

Client Profile **D3**



Chairman & COO

Leigh Farrell

Location

We're a US company, with offices in New Jersey and Parkville in Melbourne.

Type of Business

d3 Medicine provides the biopharmaceutical industry with ready access to a virtual drug development team of highly accomplished and experienced experts. Recognized globally as industry practice leaders, our experts have strong track records of success in the delivery of strategic advisory services in drug development, regulatory science, due diligence and creative health solutions. Our clients are typically biotech companies, pharmaceutical companies, venture capitalists and governments too, as we also advise on policy.

The business was founded by three former senior executives from Roche; Craig Rayner (Chief Executive Officer), Patrick Smith (Chief Scientific Officer) and Regina Dutkowski (Chief Development Officer). I joined d3 as Chief Operating Officer in January 2014.

Years in Business 3

No. of Employees 7

Tell the story of your business

Many consultants provide a domain expertise in drug development; whereas, d3's integrated understanding of contemporary clinical pharmacology, pharmacometrics, R&D development methodologies, regulatory science and commercialization challenges, enables us to assist companies in the cost-effective development of medicines that will meet the needs of patients, regulators, investors and payers.

If you want an analogy, what happens normally is a CEO will obtain independent advice from a number of consultants and integrate such advice into a development plan. It's like comparing a Picasso where you end up with an abstract picture compared to a Mona Lisa, which is the realistic and well-proportioned picture which is what you get using an integrated approach like ours..

What do you love about your business?

We love the impact that we make. We believe in developing drugs that matter to society and to physicians and we're in a privileged position to make that happen. From a client's perspective we provide development leadership, which translates to improved outcomes for their products and saves them money in the overall cost of development by better development plan design.

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How did you come to be working with Prime Accounting & Business Advisory?

Actually, I referred Matt Murphy to d3 before I joined the company. I've worked with Matt on and off for around 10 years. I first met him when I was previously a venture capitalist with GBS Venture Partners; we used Prime (formally MPR) for accounting services for several of our portfolio companies. d3 has been working with Matt and Prime for the last 3 years.

Why did you begin working with MPR?

d3 already had an accounting firm but needed an accounting firm that went that step further and provided strategic advice. d3 also needed a virtual CFO that was familiar with accountancy rules in both the US and Australia. d3 needed a trusted pair of hands – and that is what we get with Matt Murphy and the Prime team.

What challenges were you trying to solve? What were you looking to address?

We had operations in Hong Kong. Prime helped unwind Hong Kong and set up d3 Medicine for us as a Limited Liability Company out of the United States. Prime helped set up those US operations and the various infrastructure

required, and then worked with us to ensure we were set up for our growth phase too.

Prime put in place the appropriate financial control systems that are scalable in the business and then discussed growth strategies and business planning strategies with us. It's been invaluable.

Companies think you scale by employing more people and that's part of it but it's not the whole story. I think that's where Matt is very good with his business advice and insights that he has gained by growing his own business.

Also, because we're in a service business it was important to learn from someone who is in a service business too. It was about learning from someone who's been in that game - how do they grow, what pitfalls have they experienced, what can we avoid or learn? It has been really helpful to capitalize on Matt's experience to help grow our own business.

How have Prime Accounting & Business Advisory helped your business to date?

It's been great. While Prime has certainly helped us put in place the fiscal management systems, its contribution is much deeper than that; we view Prime as being part of the team rather than just a disconnected back office.

Prime can help structure companies so you can take advantage of the R&D tax credit, but what Prime can do is build the broader business for growth. I think it's critical to have a financial strategist like Matt integrated into an executive team. Indeed, Matt is represented publicly as the CFO of our company - that's how he is engaged with his team providing the back office support and management. Prime also has a very good international network that's been helpful for us.

Also strategic planning has been important. In my view, unless you have people who can challenge dogma you will often end up a constrained or flawed strategy for growth. We have found that Prime has helped us develop a robust growth plan by providing resourcing and revenue algorithms that enable us to better plan for forecasting revenue and identifying when to on-board new staff.

What's great about Prime Accounting & Business Advisory? What do you like about them?

It's a focus on quality, outcomes, timeliness, honesty and trustworthiness. They deliver on their promises. Accessibility is also important, I can just pick up the phone and talk to Matt or the team.

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We're really pleased with the quality of Prime's work products. For example, the Monthly Management Reports are impeccably presented in an intelligent way for the Board Members, rather than a data dump. Plus, we get a good analysis of the financial performance metrics for our business. The other thing is that Prime hold themselves accountable – not everybody gets it right all the time, if something goes wrong they take ownership and fix the problem immediately.

What motivates you? How do you approach working with professionals like Prime?

We don't like professional services businesses that are out to sell you something during a cold call. The way we prefer to deal with professional services is via validated leads. For example, I introduced d3 to Matt because I had worked with him in the past. I typically use my network in this way to identify service providers and other business partners; none of the service providers we use were the result of a cold call.

Given your field of expertise, what's your view on the Ebola crisis?

d3 medicine and ITHW were commissioned by DSTO to determine Australia's readiness to develop medical countermeasures to treat or prevent biological threats like Ebola or Middle Eastern Respiratory Syndrome (MERS). We found that while Australia did have the capability to develop such medical countermeasures, we found that there was poor connectedness between these capabilities. Our report recommended that an industry-led public-private partnership be established. To this end, Medical Countermeasures Products Australia (MCPA) was established. MCPA provides a functional nexus between Australia's medical countermeasure development capabilities. I am Chair of the MCPA Steering Committee, one of our Founders, Craig Rayner is the Chair of the Development Committee. In this capacity we've been to the Pentagon to meet with the Head of Medical Countermeasures for the US Defense Department. We are currently looking to appropriate money from the Federal Government to part fund the MCPA product development initiatives.

