

Executive Profile

Anu Saad

Making her mark

Saad left academia to build up IMPATH Inc.

BY ELIZABETH GILBERT

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NEW YORK — It is not an easy transition moving from academia to industry, but Anu D. Saad, CEO and chairman of IMPATH Inc., has made it look remarkably simple.

With no prior business experience, Saad has almost seamlessly led IMPATH from private company status to a public company — and to \$189 million in revenue in her last nine years as CEO. She has a unique set of skills — including a life-long love of science — that have provided her with the tools to build IMPATH into a major success story within the cancer information field.

Saad's business strategy lies in the company's focus.

“We have the discipline to stay focused on one problem at a time and to not expand the company's focus [beyond cancer] in order to make a short-term profit. We stayed true to cancer and true to our goal, which was to make the lives of cancer patients better.”

Saad, 44, who was born in Patna, Bihar, and whose family is from Benaras and Calcutta, came to the United States at the age of 11.

In 1967, Saad's father came to the U.S. on a Fulbright Scholarship. He was an English literature professor who initially didn't plan to stay in the United States for very long.

A year later, Saad and her sister arrived in Philadelphia and a few years after that moved to southern New Jersey where she was reared.

Although Saad did not come from a family of scientists, she developed a love for science and medicine at a young age. Saad said she can not remember a time in her



Name: Anu D. Saad, Ph.D.

Company: IMPATH Inc.

Position: CEO, Chairwoman

Age: 44

Education: Bachelor's degree, University of Pennsylvania; doctorate in developmental biology from the University of Chicago

life when she stopped dreaming about a career in biology.

Saad went onto college to follow her scientific instincts and received a bachelor's degree in biology from the University of Pennsylvania, a doctorate in developmental

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biology from the University of Chicago, and completed post-doctorate work at Cornell University.

She stayed at Cornell University Medical College to teach cell biology and anatomy — and thought she had reached the end of the rainbow. Like her father, she had chosen the academic life — or for the time being.

“I chose research and academia as my career path and never thought I would leave it,” said Saad.

But as Saad said: “I was growing frustrated in academia, because the harder you work at your research, the better you get, the narrower your research focus becomes. Although I have great admiration for people in research and academia, I don't have the level of concentration necessary to maintain such a narrow focus.”

“When my husband moved from academia to industry, I began to see that there were interesting, fun, and intelligent people who were making an impact on society outside of academia.”

In 1990, IMPATH recruited Saad, considered a young and successful scientist at Cornell.

When she first met with the founders of the then-young company, which had only 15 employees at the time, she said she “began to see that I could use my knowledge and apply it in a real-world setting.”

Dr. Richard Cote and Dr. Carlos Cordon-Cardo, two academics from the Memorial Sloan-Kettering Cancer Center, were the founders of IMPATH.

Though some of her colleagues at Cornell thought she was making a mistake leaving the university, Saad was hired by IMPATH and became scientific director and, only three years later, CEO. Now, the company has grown to 1,100 employees and an estimated \$189 million in revenue.

IMPATH is a company devoted to providing information to physicians, cancer specialists, and drug development companies so they can make better decisions regarding treatments, and new cancer therapy discoveries. IMPATH has a database of more than 700,000 diagnostic profiles and tracks about 1.7 million cancer patients and their outcomes.

IMPATH's business is divided into three main components: physician services, predictive oncology, and information services.

Physician services earns 90 percent of IMPATH's income and provides 8,300 physicians, 2,000 hospitals and almost 600 oncology units in the United States with the technical and medical expertise they need to make medical decisions.

Physician specialists approach them with a patients' cancer tissue and very difficult questions — and it is IMPATH's job to answer them.

“IMPATH is known for exceptionally high-quality medical services,” said Todd Richter, an analyst at Banc of America Securities.

However, Richter added: “As a company they still have a number of concerns - their stock has not performed very well. Investors are concerned about their business model, because the quality of the company's earnings is questionable: they bill for services but don't necessarily collect the cash.”

But not everyone is so concerned.

Fortune magazine recently ranked IMPATH No. 61 on its list of America's 200 best small companies.

IMPATH's five-year average sales increase has been 57 percent. Its five-year return on equity has been 8 percent.

The company's stock was recently trading at about \$34, down from its 52-week high of about \$52. But that's hardly shocking considering what has happened to other companies share prices during the recent recession.

IMPATH is also growing through an acquisition announced in January. IMPATH agreed to purchase San Jose, Calif.-based Tamtron Corp., a provider of pathology information software to hospitals and laboratories in the United States. The deal for Tamtron, which has revenue of about \$10 million, was finalized in February.

As leaders in the field, IMPATH examines more cases of cancer than any other place in the world.

“Just this past year we made a difference in the lives of over 200,000 cancer patients and their families,” said Iris Daniels, spokeswoman for IMPATH.

IMPATH's latest business sector, predictive oncology, is its fastest growing (it is expected to grow by 70 to 75 percent over the next few years). Two components of the business are IMPATH's GeneBank and Clinical Trials Network (CTN).

GeneBank is a compilation of all of the characterized cancer tissue specimens, as well as treatment and outcome data from specimen donors.

Further, IMPATH's CTN is a network of patients and physicians that identifies appropriate participants, which is crucial because participation rates in cancer trials are very low.

Its goal is to facilitate drug companies in significantly reducing the time and cost of the development of the next generation of cancer therapies and thus cutting cost for patients.

Finally, IMPATH is converting data into knowledge in the information services sector. IMPATH compiles data from the physician services business and from the patient outcomes they track through its cancer registry.

“Physicians and drug development companies can access these packaged data to help them make better treatment decisions and to accelerate the turnaround time for better treatment options,” said Daniels.

“At IMPATH, we continue to serve a very important need — to bridge the gap between the scientific discoveries being made in the biotech industry and the community hospitals where 80 percent of cancer patients are treated. This philosophy has served us well,” said Saad.