

Vitae's executive team talks about innovation in drug discovery on The In Vivo Blog

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One of the best things about having time to sit down with a company's executive team and discuss matters such as pipeline and business strategy at leisure is the chance to intersperse more philosophical questions that address how a company views itself and the work environment it tries to provide.

In meeting a few weeks ago with the executive team at Vitae Pharmaceuticals near Philadelphia for [a profile](#) in "The Pink Sheet," I got more information than I could process on the firm's [structure-based drug design process](#), the genesis of its proprietary *Contour* technology platform and its plans for [pipeline assets](#) in indications such as chronic kidney disease and acute coronary syndrome.



Vitae Pharmaceuticals CEO Jeff Hatfield

But as I spoke with CEO Jeff Hatfield, CFO Tina Fiumenero and Chief Scientific Officer Richard Gregg, all of whom came to the clinical-stage company from Bristol-Myers Squibb, I wanted to ask about the best environment for innovation in [drug discovery](#) and what precisely the term "biotech" even means in 2013, if such a definition can be nailed down.

As Hatfield explained that he brought in Gregg after initial CSO and company co-founder John Baldwin retired, he noted both the depth of Gregg's Rolodex and the fact that he had led discovery in all areas at Bristol. Therapeutic agnosticism is important for a company that wants to go where its technology takes it. Hearing Gregg talk about Vitae's quicker, streamlined decision-making and its speed in drug discovery against challenging targets, I posed the question: "Coming from big pharma, would you say it's necessary to leave big pharma if you want to innovate in drug discovery?"

Gregg's response to the somewhat loaded question is a bit on the cautious side, but still interesting.

"I think that one does not have to leave big pharma but it is easier [to innovate] in a biotech environment. It's not that big pharma can't [do it] but with a lot of the bureaucracy and decision-making processes, they make it difficult to be truly innovative there. I'm not going to say it's impossible, but it's easier in biotech," he said.



Vitae CSO Richard Gregg

Hatfield then elaborated on the innovation topic: "I think there's an awful lot to the culture and environment that people work in ... I don't think the scientific talent is different in either direction - I don't think it's better in big pharma, I don't think it's worse in big pharma. What is really different is the culture that exists between a large organization, whether it's in pharmaceuticals or manufacturing [Twinkies](#), it doesn't matter, big organizations have an organizational behavior, a culture, that by necessity is more structured, more controlled, and in a small organization, that's much less the issue."

Culture is a big part of what defines biotech, in 2013 as in 1999, the CEO added. But does Vitae, with its focus on small-molecule drugs for primary-care indications, really fit the definition of biotech?

"Everybody has a slightly different definition of biotech," Hatfield said. "Yes, we do view ourselves as biotech, because

we are innovative and I think that's a better essence of what biotech is supposed to represent, not whether it is small molecule or large molecule. It's pursuit of innovation to make a difference in the world."

But, besides its technology, what makes a company like Vitae innovative? Hatfield thinks getting buy-in from the ground-floor level R&D team is a good place to start. In other words, innovation comes from motivation, which may stem partly from comfort level.

"When we were getting this company going [it was founded in 2002, and Hatfield signed on as chief in 2004], I asked a group of bench scientists to define the culture. I said "tell me the environment you want to work in."™ And so they did, and it was not management-driven in the slightest bit. They came up with five principles of what they wanted the focus to be," he explained.

Those five tenets selected by the bench scientists themselves in 2006 as the company's modus operandi? Not surprisingly, the first was innovation - to create rather than copy. Next, they wanted to be evaluated on the basis of success, not the amount of activity, on helping to produce the right compound, rather than just a lot of compounds.

As Gregg alluded to, a third important value for the R&D team was quick decision-making, which the group called "sense of urgency." The scientists made clear they didn't want to hear about committees being organized to ponder the latest idea. They also wanted a teamwork-driven environment in which the chemists and biologists communicate directly and trouble-shoot together.

Finally, easier said than done, they wanted a fun place to work. Which is about as easily defined as what biotech means in 2013. But on the other four measures, the results to date suggest that Vitae may be living up to its own chosen values. Whether that proves to be a lucrative formula remains to be determined.