

Seeking financial security, Scripps Research names new board team

BY BRADLEY J. FIKES

Seeking to boost its financial reserves and speed up the translation of groundbreaking lab research into new therapies, The Scripps Research Institute in La Jolla on Tuesday named venture capitalist John Diekman as its new chairman [and greatly expanded its board](#) with business, financial and scientific experts.

Diekman replaces former Congressman Richard Gephardt, who retired from the board after seven years. Peter Schultz, [who was hired by the board in 2015](#), remains as the CEO.

Diekman is a founding partner of 5AM Ventures, a life-science venture capital firm in San Francisco. Before that, he helped establish Bay City Capital. He was also chairman and CEO of Affymetrix, a maker of DNA analysis instruments. He's now chairman of IDEAYA Biosciences.

He also serves on the Schaeffer Center for Health Policy and Economics Advisory Board at the University of Southern California, which tried unsuccessfully in 2014 to merge with or take over Scripps Research.

Besides Diekman, the new board members include Herb Boyer, one of biotech's founding fathers. Boyer is a co-developer of genetic engineering technology and co-founder of Genentech, the world's first biotechnology company.

Another new Scripps Research trustee, billionaire scientist and philanthropist Gerald Chan, is a legend in Boston for his philanthropic and research feats.

Altogether, the institute's board has expanded from six to 14 members.

Scripps Research provides an anchor biomedical presence on La Jolla's Torrey Pines Mesa, along with UC San Diego, the Salk Institute for Biological Studies and the Sanford Burnham Prebys Medical Discovery Institute.

Scripps Research has been running a deficit for the past few years, according to Fitch Ratings, which evaluates the institute's bonds. The deficit is currently about \$20 million a year.

While the institute's existing endowment can last for many more years, Schultz has pledged to build up a much bigger fund while boosting efforts to commercialize fundamental discoveries made in the lab.

"And the reason I took this job on wasn't simply to fix a \$20 million a year deficit," Schultz said.

Schultz's strategy involves using an allied research organization, the California Institute for Biomedical Research, or Calibr, as Scripps Research's commercialization arm. Schultz heads Calibr, which was created as an independent organization but has moved into alliance with Scripps Research under Schultz's leadership.

Schultz's choices were praised by Richard Heyman, Salk Institute vice chair and a longtime San Diego biomedical entrepreneur; and by Joe Panetta, president and CEO of Biocom, the San Diego-based life science trade group that operates throughout California.

"He's assembled a very impressive group of individuals, from my perspective," Heyman said. "They have both deep and very broad expertise in many areas. He has some people on the venture side as well as funding companies, like the new chairman, John Diekman, who's just a fantastic person."

The business expertise is rounded out with other members that bring exceptional academic and research skills, Heyman said.

Panetta likewise praised Schultz's skill in attracting board members with multiple strengths that can benefit TSRI.

"The new members of the TSRI board bring a fascinating breadth, depth and scope of experience that will certainly add value to the industry, to the organization and to our community," Panetta said by email. "Having these distinguished additions will shine a bright spotlight on the incredible research being undertaken at TSRI."

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