

# PROFESSION



## German Biotechs Tap New Talent

### The burgeoning German biotechnology sector courts scientists

By Ted Agres

As Germany takes over the European lead in generating biotechnology companies, the demand for life scientists and researchers mushrooms. These startup enterprises, each employing 30 to 40 people on average, grew 150% in 1999, from 93 to 279. By 2001, the number of startups had risen to 436. By the end of this year, some 545 German entrepreneurial life science companies (ELISCOs) are expected to employ more than 23,000 workers, according to Ernst & Young, Germany, and mediatum GmbH of Heidelberg.<sup>1</sup>

While the German pharmaceutical industry has flourished for decades, biotechnology companies have emerged only recently, accompanying a shift in public opinion that resulted in support from government, academia, and the financial markets. "Going from nowhere to the top is an extraordinary change," says T. Scott Johnson, principal with JSB Partners, an investment bank in Concord, Mass., with offices in Berlin and Grünwald. "The term 'entrepreneur' used to be a bad word in Germany. Now people want stock options."

Such new enterprise has outpaced the production of German scientists, and the market for scientific personnel is burgeoning. "German companies are happy to have people from the United States and United Kingdom come to work here," explains Sabine Scheidler, head of the functional genomics division of Aventis Pharma, GmbH, in Frankfurt. Language is not a problem, she adds, because nearly everyone in the German life sciences community has learned English in school. "We have US, French, and German colleagues all working on the same teams," she says. "German companies want to be global."

Courtesy of ISB/Dechema



Biotech Burghs: New companies freckle the German landscape; some dots represent as many as 20 companies.

## Markets for Talent

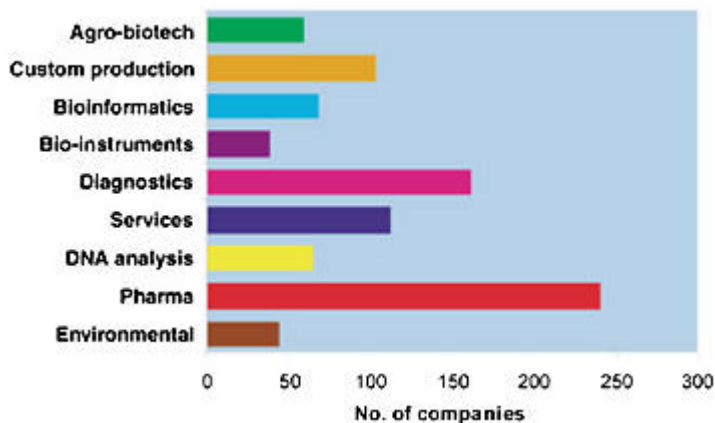
Job opportunities "are across the board, with a real need for experienced management in biotechnology companies," says Steffen Reich, public relations director for Amaxa GmbH, a functional genomics company started in 1998. "It's hard to get technicians as well as well-qualified scientists." But local job markets vary. "Here in the Cologne area it is not as much a problem as in Munich or Berlin because here we have a higher density of universities and thus have good access to well-qualified people."

The ELISCOs most need experienced managers, such as chief executives and scientists, says Herbert Jäckle, director of the Max Planck Institute (MPI) for Biophysical Chemistry in Göttingen. But companies also seek people with biotechnology experience. "There is a big demand for quality people at all levels," he adds. "A technician stands as good a chance as everyone else in finding employment."

Jäckle has first-hand experience. In 1997 he helped launch a biotech company, DeveloGen AG, while holding his research position at MPI. The company develops gene-based therapies using functional genomics. DeveloGen recently received a second round of venture capital financing and has doubled in size from 45 to nearly 90 employees. But ELISCO staying power remains to be proven. Like DeveloGen, many were spun off from government-supported research institutions and universities and are run by former academics with little business experience. People "often mistakenly look at the large

number of German biotechs and assume that Germany has a successful market," a 2001 Ernst & Young report says. "But the number of companies is not important and should not be the basis for comparing biotechnology marketplaces. The quality of the companies is what matters. Germany has a healthy market, but it is still in the development stage."<sup>1</sup> That development may generate few new companies, but could create more opportunities for scientists, says Dirk Wilken, chief executive of mediatum GmbH, a biotechnology recruiting company. "We did a calculation on how the job market will develop and found that the number of companies will not increase that much, but the number of individuals employed by these companies will increase dramatically," he continues.

Source: ISB/Dechema



Biotech Diversity: German companies span the market

## Big Pharma, Big Opportunity

Germany is home to well-established pharmaceutical manufacturing and marketing companies that also seek experienced biotech scientists and life science professionals. Aventis Pharma, for example, employs about 3,850 people in Germany, with 1,200 working at a drug innovation facility in Frankfurt. Bayer AG, the venerable German institution, employs more than 5,100. Others include GlaxoSmithKline GmbH (2,300 employees), Pfizer GmbH (4,000 employees), and Lilly Deutschland GmbH (more than 1,200 employees in its German pharmaceutical division alone).

But biotechnology companies are just learning how to profit from the pharmaceutical network. "We are way behind what biotech and pharma are already doing in the United States, where the bigger biotechs have already signed cooperative and licensing agreements with pharma," Wilken says.

Germany's biotech revolution began in the early 1990s with government campaigns about the benefits of medical-related biotechnology that healed public distrust for gene manipulation. In 1993, the country amended its strict Genetic Engineering Act (*Gentechnikgesetz*) to permit limited commercialization of biotechnology. "They did a great job and turned public opinion around," Johnson says. Many members of the German Green Party, who are now aging baby boomers, "realized they might get Alzheimer's" and rethought the role of biotech, he quips.

The German Ministry of Education and Research (Bundesministerium für Bildung und Forschung) sponsored a national competition, called BioRegio, that challenged regions for plans to foster new biotech companies. Seventeen regions entered the competition, and in 1996, three prevailed: Munich, the Rhein-Neckar Triangle, which includes Heidelberg; and the Rhineland, which includes Cologne.

Munich boasts Garching Innovation, the technology transfer group for the Max Planck Society as well as the Genetic Research Center (Genzentrum) at the University of Munich. The region now has more than 120 biotechs and small pharmaceutical companies. Cologne houses the Max Planck Institute for Plant Research (Züchtungsforschung). The University of Heidelberg hosts the European Molecular Biology Laboratory and a center for cancer research (Deutsches Krebsforschungszentrum).

These regions each received DM50 million over 5 years, which they used to hire scientists, fund research projects, build incubator facilities, and establish central offices. Over the next several years the Ministry of Education and Research will provide about DM1.5 billion for a BioFuture program (funding for basic and applied research at institutions); BioChance (DM100 million in direct company grants for promising but high-risk projects); both programs are expected to generate new jobs.

But for a non-European, a job in Germany requires navigating dense legal and bureaucratic regulations. German citizens and European Union are preferred employees. A US citizen can wait three months for a renewable one-year work permit and residence visa.

The cost of living in Germany is generally lower than in the United States, but salaries are comparably low as well. A scientist earning \$100,000 in Boston, for instance, would need to earn \$61,100 in Bonn to have a comparable lifestyle, according to [Homestore.com](http://Homestore.com) Inc., a real estate and relocation company. Housing and food costs are about half those in the United States, a US embassy official says. Federal income tax in Germany is significantly higher. Unlike the United States, however Germany has no state income taxes; personal property taxes are three to four times lower in Germany than in the states.

A word of advice: if you get a job in Germany, be prepared to stick it out. Workers in Germany "tend to stay longer with companies than they do in the United States," Wilken says. "The system is designed for people intending to stay with the same company for three-to-five years. It's a cultural issue. Loyalty to the employer is a lot higher than in other countries. Job-hopping in Germany is not seen very often."

Ted Agres ([tagres@usa.net](mailto:tagres@usa.net)) is a freelance writer in Washington, DC.

1. A. Mueller, P. Kracht, and J. Schuler, *"Biotechnology in Germany: Access to private and public capital fuels the industry,"* Ernst & Young Germany, 2000.

## Getting A Job In Germany



The biggest biotechnology demand is for senior-level scientists with some management experience. But jobs are available for a wide range of research activities, including proteomics, DNA analysis, diagnostics, agricultural and environmental biotech, bioinstrumentation, bioinformatics, and custom production. Technicians continue to be in demand, although these positions tend to be more easily filled by local workers.

Biotech associations and company directories:

- [www.vfa.de/extern/e/mitglieder/index.html](http://www.vfa.de/extern/e/mitglieder/index.html)
- [www.i-s-b.net/firmen/sme.htm](http://www.i-s-b.net/firmen/sme.htm)
- [www.bio-gen-tec-nrw.de](http://www.bio-gen-tec-nrw.de)
- [www.bayern-innovativ.de](http://www.bayern-innovativ.de)

German recruitment specialists:

- [www.mediatum.com/eng\\_home.htm](http://www.mediatum.com/eng_home.htm)
- [www.pharmasteps.com/german/contact.html](http://www.pharmasteps.com/german/contact.html)