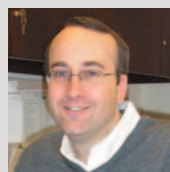


Benchside to business

Do you have the feeling that a career in research is not for you, but are seeking to use skills gained during a scientific education? If you also have an interest in business, making a move into finance-related careers that involve scientific companies could be an appealing possibility, as this month's interviewees highlight.



Eric Schmidt
Biotechnology Equity
Research Analyst,
Cowen and Company,
New York, USA

Predicting the financial markets can often seem like an unsolvable puzzle. However, as Eric Schmidt, an experienced biotechnology analyst in New York, explains: "There are skills that you can bring to stock analysis that increase the chances of success, including knowledge, logic, experience and using financial analysis tools."

By keeping a day-to-day watch over the stocks in the industry for 11 years, Schmidt has built up a broad expertise in biotechnology and a sensitivity that allows him to make predictions on the likely performance of a company. "Obviously, a key skill is to correctly interpret how a company is faring," he says. "But at the same time, finding the tricks of the trade that differentiate you from competitors is crucial. The challenge is to come up with a correct non-consensus call — that is, to come to conclusions about a stock that differ from those of other analysts and investors."

Given this, a talent for analytical thinking is an important asset, and in Schmidt's view, his earlier scientific education helped him to develop this, as well as the valuable ability to communicate with people in the life-science industry. Following a chemistry degree at the University of Pennsylvania in Philadelphia, USA, Schmidt completed a Ph.D. in molecular toxicology at the Massachusetts Institute of Technology in Cambridge, USA. However, although he loved learning about and discussing science, he found that the day-to-day bench work didn't suit him.

His second love was economics and the stock market, and so becoming an analyst seemed like the perfect way to combine his two passions. Towards the end of his Ph.D. programme, Schmidt became aware that Wall Street had an increasing demand for individuals with a scientific training. After several months of persistent networking he landed his first job as an associate at UBS Securities. "Although I had taken MBA level courses in Finance and Accounting, I was hired solely on the basis of my scientific knowledge," says Schmidt. He concedes that today the financial markets are more competitive, and that making the transition from science to Wall Street can be more of a challenge.

Schmidt thinks that he will continue to be an analyst for the rest of his career, as there is no natural progression into any other role, such as management. He's happy with this though, as the challenge of keeping abreast of the constant changes in the stock market is highly stimulating, and his role brings him into contact with bright, successful and hardworking individuals.

Over the years, Schmidt has learned some important lessons — for example, that skepticism is a virtue. "Before jumping to any conclusion, it is healthy to remember that individuals behave in rational ways, groups less so," he emphasizes. "To provide the best possible analysis, it is important to understand what motivates those you are interacting with, as there are always two sides of a debate."

Box 1 | Tips for a career as an analyst

- Have a love for finance
- Self-motivation is crucial
- Analytical skills will make a major difference
- Develop communications skills to foster interactions with both scientists and business-people



Dina Chaya
Director, Venture Capital
Healthcare team, 3i,
London, UK

For scientists who are interested in business, venture capital (VC) investment can be an attractive option. "I particularly enjoy the diversity," says Dina Chaya, who left research 6 years ago to pursue this path. Chaya is now a director in the healthcare team at 3i in London, UK, one of the largest life-science investors in Europe. "My role involves investing in exciting companies, so I look for medical products addressing unmet clinical needs and seek talented teams of entrepreneurs and scientists to develop and commercialize them. At the same time, I work closely with management teams of companies that we've already invested in."

The consequent need to make many decisions in parallel means that an aptitude for multitasking is a must for success in VC fund management. "Being a successful venture capitalist also requires an understanding of science, money and markets,

and, importantly, the ability to influence people," she explains. Furthermore, given that it typically takes 10 years for funds to mature, long-term vision is also crucial. "Tackling such challenges can only be achieved by adopting a strategic view and prioritizing options," says Chaya. "But the rewards are high, and nothing replaces the thrill of closing a deal and seeing the translation of scientific ideas into medical and commercial applications."

Chaya herself had significant research experience before making the transition to business. Having graduated in Natural Sciences in Cambridge, UK, she obtained a Masters at the University of Paris 6, France, followed by a Ph.D. in molecular biology at the Pasteur Institute in Paris that led to three years of postdoctoral research in the United States at Brown University in Providence and the Fox Chase Cancer Center in Philadelphia.

However, after thinking a lot about a career change, she identified investment as a career she really wanted to pursue. "It took a year of ruthless questioning and networking to land myself a lucky break, when a VC firm, Index Venture, in Geneva, Switzerland, offered me a position." She subsequently pursued a Chartered Financial Analyst degree to add

financial credentials to her scientific knowledge. At the start of 2004, Chaya moved to 3i.

Today, there are more scientists focused on becoming venture capitalists than when Chaya started, and so it might be harder to get a job as a venture capitalist straight after postdoctoral experience. "However, a major weakness of many venture capitalists in Europe is their lack of operational experience," says Chaya, who took on a 1-year secondment with the 3i portfolio company Microsulis, in Waltham, Massachusetts, USA, to tackle this issue personally. "Now, researchers hoping to become venture capitalists might need to gain operational experience first, by working in the business development team of a startup or by creating their own startups for example, to learn the role and get a foot in the door."

Box 2 | Tips for a career as a VC investor

- Build your network
- Have your own opinion
- Don't be afraid to start at the bottom
- Learn to deal with big egos
- Be persistent