University of Pittsburgh

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Friends,

Just over ten years ago Bill Wagner, John Murphy and I worked with many colleagues to craft a plan to launch a "Pittsburgh Institute for Regenerative Medicine." Within a few weeks of considering that document, institutional leadership drew together that vision with the pre-existing McGowan Center for Artificial Organs, and we announced the formation of the McGowan Institute for Regenerative Medicine. As you know, I served as the Institute's first Director. At the time, I mentioned to my closest friends that I thought I would do this job for five years because in academia, if one cannot achieve a goal within five years, I believe it becomes increasingly difficult to do so. But the excitement of working with amazing collaborators and a truly dedicated and loyal team is addictive, so an extra five years has slipped by. As some of you will have heard, the time has come for someone else to carry the flag for what is now recognized as the world's leading regenerative medicine institute. Indeed, many of our colleagues around the world would say that our collective work has defined the field.

As I look back over the last decade it is vital to mention by name some of the heroes of the Institute. We recently celebrated the impact that John Murphy has had on our success, and ninety of you participated in that celebration. His service as our Executive Director created a framework and a culture that fostered trust and mutual respect. Marla Harris led the financial maturation of a cluster of faculty with an annual research budget of less than $1 million per year to an annual budget of $27 million in 2011. This kind of growth was difficult to manage, and she built a world class team to support it. Patrick Cantini joined our team to manage the dangerous interface between academe and industry in the regenerative medicine space. Some of our most creative projects were managed by Patrick, and it has not always been easy to maneuver through the system. Laurie Madeya emerged as a consummate Human Resources professional, and in my own office Gilliane McShane has worked tirelessly on my behalf. When an administrative team is coupled with the creativity of remarkable faculty and dedicated students and fellows, it should not be surprising that the University of Pittsburgh is sitting atop the field of regenerative medicine (as we defined it). I simply served their needs, and I know that the Institute will continue to move forward.

Today, the McGowan Institute is a network of 250 faculty members that work together in a host of important ways. Using core facilities, non-traditional resources and the power of persuasion we have managed to recruit many regenerative medicine researchers to Pittsburgh and then facilitate their work.

Over the last decade we have seen remarkable change, and we will shortly share with you a dossier that outlines in great detail what has been accomplished. In this letter I wanted to highlight some key points through the following charts.

The first chart tells the story of the recruitment activity, and the following charts provide a summary of the maturation of the field in Pittsburgh and the funds attracted to support it. If we want to keep a score on such things, as a group we have used the McGowan Institute to attract over $85 million in grants and contracts and an additional $20 million of non-institutional funding since 2004.

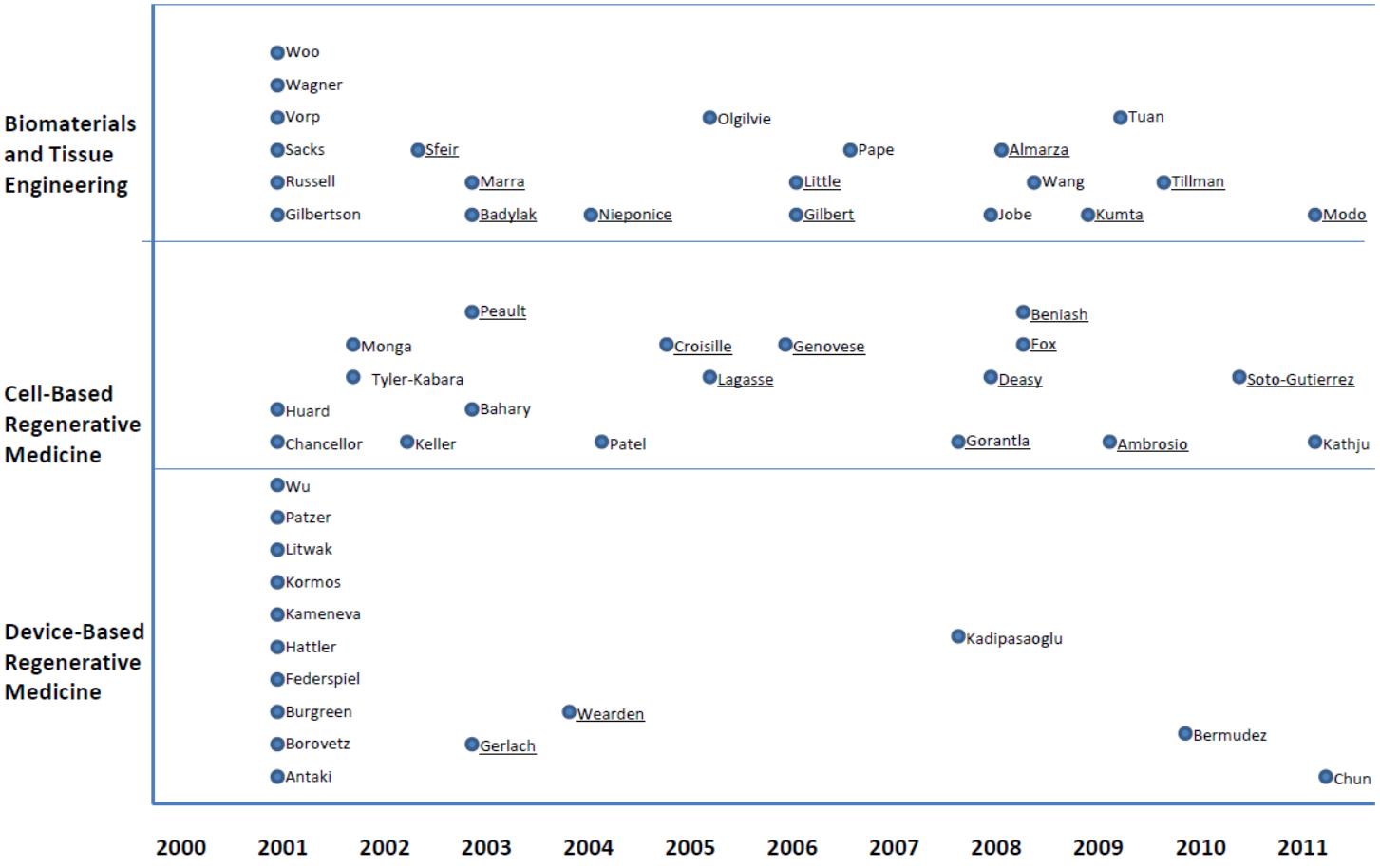
Those of you that I do not know well may well ask why there should be a change in leadership when things appear to be going better than any of us dreamed it would. I subscribe to the five L's of leadership theory that my father taught me. To lead effectively one must *Love* what one does and who one does it with and for. One must *Laugh* at oneself regularly and with more gusto than others laugh at you. One must always be in a situation where one continues to *Learn***.** Leading effectively also requires bidirectional *Loyalty*. Finally, and perhaps most importantly of all, a leader must know when to *Leave*. A decade can put one in the dangerous place of thinking one has too many answers and therefore one can stop learning. If leaving does not hurt a little for all involved, then one has stayed too long. There is no easy time or path to leave, but in academia, a decade of center of excellence building is a good milestone at which to shift the focus from the initial leader to the next horizon.

Many people have asked me what I will do next and where. I have listened with fascination to many of the rumors surrounding that question and remain impressed with their creativity. Finding unique ways to generate resources that can be deployed to bring disruptive science and technology to society has become a passion and will continue to be so. On September 1, 2011 Bill Wagner will become the Interim Director of the McGowan Institute for Regenerative Medicine. The new Director will inherit a financially stable, vibrant, yet delicate network of faculty who together have attracted the national spotlight to their work. It will be important not to let a change in leadership alter McGowan's trajectory in anything but an upward direction. I will be doing my part to help that take place and I know that you will fully engage as Bill imprints his own vision on our Institute.

It has been a sincere privilege working with all of you, and I look forward to the ongoing success of the McGowan Institute.

Sincerely,

Alan J. Russell, PhD

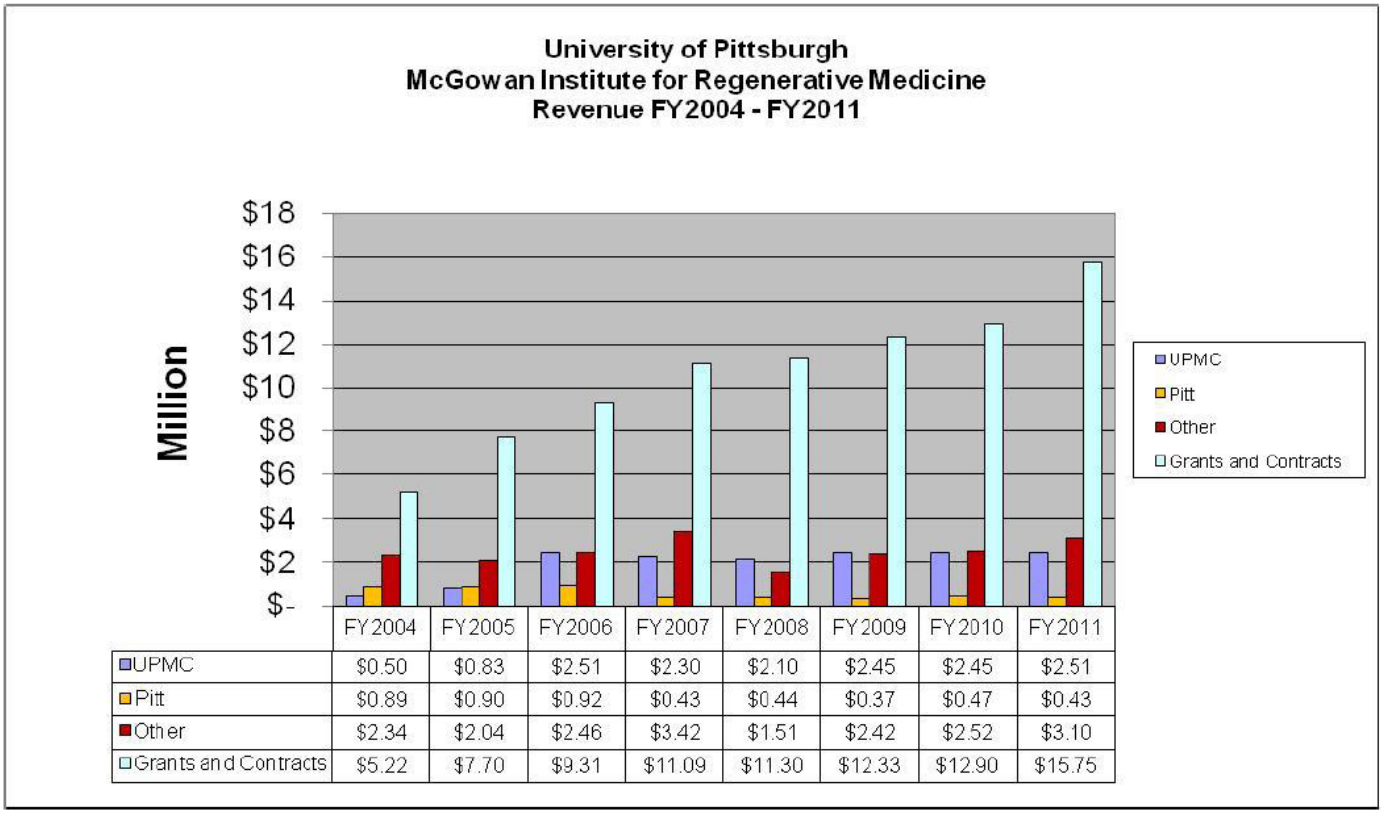


Status of Regenerative Medicine Technologies at the McGowan Institute in 2001

	Esophagus	Trachea	Intestine	Sphincter	Bone	Cartilage	Skin	Muscle	Fat	Dental	Heart	Vascular	Lung	Liver	Pancreas	Ophthalmology	CNS	PNS
Devices Based Regen. Med											*							
Cell Based Regen. Med																		
Biomaterials and Tissue Engr.																		

Status of Regenerative Medicine Technologies by McGowan Affiliated Faculty 2011

	Esophagus	Trachea	Intestine	Sphincter	Bone	Cartilage	Skin	Muscle	Fat	Dental	Heart	Vascular	Lung	Liver	Pancreas	Ophthalmology	CNS	PNS
Devices Based Regen. Med											*		*	*				
Cell Based Regen. Med				*					*					*	*	*		*
Biomaterials and Tissue Engr.	*							*	*	*	*	*			*			



	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
UPMC	$0.50	$0.83	$2.51	$2.30	$2.10	$2.45	$2.45	$2.51
Pitt	$0.89	$0.90	$0.92	$0.43	$0.44	$0.37	$0.47	$0.43
Other	$2.34	$2.04	$2.46	$3.42	$1.51	$2.42	$2.52	$3.10
Grants and Contracts	$5.22	$7.70	$9.31	$11.09	$11.30	$12.33	$12.90	$15.75