

THE OREGON BIOSCIENCE CLUSTER IS BUILT ON THE FOUR-CORNERED FOUNDATION OF RESEARCH, WORKFORCE, FUNDING AND INFRASTRUCTURE. THESE ELEMENTS EXIST IN OREGON, THEY'RE GROWING, AND CONTRIBUTE MORE THAN \$2.5 BILLION TO THE STATE'S ECONOMY.

AVERAGE BIOSCIENCE WAGE 2006: **>\$50,000**

CLUSTER EMPLOYMENT 2006: **>9,000**

AVERAGE WAGE GROWTH 2003-2006: **>8%**

CLUSTER EMPLOYMENT GROWTH 2003-2006: **>10%**

SOURCE: OBA

2007 Accomplishments

OBA focused on strengthening community, collaborations and commercialization opportunities, as the foundation for all other progress within our industry and institutions. Here are our collective accomplishments and the summary of success in fulfilling our mission.

Community

Community can only be built if the activities associated with community have a practical impact on a wide range of people in our industry. With this in mind, we engaged in the following community building activities:

Understanding the composition and size of our community: As a result of the current bioscience cluster study, we know that Oregon has as many as 230 private bioscience companies and 13 life science research institutions generating \$2.5 billion in annual revenues. With more than 9,000 employees in the private sector and 2,000 in the research sector, this shows a recession-proof growth rate. We have also acquired a much clearer understanding of the sub-clusters of our industry and their needs. This information is already transforming the view of our industry.

Increasing OBA membership: OBA membership has grown to more than 130 members, an increase of more than 220% from January 1, 2007. This is important for several reasons:

- ♦ The membership represents all sectors of our industry and all regions in the state; this enables OBA to speak and act on behalf of the entire industry
- ♦ Government, media, academic and industry organizations recognize OBA as the "go-to" organization to contact about our industry
- ♦ Increased member resources and knowledgeable staff.

Networking events: OBA held numerous events to bring our community together – for learning and for networking. These included:

- ♦ Annual Meeting, with record attendance and excellent content
- ♦ Two Bioforum morning events in Portland and a half-day event at Invitrogen in Eugene
- ♦ First CEO event, held in Portland
- ♦ Third annual "Bio on the Vine" with record attendance.

First Annual Oregon Bioscience Career and Intern Fair: In April, 28 companies and about 200 students (from undergraduate to post-doc) gathered to discuss opportunities. Students were amazed at the number and quality of bioscience companies in Oregon, and the companies were very impressed with the caliber of the students. This was an excellent example of the power of bringing together two different segments of our community for growth and mutual benefit.

Forming regional bioscience groups: It is vital for each geographic region in Oregon having bioscience companies to form local communities that leverage collaborations between industry, government and academia. The first such group is the Southern Oregon Bioscience Industry Consortium (SOBIC), organized as a chapter of OBA. SOBIC's first meeting in November has already generated enthusiasm in Southern Oregon about the number of bioscience companies that exist in this region. Workforce training surfaced as an important issue, and a second meeting is scheduled to probe solutions as well other topics. Additional regional bioscience communities are being planned in 2008 for Central Oregon, Central Willamette Valley and Southern Willamette Valley.

Building a Pacific Northwest community: OBA and WBBA (Washington Biotechnology and Biomedical Association) have initiated cooperation on numerous activities – with plans to forge strong bonds between the industries in Oregon

Community, cont'd.

and Washington. One benefit has already been a record number of Oregon companies applying as presenters at Invest Northwest 2008. OBA is also working with the Canadian government and WBBA on a regional event for a large delegation of Japanese medical device companies coming to Vancouver, Seattle and Portland in March 2008.

Building community through OBA's Web site and e-mail updates: OBA has created community support features in our Web site, including the Business Center, enabling members to post job openings and services offered. Members can also communicate information about their organizations through our Web site. The site also posts upcoming events, announcements and industry news. And our regular e-mail updates remind the community about coming events of interest.

Collaboration

As OBA has expanded its membership in 2007 and learned about each new member's products, services, operations, capabilities, and growth needs, we have been able to suggest potential collaborations between various companies as well as between companies and institutions. Some ongoing collaborations have already resulted from these introductions.

Two high profile collaborations brought opportunities to OBA in 2007. Throughout the year, we co-hosted with the Pharmaceutical Research and Manufacturers of America three "Oregon Discovers" events, in Portland, Salem and Eugene, to showcase the basic research and the pharmaceutical drug development commencing in Oregon. In December, we were invited to lead a bioscience industry cluster roundtable at the Oregon Leadership Summit, which is the annual conference that showcases the progress of the Oregon Business Plan.

In addition, workforce and networking events have generated new collaboratives between individuals and companies in the community:

Community purchasing power: OBA members have significantly increased their usage of BIO's (Biotechnology Industry Organization) national purchasing programs, which leverage as much as \$200 million of purchasing power to achieve significant, directed savings. This program is available to OBA members through our affiliation with BIO. Additional group purchasing programs will be explored in 2008.

Working with state and local governments: OBA helped generate industry support for OTRADI (Oregon Translational Research and Drug Development Institute) which was ultimately successful in obtaining \$5.25 million in state funding by July 2007. While this success has put our industry in closer contact with some legislators, it is only the beginning. We'll leverage our close relationships with the Oregon Economic and Community Development Department, Portland Development Commission, and Clackamas Economic Development Department to generate much broader awareness within other government entities. With this in mind, OBA formed a Government Outreach Committee in late 2007 with a core group of experts in government relations for our industry.

Integrating industry with academic/research institutions: OBA has made significant progress in bringing into our membership all of Oregon's institutions involved in life science research and workforce development, thereby creating more opportunities for mutual awareness and enhancing the potential for collaboration with industry.

Workforce training: Workforce training increases the quality of workforce skills while building a sense of community among participating employees through classes of shared content and benefit. OBA implemented its first round of workforce training with six half-day classes in February and again in April, training 135 students in FDA Compliance, Quality Systems, Reimbursement, and Statistics for the Life Sciences. The success of these classes convinced Worksystems, Inc.*

* Worksystems, Inc. is an agency that manages state and federal funding to implement workforce training programs in Multnomah and Washington counties

OREGON BIOSCIENCE ASSOCIATION MEMBER SERVICES

- ♦ BROAD AND DIVERSE MEMBER BASE
- ♦ ACCESS TO WORKFORCE TRAINING
- ♦ BIO GROUP PURCHASING
- ♦ NETWORKING
- ♦ SCIENCE FORUMS
- ♦ ADVOCACY
- ♦ REGIONAL TRAINING
- ♦ ACCESS TO BEST PRACTICES

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WHAT KIND OF COMPANIES JOIN AND BENEFIT FROM OBA'S PROGRAMS AND SERVICES?

- ♦ ENGINEERING
- ♦ INFRASTRUCTURE
- ♦ CONSTRUCTION
- ♦ SCIENTIFIC
- ♦ REGULATORY
- ♦ QUALITY SYSTEMS
- ♦ cGMP MANUFACTURING
- ♦ BUSINESS AND PROFESSIONAL SERVICES
- ♦ FINANCIAL SERVICES
- ♦ CLINICAL TRIALS

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Collaboration, cont'd.

that OBA is best suited to manage larger scale grant-supported workforce training programs for our industry. As a result, OBA will host many more classes in 2008 with our Workforce Training Steering Committee. Composed of human resource and training managers from our industry, this ensures the classes will be highly relevant and valuable to the industry.

Commercialization

Early Stage Support

OBA understands that commercialization is dependent on increasing the financial resources and investments in bioscience companies in Oregon. With this in mind, OBA formed the Financial Resources Committee to inventory private and public sources of potential funding for bioscience companies, including angel, seed, Series funding, and growth funding. The geographic scope of this inventory begins in Oregon and extends to the Pacific Northwest and beyond. The committee's objective is to create an evergreen database of funding sources that will be useful to OBA member companies. Due to resource and liability constraints, the committee will not be able to perform match making activities.

Recruitment

OBA established an agreement with OHSU and coordinates with the Oregon Economic and Community Development Department to assist all appropriate state and local agencies to recruit bioscience companies to Oregon. Plans are being developed to ensure these efforts are effective.

International Trade

OBA organized interested member companies to attend the annual Medical conference, the world's largest medical device conference in Dusseldorf, Germany. This provided companies a direct and affordable way to directly find international distributors, as well as to meet with existing distributors.

Opportunities | Challenges: 2008

Opportunities

Financial

- ♦ Strengthen OBA's financial base by increasing annual sponsorship income through the value provided by OBA's programs and services
- ♦ Grow OBA's financial model by creating a successful workforce training program that generates income to OBA.

Community

- ♦ Increase OBA membership to surpass the 200-member benchmark, increasing the strength of OBA's voice and its impact on Oregon's bioscience community, especially pertaining to public and regulatory policies that affect our industry
- ♦ Improve the skills of the bioscience workers' community in Oregon
- ♦ Improve the bioscience programs' value and networking opportunities for our community
- ♦ Strengthen relationships within the industry, and with state and federal officials to better inform them about our industry and help them understand how to optimize the industry within their sphere of influence
- ♦ Strengthen relationships with other industries in Oregon, with an emphasis on the technology (hardware and software) and biofuel-based, green energy sectors. Generate scientific and commercial collaborations between our sector and the others
- ♦ Strengthen our regional relationships with the bioscience industries in Washington, California, Idaho, Utah, Colorado, Arizona and British Columbia
- ♦ Develop metrics to measure success in the sector.

~ continued ~

*Opportunities, cont'd.*Collaboration

- ♦ Create programs, forums and networking events that generate collaborations within the bioscience community in Oregon, and between commercial companies and research institutions
- ♦ Create new opportunities for collaborations between the Oregon bioscience industry and bioscience companies outside Oregon.

Commercialization

- ♦ Find or help create available, leasable existing wet lab space in Oregon
- ♦ Create a database of funding sources for the bioscience industry in Oregon
- ♦ Provide more active support to Oregon bioscience companies seeking funding
- ♦ Attract out-of-state funding sources to Oregon
- ♦ Attract out-of-state bioscience companies to Oregon.

Challenges

- ♦ *Create* the most effective opportunities for staff and volunteers to engage in and accomplish OBA strategic objectives
- ♦ *Continue* intensive management of revenues, expenditures and assets to ensure continued, positive cash flow
- ♦ *Intensify* awareness of OBA and Oregon's bioscience industry to the public, governments and media.

Objectives for 2008

Every activity mentioned in 2007 will be continued in 2008 to further build on the groundwork laid for being a strong, viable, sustainable sector. In addition, OBA's board and committee chairs are working to develop a strategic plan for the year based on the accomplishments and lessons learned in 2007, as well as the strategic recommendations from the cluster study. We plan to create quantitative methods for measuring our success in 2008.

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