

## Business Development

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### ▼ Assets for mastering media relations

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#### **Biotechnology startups face unique choices and challenges in public relations.**

More than in any other industry, biotechnology startups must be sensitive to the needs and interests of numerous audiences: regulators, current and potential partners in academia and industry, prospective prescribers and patients, and, of course, the international investment community. Planning and implementing a credible public relations strategy—conveying specific messages, at specific times, for certain audiences—will heighten awareness and appreciation of your company worldwide.

However, public and investor relations should not be used as a quick fix for systemic problems, such as an immature or nonproductive platform, a less-than-vigorous approach to securing peer-reviewed scientific articles, very early-stage therapeutic candidates (or a lack of any candidates), or the absence of the other standards of company credibility.

Novel communications challenges and opportunities confronting biotechnology companies require special consideration and execution. This article explains the essential foundations for a serious public relations program.

#### **Your communications 'assets'**

When deciding whether to issue a press release for a company-related event, you should think in terms of newsworthiness, timeliness, and clarity, focusing on credible developments, and news (that is, your 'communications assets').

A good news flow is important, but not if it means releasing news to the press for each and every trivial event in your company's development. It is thus not necessary to announce a strategic alliance with the local supermarket just because you shop there every week to buy beans for the company coffee machine. It is important to be selective about the type of news you release.

Most crucially, the decision on what to release and when to release it must first and foremost be governed by requirements of the Securities and Exchange Commission's Regulation Fair Disclosure (which ensures that companies provide stock-moving information to all investors at once) and other securities and legal guidelines.

#### **Press-releasable assets**

Several types of information can be considered for press release. News can be released about specific medical indications; changes in academic affiliations; a company's research and development capabilities or financial status; and much more. Ultimately, most information released to the press falls into four main areas:

#### **A significant new commercial partnership.**

These announcements often reflect a significant, external validation of a particular product, technology, or scientific approach. Direct involvement of the credible third party in a press release and subsequent communications serves to bolster public perception.

#### **A critical personnel appointment.**

Again, these announcements—when used selectively—can help to elevate general impressions of a company's management depth and scientific talent. News of an accomplished executive taking an active role in a startup can open doors for that startup in the business media world, as well as with prospective corporate partners and investors.

## Patents.

A company's patent estate is increasingly pivotal for attracting commercial partners and investors. Fundamental patents—that is, those that either block or enable core processes needed by the rest of the sector—are important news, especially if you pick your venue carefully through a focus on industrial or business publications. (However, be aware that companies can open themselves up for criticism should they be seen as getting a patented 'lock' on, for example, genes, genes sequences, or whole organisms.) Key patents should be discussed in the context of the company's broader business plan and its niche within the biotechnology industry. And, depending on media interest, it may be advisable to make intellectual-property counsel available for interviews, particularly if he or she can explain the patent and its implications in nontechnical, easily understood language. Of course, it is also important to time patenting efforts before scientific publication to avoid invalidation of a patent's novelty.

## Major scientific publication.

Again, credibility is a key factor here. A peer-reviewed journal article effectively confers the integrity and objectivity of that publication to a specific study or review arising from the company.

## Hidden assets

Many companies also have what can be considered 'hidden' assets—that is, individuals or entities that, if appropriately and proportionately profiled, can be of strong interest to certain reporters and editors.

## CEOs and managers.

Finding CEOs and executives who can tell their story with a compelling mixture of conviction and integrity, and who can adapt their presentation for the specific audience at hand, is often a challenge. Those who do this best combine research experience with an ability to explain technology clearly, carefully laying out its limitations and path to commercial success. These individuals are a key asset to a public relations program.

## CSOs, CFOs, and ITOs.

Eloquent and articulate chief scientific officers, chief financial officers, and information technology officers are important public relations resources for those larger biotechnology companies with multiple technology platforms. Company officers who can explain the company's technology and finance clearly and directly to investors, as well as to current and prospective commercial partners, will indicate the depth of the management bench at a particular company. This in turn helps followers of the company better understand how the risk and complexity of the firm is being handled, and suggests that a company's success does not hinge solely on the abilities of a 'rock star' CEO. Finally, management talents can be brought to bear in varying combinations to best suit the needs of a particular media outlet.

## Collaborating institutes or thought leaders.

Collaborations with major medical teaching institutions or thought-leading researchers can also be leveraged for public relations advantage. In effect, the association with a highly respected scientist or institution is an endorsement of the company. In contrast, promoting scientific advisory board members in campaigns might not always be appropriate, despite their pedigree. Their financial links to a particular company and possible ties to several companies may lessen their credibility for certain outlets.

## Allies.

These will be individuals in posts of authority at credible medical associations and key industrial organizations. Not only can such individuals help to enhance the credibility of your story, but also many are routinely used as resources by media organizations and can help disseminate your story in turn. However, excessive use and reliance on them will lessen their value—a development that may eventually overshadow their relationship with your firm.

## Patients and corporate partners.

The media love real-world stories. Anecdotes and documented case histories can help enliven your story by illustrating the ways in which your key product or technology was used in a real-life scenario to good effect.

## Credibility is key

Getting your message across should strain neither budget nor credulity. I outline a few points to remember below.

First, despite the demands of many investors and board members, the road to credibility has very visible signposts. Among these, peer-reviewed publications by company or allied investigators loom largest. Few events, apart from a major approval from the US Food and Drug Administration (FDA; Rockville, MD) or other regulatory agency, capture as much serious media attention as an important article in a journal such as *Science*, a *Nature* journal, or *the Proceedings of the National Academy of Sciences*, even on the busiest news days. But capturing and preserving this credibility

itself should be an exercise in restraint.

Most journalists at newspapers and other publications 'of record' are usually cued in through the journals' own confidential media alerts and a tightly monitored distribution of advance, embargoed copies. Many reporters at the major newspapers and wire services take these cues very literally, and companies who might seek to intervene in this process are advised to stay clear.

Second, do not try to establish yourself through ink rather than deals and publications—the dreaded 'science by press release' syndrome. Companies would be wise to resist the temptation, if only because the short-term benefits will be quickly buried when real news opportunities present themselves. Journalists and investors have long memories: a company's demands to be heard in the wake of a competing firm's publication in *Nature*, for example, are likely to be construed for what they are, and this may factor into your next interaction with a particular journalist.

Third, be candid and honest in your conversations with reporters. Events of the past year have greatly reduced tolerance for CEO public relations 'spin' among journalists. A physician's or investigator's financial involvement (for example, through shares or other forms of compensation) with a company promoting his or her research will diminish his or her credibility, if in some cases only by a small measure. It is best to disclose such relationships within the relevant press release.

Fourth, a little humility can boost your media relationships. Representing a scientific publication in a third-tier journal or a presentation at a pay-as-you-go investor conference as a 'breakthrough' will not fool many reporters. The same goes for touting reports in sponsored, pay-per-print, and most electronic publications. Although e-journals purporting to offer more rapid peer reviews and enhanced access—as distinct from the web counterparts of the 'brand name' scientific journals—may be the wave of the future, for now they lack the recognition and loyal audiences of their more established print counterparts.

Fifth, communicate bad news in a thoughtful and timely fashion. The need for consistency in your press releases, as well as timely and substantive reactions to material events, can often be overlooked in a company's drive for media credibility. ImClone (New York) achieved great notoriety in late 2001 and early 2002 by apparently omitting feedback from its application to the FDA when the agency responded to its initial new drug application ([Nat. Biotechnol. 20, 1181, 2002](#)).

Sixth, take care to keep in mind the patient and healthcare provider communities. Many patients and their families are desperate and will go to great lengths and expense to try any treatment, no matter what its stage of development. I recall very clearly a meeting several years ago at a small, early-stage biotechnology company that was interrupted by a very sick, elderly man. He had read of the company's efforts to develop transgenic farm animals to be used as sources for replacement organs in humans, and offered himself as a test subject. He arrived, unannounced, with a file of letters, medical records, and other documentation. After a long talk about the stage of the company's progress, he was referred to a physician at a local teaching hospital who was on the company's advisory board.

Patients or their families might flood a company's switchboard, or in some cases present themselves at your doorstep, after any relevant announcement. Key staff must be briefed on sensitive and constructive referral of these inquiries: for example, to a website, a toll-free number, or a national medical organization that may help in securing more information on possible clinical trials.

### **Timing, timing, timing**

Issue press releases in a timely manner with respect to full and complete disclosure of relevant data for the shareholder community (see "[Dos and Don'ts](#)"). For most outlets, news is quite fungible and is best served fresh.

In the case of scientific publications, or presentations at a major scientific or medical congress, press releases should be timed to be in line with the embargo enforced by the umbrella organization. Frequently, this means the approximate time that the presentation is scheduled to be presented at a meeting or after a journal is reasonably sure that its subscribers have had a chance to read that week's edition. In the former scenario, however, many companies are unsure whether they should issue a press release when a scientific meeting's abstracts are posted on the conference's website, or when a book of abstracts is distributed to on-site registrants. In these cases, it's best to consult with your company's regulatory counsel.

There may be latitude in the dissemination of press releases related to developments in finance, or on updates in corporate alliances and business developments. Frequently, companies will issue these immediately after the end of the trading day (either in the United States or in the European Union) or before its start. Presentations and investment conferences, anticipated statements at an annual meeting of a major pharmaceutical partner, and other external factors, can dictate timing of these releases.

As a company grows and changes, there will inevitably be a shift in focus. However this is defined—a marketed product or diagnostic, substantial market capitalization, significant revenues, or profitability—growth and success will bring new communications opportunities. Expanding investor and patient audiences, for example, will expect and demand regular news of the development of a promising therapeutic. Major corporate partners will want to be apprised of a strong intellectual property estate protecting their investment.

### **Box 1: Dos and don'ts**

Some rules of thumb that you should take into account when timing the release of news about your company and its technology.

#### *Do:*

- Time a press release about a scientific publication so that it is in line with journal embargoes or press conferences at major scientific or medical congresses.
- Bear in mind that releasing your data to the press at a scientific meeting might compromise the novelty of your research if you are considering submitting it to a major scientific journal.
- Consider what other news-making events are going on at the time you are planning to release your news.
- Time releases about financial news after the end or before the start of the trading day (either in the United States or in the European Union), consistent with regulatory and legal obligations.

#### *Don't:*

- Issue a release after the close of the market on Friday, or before a holiday. Unfairly or not, this will be perceived as a weak attempt to conceal poor or unflattering news. (Of course, exceptions to this rule abound.)
- Time a release in the midst of a major scientific congress or high-profile investor conference at which you have no role (unless, of course, the timing is dictated by 'full disclosure' requirements). Such meetings are notorious for the 'noise level' they generate and it is usually wise to give them a wide berth, chronologically speaking.
- Release information about a deal before it has been definitively agreed to—no matter how confident either party might feel. More than a few companies have insisted on issuing a press release before the ink had dried on a contract, to their later chagrin.
- Release news without the full approval of a company's management team, spokespersons who are quoted therein, or strict legal and regulatory review.

### **Conclusions**

The global biotechnology industry is in a transitional period as companies move to fulfill the promise of genetics and genomics, as well as more traditional drug discovery platforms. Biology, chemistry, medicine, engineering, and informational sciences are coming together in unprecedented ways that demand considerable patience from investors and consumers alike. A popular vision of, and demand for, the eventual reward of these technological synergies can be nurtured—provided biotechnology companies worldwide marry good science with thoughtful, timely communications practices.

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