

## People to watch: Charles Shih

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May 27, 2005

**Company:** AndroScience Corp.

**Title:** Chief executive

**Age:** 61

### Why does your company exist?

The premise behind AndroScience was to use modern Western technology to harness traditional Eastern medicinal knowledge. New discoveries in andrology over the last decade demonstrated that androgen (male hormone) activates its target genes through a complex, multiple-step process. Based on this new concept, AndroScience set out to discover new drugs to regulate androgen functions by utilizing traditional Chinese herbal medicines as a source of drug candidates. This concept and strategy have paid off. Recently, AndroScience has discovered a new group of compounds that possess a novel and unique androgen regulating mechanism . . . which are now ASC's proprietary lead compounds.



### What about your job keeps you up at night?

Because I am a former scientist and AndroScience is my first foray into management, I get worry lines from two things: deal making and finding financial resources. Deal making is the most tricky task to accomplish in this business and, of course, there are no books or manuals that could tell you how to make that right decision. And, there is lots of midnight oil being burned to figure out how to find enough money to bring the company from its current stage to its next one.

### What aspects of your job do you brag about?

Within a short period of time and with limited resources – plus a little bit of luck – I am very proud that AndroScience has transformed from a platform company to one that is readying its first clinical trial in less than five years.

The process during the discovery of new compounds and their potential clinical applications is exciting, rewarding and fun, although there are still hurdles ahead that need to be conquered before making these compounds into new medicines.

**Your company is a young startup with a management team and much of your funding from Taiwan. Some San Diego startups with strong Asian connections have said its difficult to raise money from U.S. venture capitalists – why do you think that is?**

We have had similar personal experiences, and an investment banker who tried to raise money on our behalf also made similar comments. Strangely, in the information technology industry, I seem have never heard

about this happening. Whether or not this is coincidence or actual prejudice . . . is difficult to judge, unless one can get insights from the investors' side. However, I believe that the history of biotech in general and the record of a management team do play important roles in this matter. There are not many successful drug development companies that are started by an Asian management team, although there are lots of outstanding Asian scientists, in the biotech industry. This may be the first disadvantage of an Asian company. It is no secret that U.S. venture capitalists prefer investing in a company that has a management team with a successful track record. In the San Diego biotech community alone, you can find many companies that are founded by the same team, if not the same individuals. They have no problem finding VC to fund them. Another fact that cannot be denied is the connections. Lack of connections in the business world, especially in the decision making circles, is a disadvantage for an Asian company, which is why most of them end up obtaining their funding from Asia, because over there they do have connections.

### **Tell us something interesting about yourself.**

I think it's kind of ironic that I spend my down time, relieving stress, by taking part in what is, actually, a sometimes extremely frustrating activity: golf – a game that uses a stick to hit an innocent little white ball. Out in the fresh air and early morning sun, on many weekends, with three golf buddies that "someone up there" gathered for me, we joke, we tease, we get mad about our errant shots and we curse when things go really awry. But we all find this to be the best remedy for our minds and souls. When time and our wives permit, this melting pot foursome: an immigrant scientist from Taiwan; an immigrant retired gas station owner from Germany; an insurance company executive and a construction company boss, both with Italian heritage, has played hundreds of golf rounds together since our lines crossed six years ago.

–*TERRI SOMERS*

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