

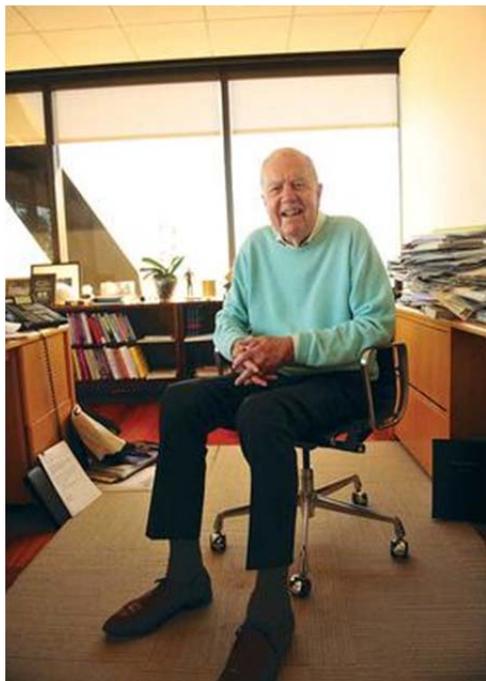
Science first for biotech investor Bowes

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Reporter: Ron Leuty

Photo: Spencer Brown

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“You never know at the front end what’s going to really work,” says Bill Bowes.

Although he is one of the best-known and most well-respected investors in the biotech industry, he generally shuns the spotlight. When it comes to biotech startups, science and people — not hype — rule the day.

Bowes remains a shrewd judge of personal character and innovation that can shift the life sciences landscape as he starts to unwind from some of his business and philanthropic endeavors.

“It’s always tempting to say, ‘Yes,’” he said about his nonprofit board work.

There is no need to convince anyone of Bowes’ legend. The native San Franciscan put the first money into the enterprise that would become Amgen Inc., now the world’s largest biotech company. He founded U.S. Venture Partners, which has invested more than \$2.7 billion in more than 450 companies. He has been a fixture on the boards of some of the city’s signature institutions: the Exploratorium, Grace Cathedral and the Asian Art Museum.

“Bill is about listening closely and understanding what people have to offer, then supporting people who can make a difference in the world,” said Steve Mayo, the William J. Bowes Jr. Foundation chair of the division of biology at Caltech. “He is an intense listener.”

The Bowes foundation’s \$5 million gift to Caltech this summer created a discretionary fund for the biology division that can be used to hire new faculty and establish new labs as well as support promising research.

Bowes also has worked with Stanford University’s interdisciplinary research program Bio-X and the University of California’s bio-entrepreneurial QB3.

“Not only were his contributions transformative in the early days, but where the Bay Area is now, we need philanthropists like Bill more than ever,” said BayBio President Gail Maderis. “To have someone of his stature reaching out and inspiring the next generation — that’s what we need to keep the industry at the forefront.”

BayBio will honor Bowes on Nov. 1 with one of the biotech trade group’s Pantheon awards.

For Bowes, it is all in a day’s work. “It’s what I do these days since I retired. I switched to nonprofits.”

Philanthropy is a third career of sorts for Bowes. He worked in investment banking for 25 years, spending a lot of time in Silicon Valley while helping companies such as Hewlett-Packard Co. go public. He turned to investing his own money, including helping launch early biotech companies Applied Biosystems, Cetus Corp. and Amgen, where he was the company's first chairman.

Those successes gave him credibility with institutional investors as he built U.S. Venture Partners. They also gave him a good idea of what to look for in an organization.

At Cetus, for example, "I learned how not to run a biotech company. I learned from their failures. We finally sold the company, but it was a good lesson for me how not to start a successful company. Science comes first," Bowes said.

At Amgen, Bowes said, an exceptional scientific advisory board was essential. That would attract top management.

"It worked," he said.

Too often today, he said, startups are launched with the idea of getting one or two products to market, then selling the company. "I think it's unfortunate. I think we ought to have more prosperous, growing biotech companies," Bowes said. "But that's the way the world works."

Nonetheless, venture capital firms such as U.S. Venture Partners have benefited from that model. Proteolix Inc., a South San Francisco company with a multiple myeloma treatment, was snatched up by Onyx Pharmaceuticals Inc. in late 2009 for \$850 million.

The drug, called Kyprolis, was approved in July.

"Investors were happy. Onyx was happy. Scientists were happy. It's nice to see your drug in people. The model works," Bowes said. "It's become the go-to model."

Bowes can be hesitant when burned. He is unsure, for example, whether to bet again on a group of researchers who missed on their first goal with a company.

"You never know at the front end what's going to really work," Bowes said. "They need to convince us."

Bill Bowes on ...

California's stem cell research funding agency CIRM: *"People were a little optimistic in their expectations, but you're starting to see things happen, and they've been judicious in their use of funds."*

San Francisco government's direction with Mission Bay: *"That's the only thing I like about the city's government."*

Why the Bay Area will continue as a biotech industry leader: *"The Bay Area competes for scientists and wins almost every time. We have a great shot if we don't blow it. We can't get complacent."*

Why another big biotech headquarters won't be in the Bay Area: *"There's an imaginary line in Redwood City. Over that line is strong unions and below the line they just do what has to be done. We're land poor and labor union strong and earthquake prone. That's tough for a big company."*