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ZymoGenetics, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Our first question is coming from Han Li with Stanford Group.

Han Li - Stanford Group

Yes, good afternoon. Thank you for taking my questions. A question for Mike, just to understand the dynamic of hospital product sales, you said a trial period that the hospital may carry multiple like product like (inaudible) on their formulary or contemporary?

Mike Dwyer

Thank you, Han. Yeah. It's kind of interesting that dynamic in hospitals is kind of unique to each individual institution. We told you we've had one hospital to make that conversion or promise to make that conversion very shortly. So, they are just working to their inventory going completely to one product. Many of these other hospitals are actually holding on to why we're doing the evaluation. Some of the other products are available to them, but hopefully that will move very quickly.

Han Li - Stanford Group

Okay. And also on the joint force between you and Bayer, you've like 48 like reps and managers and they have like close to 70. How do you do the sales territories? Do you make them up or you have separate operations?

Mike Dwyer

That's a great question. What we've done is we spent a lot of time with our Bayer colleague dividing these territories very scientifically. Bayer brings significant experience to the table and significant relationships with key accounts.

We tried to cluster their business accounts around that. The ZymoGenetics people that we hired also had significant experience. We were able to leverage that as we designed each one of these territories.

So Bayer has a certain number of specific high value accounts and ZymoGenetics has a certain number of high value accounts. So it's kind of a divide and conquer approach, that way we're really able to ratchet up the successes of this product as quickly as possible.

Han Li - Stanford Group

All right. Thank you.

Operator

Our next question comes from David Miller with Biotech Stock Research.

David Miller - Biotech Stock Research

Hi, good afternoon, and thanks for taking my questions. First question I have is your thoughts on the debt financing, are you looking for good old fashion straight debt or are you thinking about some kind of convertible debt?

James Johnson

Hi, this is Jim Johnson. We're not looking for convertible debt. This would be some form of straight debt with thrombin inventory is collateral.

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