

IROBOT, YOU PATIENT: A local robot maker targets the aging boomer market. **3**

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Alexis and Derek Brooks have been through tough times over the past year with their company Inside Cable but see signs that their patience is about to pay off.

POSTCARDS FROM THE EDGE

SMALL BUSINESSES SEE RECOVERY

BY USA VAN DER POOL
JOURNAL STAFF

Alexis and Derek Brooks were flying high in March 2008 after they went on the National Minority Supplier Development Council's trade mission to the United Kingdom to discuss ways

to include diversity in the supply chain of the 2012 Olympics in London.

But upon their return to Boston, the owners of small telecommunications infrastructure firm **Inside Cable Inc.**, discovered that, in large part due to a contract delay worth more than \$1 million, the company defaulted on the firm's loan and credit line.

PLEASE SEE EDGE PAGE 22

Loan demand remains weak

14 banks jockey for one customer

BY TIM MCLAUGHLIN
JOURNAL STAFF

Demand for bank-funded business loans — a barometer of the overall economy — remains weak in Massachusetts, a sign that spending on inventory, equipment and commercial real estate hasn't fully escaped the clutches of the recession.

Senior executives at the largest community banks in

the state say they are more optimistic about the economy for the long haul, but they also report nagging signs of stagnation.

Still, profits are strong and banks are awash in liquidity from strong deposit growth. But they're finding it hard to put that money to work in the form of loans.

In some cases, banks are elbowing each other out of the way to snag business borrowers with strong credit.

PLEASE SEE LOANS, PAGE 20

Women aim to grow in commercial real estate

BY MARY MOORE
JOURNAL STAFF

As commercial real estate shows small signs of a rebound, women real estate professionals hope to seize the upswing as an opportunity to increase their presence in the industry.

"I think women in commercial real estate in Boston and nationally are definitely investing in their careers at this point," said **Barbara Trachtenberg**, partner at **DLA Piper** and current president of **New England Women in Real Estate**, or **NEWIRE**. "Because companies are leaner right now, there is a greater opportunity for



Trachtenberg: Women investing in RE careers

people to learn new skills, to be tasked with something that's a stretch for them.

"So the opportunity to manage more projects, bigger projects or different projects

could position people for the future," she said.

"And because there have been layoffs, there's less competition for promotions."

Locally, **NEWIRE** and **Commercial Real Estate Women**,

PLEASE SEE WOMEN, PAGE 20



STILL STANDING:

Gregory Sneddon's happy to still be in the game. Outside the Box. **24**



THE BBJ 150:

Cambridge's Akamai Technologies is the \$50k startup that kept on growing. **32**

IMAGE ENHANCEMENT: CRI Inc. is getting a lot of attention from big pharma. . . . **4**

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CAN'T WE ALL JUST GET ALONG? Small developers idle as tech titans wage war. . . . **9**



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The \$50K startup that could:
Akamai grows into a CDN
titan, eyes new offerings

DELIVERY DRIVER

Akamai CEO Paul Sagan says content delivery doesn't encompass half of what the company does today.

FILE PHOTO BY W. NAUS (GENOVA) | BUSINESS JOURNAL

BY RODNEY H. BROWN
JOURNAL STAFF

In a world where more and more people use Google and Yahoo for their e-mail, communicate through Facebook and Twitter, and snub video stores in favor of streaming movies through Netflix, Akamai Technologies Inc. is in the winner's circle.

The Cambridge-based company has a number of different functional divisions, all of which share one overriding mission — to speed up the delivery of content over the Internet for all end users. It does so by pushing parts of that Web content further away from the central servers that may host most of the content for a business's website.

By storing, or caching, the content in data centers closer to the end user, Akamai speeds things up by keeping the heavy-lifting parts of a website, such as images and video, closer to the user so they take less time to get there than if they sat on the business' site with all of the other content.

Akamai is one of three titans in the content delivery network space — although president and CEO Paul Sagan says he is not fond of the term anymore as it doesn't encompass all of what Akamai offers these days.

In the space of a decade, Akamai has grown from MIT \$50K startup to a guidepost on the information superhighway. Its solid revenue growth and its stature in the content-delivery arena make it the Boston Business Journal's Company of the Year.

"We did OK last year and I think it helped position us to really re-accelerate in the second half of last year," Sa-

gan said. "The overall trend turned out to be better than average for us last year because people are still putting content online and cloud computing is growing online."

That last point is the latest area that Akamai is concentrating on, and its business areas have diversified since it was founded in 1998 as a content delivery network.

"Even that is Akamai 1.0, and does not even encompass half of our business," Sagan said.

With its newer offerings under its belt, Akamai's annual revenue has climbed consistently over the past four years to start flirting with the magic \$1 billion mark.

"I think that would be significant," Sagan said, "because there aren't a lot of tech companies that have made a billion dollars."

ALSO INSIDE:



BIOGEN-IDEC:

Another good year, but some issues persist. **34**

THE BBJ 150:

The state's top 150 public companies. **38**

PLEASE SEE AKAMAI, PAGE 34

Another solid year for Biogen, but concerns remain

BY MIKE HOBAN
SPECIAL TO THE JOURNAL

Cambridge-based **Biogen Idec**, last year's Company of the Year, followed up with another impressive performance in 2009. Revenue again rose by 7 percent, sales of MS drug Tysabri continued to grow; and the stock price rose significantly.

But concerns continue to dog the company. Issues with ownership and recurring safety problems with the company's flagship drug have again reared their potentially ugly heads.

On paper, 2009 was a good year for Biogen. Revenue for the year was \$4.4 billion, and net income attributable to Biogen Idec was \$1 billion, an increase of 24 percent over 2008. The three principle moneymakers performed well, with Tysabri seeing a 32 percent rise in sales to \$776 Million; Avonex saw 5 percent growth to \$2.3 billion; and Rituxan, despite a 3 percent decrease due to the expiration of royalties on sales outside the United States, posted \$1.1 billion for the year.

Tysabri officially became a blockbuster drug with sales hitting \$1.1 billion — which includes revenue for Irish partner Elan — in 2009, and the product pipeline had about 20 products in Phase 2 clinical trials and beyond.

Things got rocky as the year turned. 2010 began with the announcement that beleaguered CEO **Jim Mullen** would follow **Bruce R. Ross**, Biogen Idec's chairman, and retire at the company's 2010 annual shareholder meeting in June. Neither will seek reelection to the board of directors.

Mullen had been criticized by investor groups, most notably billionaire **Carl Icahn**, for alleged inadequate investment returns and excessive compensation. Icahn — whose firm, **Icahn Partners LP** — owns about 9 percent of Biogen, had been involved in a proxy fight for control of the company's direction the two previous years. Last May, Icahn secured two of his nominees to the board after lambasting Mullen publicly.

This March, immediately after Biogen announced it had agreed to a third Icahn appointee to the board to avoid yet another proxy battle, Icahn told



Scientist Lan Wu works in the lab at Biogen-Idec in this 2009 file photo.

Bloomberg News that he would push for a deal to sell Biogen or recommend that the company be split into two separate entities, one focusing on neurology and the other on cancer.

Biogen spokeswoman **Christina Chan** declined to comment on the situation, other than to say that "Biogen Idec is still looking at a June time frame (for replacing Mullen), and it's our top priority."

In the meantime, the news on the Tysabri front began to sour. In October, the **European Medicines Agency** began a review of the drug after 23 new cases of PML (progressive multifocal leukoencephalopathy), a rare brain infection that often results in death, had been reported in Tysabri patients. The drug had briefly been taken off the market in 2005 after three cases and two deaths were reported, and reinstated in 2006.

In February, after 31 cases of PML had been confirmed, including eight recorded deaths, the **U.S. Food and Drug Administration** added an additional warning to the Tysabri label that indicated that the incidence of contracting PML increased with extended use of the drug.

In March, Biogen and Tysabri partner Elan announced that they had begun enrolling participants in a study designed to delineate high risk from low risk patients. If successful, the companies hope to reduce the PML risk factor to 1-in-25,000 for Tysabri.

Biogen Idec released its first-quarter results in late April, and despite revenue growth of 7 percent over 2009, an increase in add-ons for Tysabri patients, strong cash flow and a fertile pipeline, many analysts are maintaining a wait-and-see approach, as the company failed to meet revenue projections for the quarter.

In the first-quarter conference call, Biogen CFO **Paul Clancy** downplayed the effect of the label warnings, stating that there had been a spike in Tysabri enrollment in March, and CEO Mullen attributed the revenue target miss to "top-line pressure."

The company's stock (Nasdaq: BIIB) closed April 30 at \$53.29, with a 52-week high of \$60.28 and a low of \$41.75.

In a report, **Robert W. Baird** analyst **Christopher Raymond** wrote in his investment conclusion, "We see little reason to get involved at current levels. Staying on the sidelines as core concerns remain."

That sentiment was echoed by a number of analysts, but **Joshua Schimmer**, analyst for **Leerink Swann & Co.**, rated the stock as "outperform" based on the strength of the pipeline, while acknowledging that the "Tysabri PML risk is having impact."

AKAMAI: Internet bigshot gets aggressive in bid to grow business

CONTINUED FROM PAGE 32

For calendar 2009, Akamai reported \$860 million in revenue and a solid \$146 million profit. That capped a revenue curve that swung steadily upward from \$428 million in 2006 to \$636 million in 2007 to \$791 million in 2008. Its shares (Nasdaq: AKAM) this week have been trading in the \$40 range, a high for the company.

While the recent recession took its toll, Akamai bounced back rapidly, as the delivery of content and applications across the Internet continued to grow unabated by the general economic ills.

"I think we all proved that recession-proof is more theory and not the reality," Sagan said. "We were, I think about, 1,500 in 2008 around this time frame. We reduced the staff, but it was only about six months before they came back to 2007 levels."

Now, two years later, Akamai has

climbed past that number to about 1,900 employees, Sagan said.

A great deal of the growth can be laid at the feet of its efforts in making cloud computing a smoother and more secure experience.

"It has been the fastest-growth area of the business in general, with e-commerce leading the way," Sagan said. "It certainly mitigated how negative the recession could have been, because one of the things companies have been doing is saving money by moving applications online." The more that happens, the more Akamai's technology and services to make such applications both zippier and more secure are in demand, according to Sagan.

But Akamai hasn't just been sitting around waiting for the growth of the Internet to drive its own growth. The company has been making some aggressive business moves, such as the recent **Netflix Inc.** win.

Netflix had been using **Limelight**

Networks Inc. and **Level 3 Communications Inc.** to speed up the delivery of its streaming movies, mainly because Akamai's pricing model had always been to charge higher rates in light of what it had always said was superior service, according to industry experts.

Bucking that trend entirely, Akamai cut its rates to well below those of its competitors to win the Netflix business, which resulted in Netflix announcing earlier this year that it was naming Akamai as its preferred content delivery provider.

"We've all known that for the past two quarters, Akamai has been getting aggressive on pricing with their (media and entertainment) business and lowering pricing to win or retain customers," **Dan Rayburn**, an executive vice president at **StreamingMedia.com** and principal analyst at **Frost & Sullivan**, said in a recent blog post. Rayburn even speculated that Akamai may view its traditional content-

delivery network business as a loss leader now, to attract customers that it can eventually upsell to the more high-value services such as cloud security or in-depth analytics.

Sagan says that the entertainment and media market is still one that is barely even touched on the Internet, so if Akamai plans to make money off content-delivery network services for that space, or lose money on it just to add clients as Rayburn suggested, the growth potential is enormous.

"For all the excitement about video, only 1 percent of video is consumed online," he said, noting that high definition video — and its demands for more and faster bandwidth — will keep driving that segment forward for the company. "On the media side we think the shift to HD video is something that Akamai is positioned to deliver."

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