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successSECRETS

Mike Luby, CEO of TargetRX

'Do what you love, stick to your vision, treat people well'

By Bob Bannar

Michael J. Luby (with Richard Hoffman and Sangam Pant) is a co-founder of TargetRx, Horsham, Pa., and has been President, CEO, and a board member since the company's inception in December 1999.

TargetRx delivers actionable marketing insights to pharmaceutical companies to help them effectively market and sell their products. These insights provide benchmarks for how a product is currently performing, and diagnostics and forecasts that identify immediate ways to improve and predict future performance.

TargetRx works with most of the top 30 pharmaceutical companies in the U.S. Over the past six years, the company has developed a robust large-sample normative database that includes 150 million insights from over 65,000 physicians across more than 30 therapeutic categories.

In November 2005, TargetRx was presented with the Eastern Technology Council's Enterprise Award for Life Sciences Growth Company of the Year.

Previous to the TargetRx start-up, Luby was worldwide Senior Director of Marketing, for new products at Merck & Co., Inc. His 10-year tenure included marketing responsibilities for leading products such as Fosamax, Vasotec and Prilosec.

Luby holds a B.A. in economics from Dartmouth College and an M.B.A. from the Wharton School of the University of Pennsylvania.

When you founded TargetRx, did you have specific goals?

We wanted to be the gold standard of the industry. And you measure that by essentially being used by more people than not.

Do you consider yourself, or your company, to be successful?

The ultimate success is well ahead of us, but I think we're making great progress. We're working at some level with most of the top 30 pharmaceutical companies. We've had renewals on subscription products in the 80%-90% range each year. We've steadily grown our sales each year from the beginning. We've been able to raise the capital we need. And we've been able to attract a really extraordinary team of people. We've got a very solid and deep management team.

What makes an entrepreneur successful: following a dream, having confidence, or simply a desire to make money?

I think that's all a big part of it. I can't generalize, but I can speak to what's worked for me. I think it's having a vision and passion – and confidence. Investors, employees, clients, all the major constituents, are really moved by confidence.

Money is a measure to some extent in a commercial environment, so I'd be lying if I didn't say it is a factor, but at the end of the day for me, personally, it's fulfillment. I tell people all the time, you could charge me admission to come in here every morning. I love what I'm doing. If I weren't happy, I would quit and do something else – no matter how much money was on the line.

What are the three most important characteristics of a successful entrepreneur?

The first is vision. It's very hard to start a business that's just a knock-off of another business and be successful. You really have to see something that the market hasn't seen, and that others haven't seen.

The second is confidence – and maybe that's a blend of confidence and leadership. People want to be inspired by their leaders and believe that they are part of something that can and will be successful.

And the third is tenacity because you encounter so many speed bumps along the way. If you're not willing to be tenacious to get it done, that makes it a lot harder and the odds for your success drop significantly.

Have you hit 'speed bumps'?

Oh sure, we've had minor bumps. But we've never lost a customer who said 'you can't work for us anymore.' We've made mistakes at times, but they've always been things that have been manageable. I find them to be great learning opportunities if they don't kill you. We have learned from mistakes and they have made us a better organization.

Define career success.

At the end of the day, for me it's being happy. I obviously set goals for myself, so there are other tangible milestones along the way. And I'm not

skipping down the hall and whistling every minute of every day. But I really love what I'm doing, and that makes me feel successful.

There are other measures. We want to build a big company. We want to change the way the industry executes sales and marketing. We want to play a key role in helping the industry do it more effectively. I consider those measures of success, but happiness is always at the top of the list.

Has your definition of success remained the same, or do you keep raising the bar?

It's always about being happy, but in terms of the specific things, we're always raising the bar.

We've had consistent growth every year. We've developed good products. We've penetrated clients. After each hill that you take, you sort of re-orient and focus on the next hill.

In a business like ours it's critical to have a culture dedicated to infinite innovation. Every day, I make sure I'm not looking at the world the way it existed yesterday. We've tried to build that into our culture. While we celebrate our successes, we don't rest on our laurels.

What three lessons might you offer to young entrepreneurs?

The first is to make sure you're doing what you love. I have met a lot of CEOs who really didn't have a passion for their business, but they had a lot of stock options and they thought they could get rich. My view is there's a lot of ways to get rich, and if that's important to you, it's far better to do it doing something you really enjoy.

The second, especially to entrepreneurs who have just started a company, is really to stick to your vision but also make sure you listen to other points of view. You can't have a vision with 50 'sub directions' to it, so know that it's your job to set direction and provide leadership for your company.

And third, treat people well. I'm a big believer in the fundamentals. If you treat people well and deal with people honestly, over the long haul you'll build a lot of good will and there's nothing they won't do for you. That they really believe in you as a person is as important in them believing in your vision.

Any final thoughts?

I would probably sum it up by saying that my playbook is somewhat old-fashioned. Things your mother



Mike Luby, CEO of TargetRx

What gives you your particular competitive edge?

I think it's a blend of vision and strategy, coupled to the execution that we bring to it. I remind people here all the time that visions and strategies don't win games; you've got to execute. The best-laid plan without a team that's very passionate about it is not going to lead to success.

How about a personal edge?

I'm a very competitive person and a very driven person. That helps a lot.

taught you: treat people well, work hard, stay focused, things like that.

I'd like to tell you I have some 'secret sauce,' but it's just very disciplined old-fashioned blocking and tackling. We live and die by the success of our customers. So we listen to the market. We also listen to the marketplace. We make sure we gather data. We understand what's going on. We adjust. We try things. We're always tracking how we're performing, and we never stop thinking about how to be better.