, technology transfer and innovation partnerships, University of Michigan