

10 steps to becoming pitch perfect as a life science scale up

Having invested considerable time and research to develop your product, you will know that securing further investment for clinical trials and market access is a critical step towards the success of your venture. 10 steps are essential to help you build the key documents to prepare for potential investors.

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Step 1 Market Research

Your research is likely to have been leading edge and the result of years of collective work between you and your fellow researchers. It is essential that you can showcase the potential of your work with an evidence led approach that ideally will already have included some peer assessment, notwithstanding the need to protect your IP.

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Step 2 Business Plan

Prepare a comprehensive business plan that outlines your vision, mission, target market, competitive analysis, marketing strategy and financial projections. Investors will want to see that you have a clear plan for commercialisation. This is possibly the toughest stage as comparative metrics may be difficult to build, attempt to breakdown the market and segment it by example using geography, patient type/outcome and the cost of existing therapies as a benchmark.

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Step 3 Investment Proposal/Pitch Deck

Create a compelling investment proposal or pitch deck that presents you and your team as a strong proposition. This needs to be in a concise and professionally produced format; detailed information should be on hand but not in the slide deck or it becomes difficult to track in the context of a pitch presentation. Include key highlights about your therapy, the problem it addresses, how it works, clinical trial results (if any), your business model including matters such as outsourcing and manufacturing if appropriate, revenue projections and the amount of investment you are seeking.

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Step 4 Regulatory and Clinical Trial Documentation

Your product could be facing stringent regulatory requirements. Prepare documentation related to the regulatory approvals you have obtained or are pursuing. If you have already conducted pre-clinical trials, include relevant data and results to demonstrate safety and efficacy.

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Step 5 Intellectual Property (IP)

Perhaps this is an obvious point, but investors will want to know about the intellectual property protecting your therapy or technology. Provide information on patents and any other forms of IP you have secured or have pending. If you don't have this, be prepared to demonstrate how this will be managed with expert opinions to support your points.

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Step 6 Team and Advisory support

You and your team are a big part of the investment, after all, there is likely to be no revenue, so it's down to you, your team and the IP. Highlight the expertise of your management team and key personnel involved in the project to date. Investors will want to know that you have a capable and experienced team to drive the business forward. Ideally, you will already have advisors or the equivalent in the form of non-executives with appropriate sector expertise, you can mention their involvement as a form of endorsement. You may also wish to include other advisors including accountants and lawyers who may have supported the development of your business or pitch.

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Step 7 Financial Plan

You will need detailed financial statements and plans for your business, including profit and loss statements, balance sheets and cash flow statements. You will also need to take a medium-term view on how you see the business developing, so present your financial projections for the next 3-5 years, showing how the investment should be utilised and the potential return on investment.

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Step 8 Managing Risk

Be transparent about the risks involved in your business and IP; to some extent you may be navigating uncharted waters given that you are likely breaking new ground and research. Discuss how you might plan to mitigate the risks, whether these are around the product, key staff or the market and customers. Investors appreciate a thorough understanding of the potential challenges and how you plan to navigate them as this gives them the opportunity to structure their investment or indeed introduce new co-investment partners.

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Step 9 Securing regulatory approval and payment

Depending on where you intend to market your product or therapy, you will need to think about your plans for regulatory approval and how you intend to secure reimbursement once the product or therapy is on the market. Investors will want to see that you have quantified the cost of treatment where appropriate and that it is likely to secure approval from the prevailing regulatory authority.

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Step 10 Market engagement

Give some consideration to your business development strategy and the balance of marketing and sales activity. You will need to articulate your strategy for reaching your target market and building a customer base. It will also be essential to demonstrate how you intend managing the 'mark access' process of engaging with physicians, patients and key opinion leaders; whether you budget for this in-house or you outsource it, you will need to be clear on the resources for this and timelines.

As many of the above steps will require funding, your business plan should break down the allocation of funds for clinical trials, market access activity, research and development, operational costs and business development activity. Lastly, think about the timelines for investors and when they might expect a return on their investment; this might be tied to the outcome of clinical trials or some form of a sale or potentially an IPO. On this last point there is clearly a need to align your ambitions with those of the investors and these don't always agree, so it's better that this is resolved from the start.

If you would like to discuss any of the matters raised in this article or you would like any further information, please contact MHA Baker Tilly's Head of Life Sciences for the UK, Yogan Patel via the link below:

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