

## Four steps to finding the right people

Ian Brown

**Of all the ingredients in a biotech start-up, getting the right people involved is most crucial. Here, Ian Brown, CEO of SDP Technology, provides pointers for putting together a successful business team.**

To start a biotech company, you need technology assets, a commercialization plan, a budget and seed funding. But one key aspect that is often the difference between success and failure is finding the right people. Building a board of directors, a management team and an advisory team with the right mix of experience and expertise is of utmost importance. My journey with SDP Technology (Box 1) has been built around finding the right people first and then building and refining a business strategy with the team.

In my experience, the investment in time and effort to find the right people and build a core team at the early stage is essential. Development of the strategy, the plans and the budgets does not start until the people are on board. The return on this investment can be exponential, and it is measured by superior efficiency, energy and performance. Below, I outline four key steps that should help any aspiring entrepreneur build the right team and bring the correct people on board.

### Step 1: set the vision

Before talking to anyone, you should create promotional materials to help present the opportunity and the vision. This exercise assists in communicating the enterprise and its positioning, and having materials readily available allows quick and efficient communication. In the very early stages at SDP, for example, this included a PowerPoint presentation on the company with a preliminary information memorandum (similar to a prospectus). I also created a two-page (back-to-back) investment summary sheet (similar to any analyst's research report). This sheet helped people visualize what SDP might look like in a year or so when

the company's programs may have progressed enough to attract analyst coverage. Later, as the team formed, we created a 12-minute narrated presentation on the science. This was then converted into a Windows Media Player video for easy e-mail distribution. We also developed a more detailed PowerPoint presentation on the company with a comprehensive information memorandum.

As you generate new ideas or take on recommendations about your start-up business (described in Steps 2 and 3), you should continuously review and refine your strategy, plans and budgets as well as the PowerPoint presentation and information memorandum.

### Step 2: engage as many people as possible

I invested time in having coffee, lunch, dinner or drinks with everyone in our network—mentors, colleagues, alumni, bankers, fund managers, advisers, analysts, journalists and many others. On each occasion, I was presenting and discussing the whole story—the science, the company and the vision. I wanted to raise capital from sophisticated investors and receive feedback from and lay groundwork with investment bankers, analysts, journalists and publicity consultants. What's more, I wanted to obtain suggestions or recommendations from market participants on additional people who could join and add value to the team. I remained flexible in the conversations, always keeping the doors open to ideas that might contribute to my plans and priorities.

Later, as the team formed, we started to use the 12-minute narrated video presentation on the science. As we set up meetings, we confirmed them via e-mail and included a copy of the video. In the e-mail, we suggested that they watch the video before our meeting, as it was an efficient way to get an overview of our science. This allowed us to focus the meeting on the company and the opportunity rather

than on the detailed science. During the meetings, we either talked through the PowerPoint presentation (if in a more formal setting, such as a boardroom) or the investment summary (if in a less formal setting, such as a café). We forwarded copies of the in-depth information memorandum as a follow-up.

All this meant that in the very early stages, I had meetings, coffee, lunch, dinner or drinks with three mentors, one venture capitalist, five alumni, four bankers, three fund managers, three advisers, two analysts and two journalists, among others. This took several months, with me also having to run the business, raise funds and refine and improve the related presentations and materials. Later, we presented to contacts in financial markets—including five sophisticated investors, three venture capitalists, two fund managers and three analysts.

This methodical process allowed us to collect information that was later fed into Step 4. The information assisted the team in developing highly tuned strategies, plans, budgets and communication tools. In my experience, it is extremely important to get out of your office and talk to a broad range of market participants to communicate the business story and get feedback.

### Step 3: an interactive process

Within the presentations, you should detail a team structure organization chart (including filled and vacant positions) and talk about it. It is important that you listen for feedback because the people you talk to might offer information crucial to shaping the core team, and they might just know someone you should talk to—a potential team member. In the early days, when we presented SDP, we often had people say, "You should talk to X; he or she has a lot of experience in Y." For each recommended member, we did a background check and spent time talking with the person.

---

*Ian Brown is at SDP Technology Limited, Level 2, 405 Little Bourke Street, Melbourne, Victoria 3000, Australia.  
e-mail: ian.brown@sdptechnology.com.au*

### Box 1 How to find a CEO—the SDP way

Peter LeMessurier, a commercialization financier, and a team of consultants he contracted, founded SDP Technology (Melbourne, Australia) in September 2003. His team established the structure suitable for raising capital, secured the technology assets from the Institute of Medical and Veterinary Science (Adelaide, Australia), developed the commercialization plans and budgets and secured the seed funding.

With all the elements except the people now in hand, Peter then set about canvassing his extensive network and talking about the new enterprise, its technology assets and the business opportunity. He looked for suggestions or recommendations from his trusted peers and colleagues for potential CEOs. He met with a variety of entrepreneurs, placing particular emphasis on applicants' ability to understand the technology assets and how to commercialize them and return value to investors.

In the case of SDP, Peter chose me as CEO, and I joined shortly after SDP was structured. I was on Peter's target list because of my international corporate and business experience and my technology asset commercialization experience. My international experience included senior executive positions with Chromogenix (previously Kabi Pharmacia; Mölndal, Sweden) and Instrumentation Laboratory (Milan). During this time, I worked on many projects in the United States. Before that, I served in Asian regional executive positions with various companies. I had led teams in mergers and acquisitions deals and post-deal integration, joint venture deals and post-deal start-ups, divestments and spin-outs. I had experience with raising capital through private placements and conducting initial public offerings. In SDP's intellectual property portfolio I saw clear potential to deliver new, innovative and broad spectrum anti-cancer drugs through the discovery and development of small molecule inhibitors of Sphingosine Kinase 1 (SK1). Peter saw me as the right choice for SDP but, just as importantly, I saw SDP as the right choice for me.

It is instructive to relate how this process worked in creating the team at SDP. A key event was presenting the company information to our new chairman, Andrew Lord, who is an experienced commercial lawyer specializing in venture capital private equity and debt, mezzanine funding, business structuring and corporations law and capital markets. As Andrew is actively involved at board level with many unlisted and listed biotech companies, he knew Murray Tait through his dealings with another biotech company, Cerylid Biosciences (Melbourne, Australia). At the time, Murray was that firm's vice president of drug discovery. When I spoke with Andrew, he suggested I talk to Murray.

A week later I followed up. By the end of the meeting with Murray, it was clear that he had the skills and experience to manage SDP's drug discovery and development program. In fact, Murray had the requisite qualifications and more than 27 years of international industry experience in drug discovery with international industry partners, including 14 years with GlaxoSmithKline (London, UK), 1 year with GlaxoSmithKline in Singapore and 12 years with AMRAD (Richmond, Australia) and Cerylid. The passion Murray showed for drug development and his interest in our science,

plans and the opportunity was invigorating. I knew that he was the right person to drive our discovery and development programs. We made Murray an offer, and he joined the team. Murray is now chief operating officer at SDP, and he was instrumental in the development of the 12-minute video.

Many of our core team and our extended team of consultants were found this way. We have done many coffee, lunch and dinner presentations; we have done many formal presentations—in some cases, we have raised capital, whereas other times, we received recommendations that helped refine plans.

#### Step 4: engage everyone on the team

If you do your job correctly, everyone you bring onto the team will add value and detail to the plans. It is important to engage them, get them involved in the company as quickly as possible and facilitate them taking ownership of the plans.

Once the team is formed, it is essential that they critically review any existing strategies, plans and budgets and take ownership of them. This can be done in several ways. I usually start by either initiating a detailed review and discussion on each element of the strategies, plans and budgets or starting a risk-management review

to tease out key issues and create methodologies to manage or mitigate them. The review process often helps to refine plans and, in some cases, can assist in finding ways to accelerate them. Whenever the team presents the new revised strategies, plans and budgets, I always ask if they 'own the plan'. I remind the team that we will be asking investors to provide funding, and investors will ask if we are committed. I reinforce this by pointing out that the team will be standing alongside me when I present our plans to investors. They need to be able to put their hands on their hearts and know that the plans are the strongest we are able to build.

In the case of SDP, when Murray Tait joined the team I asked him to do two things: first, conduct a risk-management assessment of our plans; second, refine and further develop the detailed R&D plans and budgets. When we were discussing what needed to be done, I said that he should feel free to change anything that requires reworking, that we all owned the plan and we will be measured by our ability to deliver on it.

Ownership is a key factor in success. Our new board members, management team and advisers have all contributed to the company's strategy, plan and budget development.

### Conclusions

Having lived and worked in Australia and Europe, as well as participated in many projects in the United States, I believe the resources I refer to in this article exist internationally throughout the biotech sector. But they are particularly effective in key biotech cities such as Boston and the Bay Area in California. Thankfully, the sector has evolved so that there are enough people with the depth and breadth of skills and experience to draw from and help build a great biotech company in many parts of the world. In most cases, the biotech culture allows small start-up companies to engage the right people in various ways (casually, part-time and full-time).

I believe an entrepreneur's role is to build the team and develop and execute the strategy with his or her team. To achieve this, an entrepreneur first needs to focus on finding the right people. Development of the strategies, plans and budgets does not start until these people are on board. Using a process based on developing materials and then getting out and talking about the opportunity makes it possible to find the right people. Then you can build and refine the strategies, plans and budgets with the team and create a great company! 