

KANSAS Bioscience Authority

To my fellow Kansans:

As we close the books on 2005, you may be wondering what plans the Board members of the Kansas Bioscience Authority has made for 2006. Or you may be wondering what was accomplished in the past year. The short answer to the last question is “quite a lot,” but I’d like to take this opportunity to expand on that answer, and also to share with you what could be in store for Kansas in the New Year.

Highlights from 2005

The year began on an off note when just the second quarterly meeting of our Board was postponed due to an ice storm that cancelled travel plans for several Board members. But notwithstanding that setback, the Board began making substantial progress towards aligning on a strategy for achieving the mission established for us by the Kansas Legislature through the Kansas Economic Growth Act (KEGA).

Strategic Planning Process

With the assistance of KTEC and an outside consultant, Dr. Gary M. Cadenhead from the University of Texas, we began and completed a business planning process in 2005 that established for our Board a framework for soliciting and evaluating proposals for investments in the biosciences. In short, we articulated a number of action plans to expand, recruit or build bioscience capabilities in Kansas through investments in commercialization, business incentives, research, infrastructure and start-up capital. Our Board committed to making our strategy “evergreen,” meaning that we will revisit the priorities of our action plans and consider changes as needed.

Bioscience Innovation Roadmap Process

Concurrent with our planning efforts, many of you participated in the Bioscience Innovation Roadmap Process, which was sponsored by KTEC and facilitated by New Economy Strategies, a consultancy from Washington D.C. The objective of the Roadmap Process was to identify Kansas’ strengths in the biosciences and to involve our leading scientists, entrepreneurs and civic leaders in the process. The result of this effort – the final report from New Economy Strategies and KTEC – was provided to our Board members and used as a resource for our strategic planning process.

In deference to the Bioscience Authority, KTEC has waited to release the final Roadmap report until this time, when our Board finally has resources to invest and a process for responding to inquiries. We have appreciated this opportunity to review the findings and incorporate some of the findings in our strategic plan. Accompanying this letter, you will find a summary document, which summarizes the process and the findings of the Roadmap. A comprehensive copy of the roadmap is available to you online at www.kansasbio.org/info/information.htm. Although many of the ideas may not be

implemented as recommended, the process was valuable to our collective efforts, and I'm hopeful that the dialogue that was initiated with the Roadmap Process will begin anew with the Bioscience Authority.

Early Wins

While our Board was organizing and completing our planning process, several opportunities were brought to my attention by the Kansas Department of Commerce and the Kansas City Area Development Council for the Bioscience Authority to participate in the attraction efforts of bioscience companies considering relocating or expanding in Kansas. By offering incentives authorized by the KEGA legislation, the Bioscience Authority participated in successful recruitment efforts that will add more than 1,500 new jobs to the Kansas economy. The first jobs will be in central Kansas.

Goals and Priorities for 2006

To date, the Bioscience Authority has received just 1% of the \$580 million of resources we anticipate investing over the 15-year term of the KEGA legislation. This means that the decisions to be made that will determine the success of this initiative lie in front of us. It is important to remember that Kansas' success in the biosciences is not a race against time or a competition with other states. Instead, our success will be determined by how we execute our plan over the long haul, one investment at a time.

In 2006, we will achieve several key milestones and substantially increase the number of opportunities considered for an investment of Bioscience Authority resources.

Management Team

We are beginning the process of searching for an Executive Director, who in turn will recruit a small team to lead the execution of the Board's strategic plan. If the Board determines that the search process could extend for several months, we may consider an interim appointment to this important position. If you are aware of someone who would do an exceptional job in this position for the people of Kansas, we would be pleased to hear from you.

Website Communications

We have a website under development that will facilitate communication between the Bioscience Authority and those seeking to do bioscience-related business in Kansas. I anticipate that this website will be completed and operational during the first quarter of 2006.

BIO 2006

The Kansas Bioscience Authority is looking forward to participating in the world's largest gathering of bioscience industry executives, researchers, entrepreneurs and civic supporters at BIO 2006, to be held in Chicago this April. We will work in partnership with the Kansas Department of Commerce and under the direction of KansasBio, the trade association for the biosciences in Kansas, and its President, Angela Kreps. This is the first time that BIO is being held in the Midwest—so the focus and attention on our

efforts will be paramount. Our Board believes that a strong appearance will communicate to the world that we're bullish on Kansas and open for business.

Key Policy and Strategy Initiatives

The Board's Executive Committee has authorized three research projects to advise the Board on how to approach three important and challenging aspects of our plan – scholar recruitment, intellectual property management and commercialization. The Board heard the results of these projects during our January board meeting, and I anticipate that the Board could begin implementing certain recommendations by actions taken no later than our April meeting.

Another key initiative we are discussing is the development of a strategy for encouraging communities to build wet lab incubators and energy plants that utilize bio-materials from animal waste. We may consider utilizing the Bioscience Development Districts mechanism from the KEGA legislation to facilitate the dissemination of grants to communities that meet the criteria we establish.

We're Ready to Hear from You!

As a participant and contributor to the Bioscience Innovation Roadmap Process, you are an important stakeholder in the future success of Kansas in the biosciences. My colleagues on the Bioscience Authority Board fully recognize that our success will depend on the hard work and passion of Kansans seeking a better future for our children. We need your help, and we're now ready to hear your ideas about the investments we should be making in the biosciences.

Best Regards,

A handwritten signature in black ink that reads "Clay Blair". The signature is written in a cursive style with a large initial "C" and "B".

Clay Blair
Chairman, Kansas Bioscience Authority
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