

of information that one might not find in a textbook or even online.

“What I was really intrigued by is how to capture that information, the stuff doctors were talking about, and turn it into useable information,” he says. “I wasn’t sure what the best approach would be or exactly what the path to it was, but I knew it would be valuable to lots of different parties, for lots of different reasons.”

A nagging back pain Palestrant had been ignoring for months ended up being a herniated disc and put him “out of action for a while,” he says. The situation gave him time to consider whether he really wanted to continue his career as a surgeon or give more thought to “this idea that I had been having,” he says.

That idea became the Sermo business model.

“We didn’t want to charge the doctors anything,” Palestrant says, “we didn’t want to advertise to them, we realized we could take the information that this community created and, in a way that didn’t compromise the physician’s anonymity, allow third parties to see that information.”

That idea, a little over a year later, has blossomed into a “phenomenon” Palestrant says, consisting of an online community that is 40,000 doctors strong.

“A lot of that has to do with the hard work and people who have brought great passion and their dreams to Sermo, but a lot of it has also been that the company has been at the right place at the right time.”

According to Sermo’s director of communications Greg Shenk, physicians aren’t necessarily as well connected as they used to be. “They are working in more rural areas, they are not working in the hospitals as much and they need this connectedness.”

Shenk said he became aware of this at the company’s first conference simply by the number of physicians coming by and signing up for Sermo. “I think we tapped into something

HIGHLIGHTS 2007

JUNE 2007

The AMA and Sermo announce a collaborative agreement to host an Internet-based networking community for physicians

OCTOBER 2007

Pfizer signs on as the first pharmaceutical client of Sermo. The 15-month deal gives Pfizer a peephole into Sermo’s community of doctors and a means of monitoring what they’re saying about the company’s products

NOVEMBER 2007

Sermo announces it will add CME to its interactive offerings

DECEMBER 2007

Membership of Sermo at 40,000 physicians

The screenshot shows the Sermo website interface. At the top, there's a navigation bar with links for Home, Postings, Physicians, and My Account. Below that, a search bar and a promotional banner for a \$200 gift are visible. The main content area is titled "Featured Postings" and lists several medical questions with their status, category, age, and rating. For example, "Brain Atrophy as a Measurement Tool for Multiple Sclerosis?" is open in Neurology, 3 days old, and has a 5-star rating. Other postings include "Where's the VAT?", "Axicidin: AYAL and ECOS 4289 Trials", "Coughs for aspirin, Plavix, Aggrenox 'serious'?", "Case history: unilateral drooping eye", "Derm Detective", "The Pain Management 'Hand-Off'", "Nasal Mass with picture!", "Curious referral for medicalized mass.", and "Recurrent TDAs in an 88-year-old male on clopidogrel". Below the list, there are sections for "Postings in your specialties" and "Postings across the community", both with filters for "New", "Most Popular", "High Rated", and "All (2504)". On the right side, there's a "Sermo Today" section with statistics: 1052 Logins, 63 Postings, 2176 Votes, and 484 Comments. At the bottom right, there's a "Sermo Today" section with a "Post" button and a list of questions: "How does Sermo work?", "How do I add a Posting?", "How do I answer a Posting?", "How do I rate a Posting?", and "What affects my Sermo Rank?".

Sermo is more than just an online social community for physicians, right now Sermo is a “phenomenon,” says founder and CEO Dr. Daniel Palestrant

even bigger than we thought it was when we started.”

Gina Ashe, chief marketing officer, adds that Sermo should not be perceived as your average social network. “It’s not just a bunch of doctors who come together to hook up, or to have some fun. This is becoming the way that they collaborate,” she says.

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“It’s their new decision support. They assess best practices for drugs, devices, treatments and protocols. It’s now extending into their offline lives. It’s becoming much more their economic and their knowledge engine. It is where they are asking us to help facilitate their voice.”

That voice is one that companies continue to want to learn more about. Sermo has met and exceeded revenue goals for 2007, Ashe says. “We didn’t expect to make any money at all. It’s about right time,

right place. Both sides have fueled the other side,” she says.

Sermo makes money by allowing financial institutions and government agencies to view the discussion that takes place between doctors.

“We are not an ad-based model,” Ashe says. “We were selling an opportunity to be a fly on the wall to hedge funds, analysts and portfolio managers.”

Sermo formed a partnership with the American Medical Association in early 2007. And in October, Sermo inked a deal with Pfizer as its first pharmaceutical client.

Palestrant says, “I think that what’s interesting about our business and our good fortune is that our product is intrinsically feedback. The community talks and all that we have to do is listen.”

And since physicians have never before been able to talk with a unified voice in such impressive numbers, sharing observations and insight about treatments, drugs, devices and biologics, we expect Sermo to continue to rock the pharma marketing world for some time to come. —*Stephen McGuire*