

**CASE
STUDY**

**QED BIO-ENTREPRENEUR SCHOOL
2007**

**PAUL TITLEY
CHIEF EXECUTIVE
R5 PHARMACEUTICALS**

The journey from lab technician to owner manager has proved to Paul Titley that anything is possible for those who are determined. "If you are a guided missile, you'll hit that target, and if that's starting a business nothing will stop you." Along with two fellow Directors, he is about to celebrate the official launch of R5 Pharmaceuticals in BioCity Nottingham, providing development, manufacture and training services to the pharmaceutical, biotech and nutraceutical industries.

A chemist by training, Paul transferred to business development at Quintiles after steadily progressing up the management ladder at Wellcome. This was a good time to consolidate commercial know-how and build friendships within the industry – both of which would prove crucial to Paul's future plans.

When the BioCity development in Nottingham's city centre was in need of a project manager Paul was appointed to oversee the refurbishment of Phase Two. What he then realised was the opportunity to set-up his own company in the old Boots research building, conveniently stocked with lab facilities and technical equipment. From pre-start to early stage, his co-Directors have focussed on marketing, sales and promotion, successfully negotiating major contracts with clients such as Northern Foods. Now all that remains is to celebrate with an official launch later this year.



So what factors have influenced Paul's successful transformation from washing others' conical flasks to doing deals for R5?

"I made the gradual transition into business from a position of technical knowledge, and combined this with a tenacity for sales. You have to be gregarious to cold call on research scientists and have a degree of technical understanding. When I was looking for partners to bring into R5, I went back over my friends and contacts I had come to trust and those I felt I could work with. Some turned me down, but others came on board – all scientists but with very different business styles. A combination of the operationally tough and customer relations charm is crucial, and that's true for any business."

Being based in BioCity, Paul has had access to expertise and professional contacts which have met his legal and financial advice needs. He would have remained unaware of several sources of public funding and means of asset finance had it not been for the centre staff, but it is the networking with fellow tenants that proves most beneficial. Many have struck-up partnerships and have at least one customer under the same roof.

Inevitably there have been the obstacles along the way – two major ones in Paul's case. The first being compliance with regulations with over 400 procedures to write. The second being cash. "When we started there seemed to be any number of business Bank Managers apparently prepared to listen to our request, but the same number in back rooms flinched at the words biotech and bioscience. If they thought we were involved in clinical trials, which of course we are not, the door was firmly shut. Fortunately our needs are only for working capital, so our route has been to interest science-based investors and business angels in return for equity."



So Paul's advice to new bio-entrepreneurs is to structure the business with minimal overheads and capital liabilities, build a team around trusted colleagues and friends with complimentary skills, and to be tough in negotiations. "There is no reason why you shouldn't qualify a bank or lender just as you would a sales lead. Find out as much as you can about them; then ask yourself why you might want to borrow from them. It can be emotionally draining to do the rounds of the banks only to find that they simply don't understand the business and can't make the decision anyway."

A final piece of advice to would be entrepreneurs is to have a means of switching off. For Paul this means helping his wife run their small hotel in the Lake District and taking to the hills when he needs to let off steam. "There's nothing like a trail run to help me relax, and playing mein host is a million miles from the manufacture of clinical trials materials – and a good job too!"