

Building Billion Dollar Companies

David Cleevly

4 November 2014

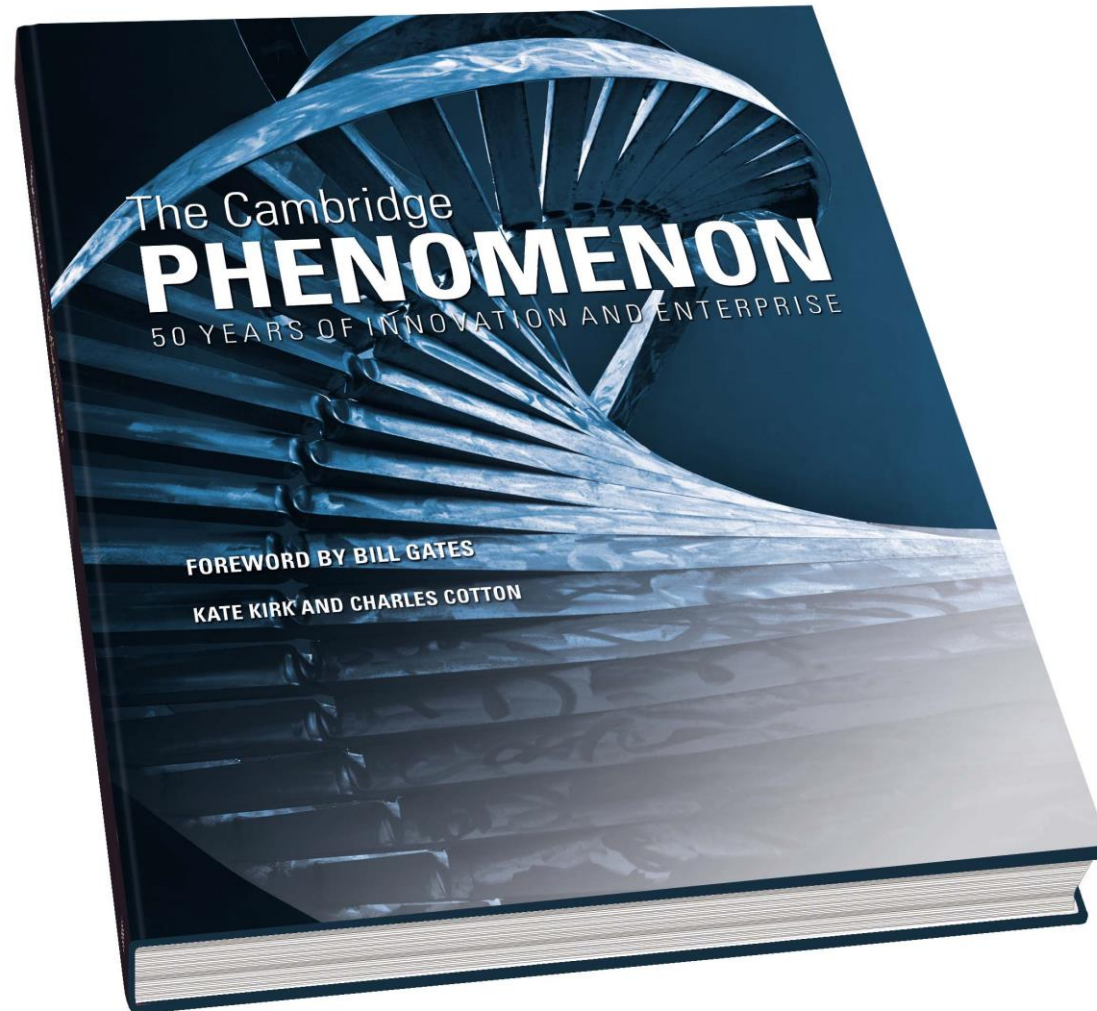
Selection Bias



Silicon Valley, 1938

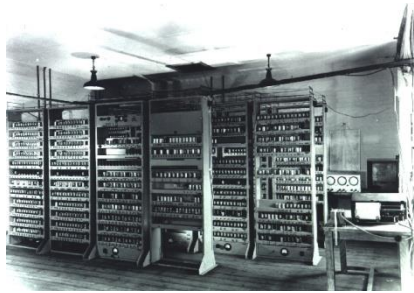


Fifty Years in the Making



Cambridge ideas change the world

EDSAC

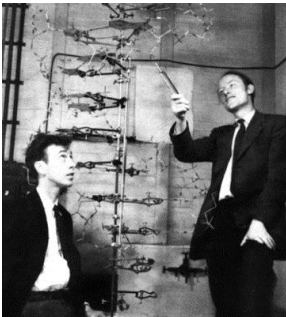


ARM[®]

Raspberry Pi



Crick & Watson



Solexa (acquired by Illumina in 2006)



DNA sequencing

CAT (acquired by AstraZeneca (MedImmune))



Cambridge Antibody Technology
therapeutic monoclonal
antibodies

Why Is Cambridge A Low Risk Place?



Centre for
Entrepreneurial Learning

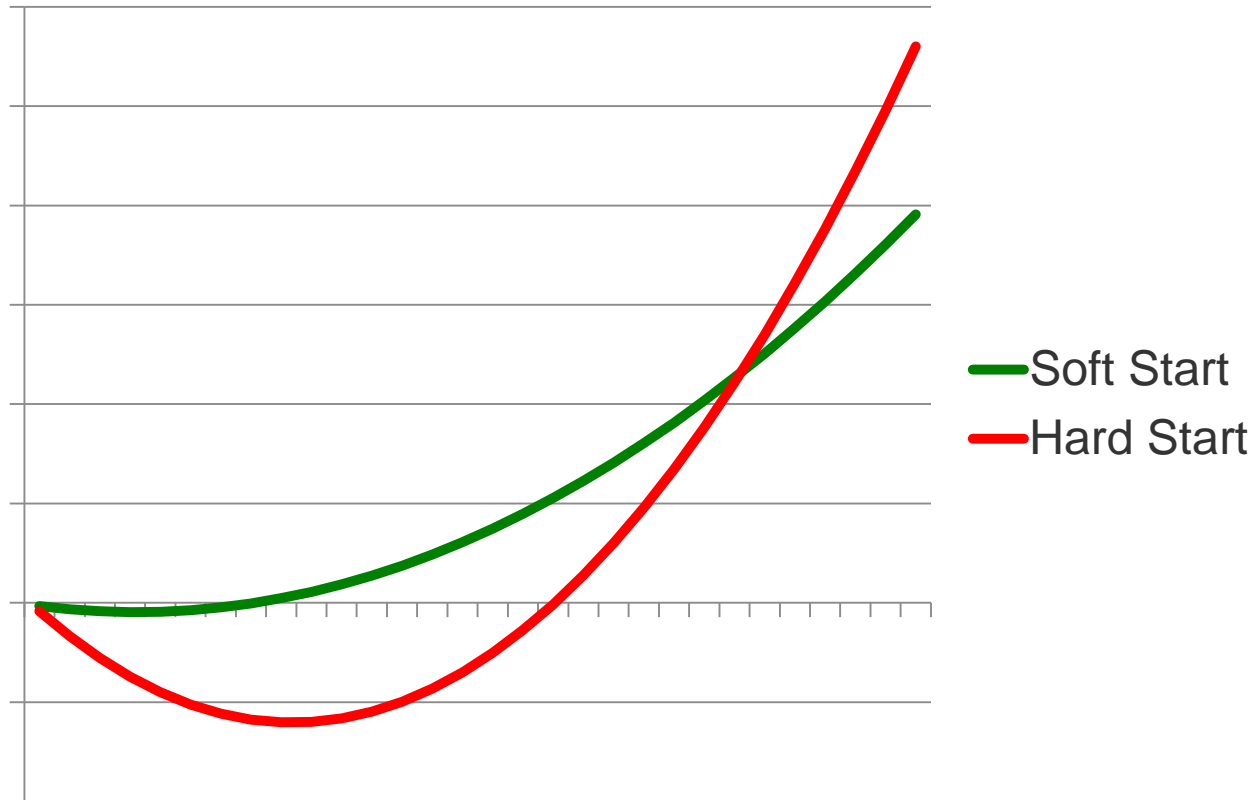


- the world's top University,
- research laboratories
- technical consultancies
- home grown biotech, hi-tech & engineering companies
- multinationals
- angel and VC investors (8% of European VC money)
- networking and mentoring organisations

Networks

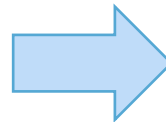


Soft Start or Hard Start?

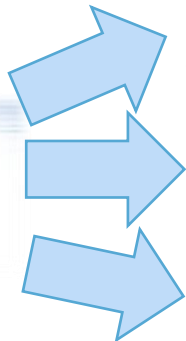


Source: David Connell

Some Surprising Soft Starts

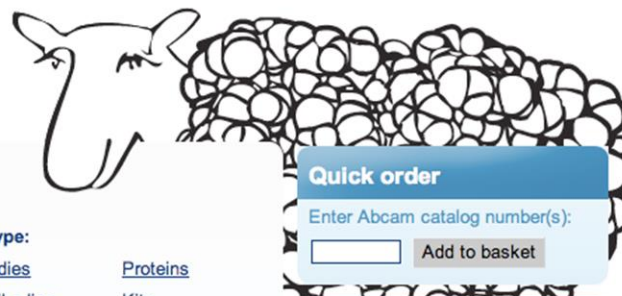


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- [Immunology](#)

- [Microbiology](#)
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- [Signal Transduction](#)
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- [Loading Controls](#)
- [Tags & Cell Markers](#)
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Quick order

Enter Abcam catalog number(s):

Latest news

Abcam UK is on the move



Update your records with our new address!

Abcam conferences



Synaptic Inhibition in Health and Disease conference

October 15-16, 2009
Chicago, IL USA

Chromatin: Structure & Function Conference 2009

November 16-19, 2009
Costa Rica

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1998

24

JAN

Be curious, talk to people

From: Jonathan Milner <jsm2@mole.bio.cam.ac.uk>
Subject: **goats r us**
Date: 24 January 1998 09:13:18 GMT
To: david.cleevely@analysys.com

Hi Dave

Luke and I have been trying to find some pitfalls with the antibody company idea we discussed last night. Can't find any major ones, although we have to make sure there are no other start-up companies with the same idea; this may limit the market. We will get a business plan together and send it to you, if that's OK with you (although this may take a few weeks since the breast cancer research has gone ballistic once again). If you want to look at the model company in California, the website is

www.scbt.com

Hope to hear from you...bye for now

Jonathan

Jonathan Simon Milner
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CB2 1QR
United Kingdom

Tel; 01223 334111
Fax; 01223 334089
E-mail; jsm2@mole.bio.cam.ac.uk

1998

24

JAN

Don't hang around, get on with it

From: David Cleevely <david.cleevely@analysys.com>
Subject: Re: goats r us
Date: 24 January 1998 11:30:41 GMT
To: Jonathan Milner

Hi Jonathan

Contact at last.

Re the business plan. 'a few weeks' sounds like a long time to me. Best to have a brainstorm meeting to review what you might think of doing and what should be in a business plan. The output would be a contents list and a timetable (with milestones). You should aim to have plan V2.0 ready for April (ie in about 8-10 weeks).

The Santa Cruz people look as if they really know what they are doing. I'm very impressed with the marketing and distribution they have (which will probably be as much if not more than the costs of producing the stuff in the first place). Off the top of my head, a \$190 vial is probably costing them \$20-40 to produce as a 'final' product (that is, from goats to vial). The marketing, sales and distribution is probably \$50-70, leaving a margin \$80-120. If you can confirm that the production costs are sub \$40 (and even better sub \$20) then its a goer.

I will find out more about these people (I need to understand the economics of the business). Are there any other suppliers with web pages ?

How about meeting next weekend ?

David

1998

1 FEB

Disasters don't announce themselves

From: Jonathan Milner <jsm2@mole.bio.cam.ac.uk>
Subject: Sheep abs and SAPU
Date: 1 February 1998 10:49:32 GMT
To: david.cleevely@analysys.com

Hi Dave

Here is the web site for SAPU which would supply the sheep serum. Check out contract services.

<http://www.gemini.co.uk/biopages/co/sapu/index.html>

You were right.....it is much cheaper to get these guys to inject the sheep than to do it in Cambridge. Plus of course I would have to get a home office animal licence which is a lot of red-tape. Rosy and I had previously booked flights for a long weekend in Scotland leaving on 20th Feb. I can use this opportunity to visit SAPU to chat about their operation.

In the meantime, I have asked for a quote for 20, 50 and 100 sheep to use in the business plan. Thanks for the advice yesterday, I enjoyed the meeting

Jonathan S. Milner
43, Mawson Rd.
Cambridge
CB1 2DZ

Tel: 01223 564488

1998

26

MAY

Sell first, make it work later

From: Jonathan Milner <jsm2@mole.bio.cam.ac.uk>
Subject: **Re: AbCam web-site prototype**
Date: 26 May 1998 11:04:10 GMT+01:00
To: Jim Warwick
Cc: DDC@analysys.com

Hi Jim

The AbCam web prototype is just about ready. It looks terrible and the forms and search engine are not functional, but it is just to demonstrate that AbCam is for real. If you get a moment, could you check the compatability...the buttons dont work on Netscape <V3.0 and Windows 3.1. Thanks for your help...Jonathan

Jonathan Milner,
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Tel; -1223 762494
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E-mail; jsm2@mole.bio.cam.ac.uk

1998

31

AUG

Manage Priorities

From: Jonathan Milner <jsm2@mole.bio.cam.ac.uk>
Subject: Action priorities for week beginning 31.8.98
Date: 31 August 1998 22:56:30 GMT+01:00
To: David Cleevely

David

Here's a list of priorities for this week

1. Explain 'all about abcam' and PDM responsibilities to Anne Marie
2. Place abcam web-site version 1.0 onto the Analysys server
3. Add all the currently available antibodies to the web site
4. Test the web site ordering, ab and names functionality
5. Invite for interview, and interview, candidates for the Technicians post
6. Install hardware in abcam premises
7. Finalise SBDL with Valerie Dring
8. Finalise direct marketing and journal marketing campaigns
9. Finalise product packaging
10. Finalise deal for 20 further abs from SAPU

If you see any omissions, let me know

Jonathan

Jonathan Milner
Abcam Ltd.
Wellcome/CRC Institute
University of Cambridge
Tennis Court Rd.

1998

15 SEP

Funding without dilution

From: Jonathan Milner <jsm2@mole.bio.cam.ac.uk>
Subject: Fw: AbCam update
Date: 15 September 1998 19:27:58 GMT+01:00
To: David Cleevely

David

Nat West has approved the 65K loan, subject to the formality of the business plan appraisal (£500) and the DTI (Valerie has never known them reject one after bank approval). Also, I received an email from Tom Anderson, below. Take a look at my email to him.....I was right with the dates of the products online prediction. If you can think of a cunning way we can use this guy, let me know before I reply to him.


Jonathan

1999

17 JAN

Focus, focus, focus

From: Jonathan Milner
Subject: **AbCam shares**
Date: 17 January 1999 12:36:21 GMT
To: David Cleevely
Cc: Jonathan Milner

▶  1 Attachment, 20.0 KB

Hi Dave

A good week for AbCam, 7 aliquots sold, 4 custom ab contracts, lots of new and returning users on the web-site and a high probability of more contract work for MS (from GeneTex).....so my optimism has soared....

We must talk soon about the direction of the company, this is really concerning me.....I believe we should aim to be the number one source for locating and purchasing antibodies on the WWW and not get diverted...their is a fantastic opportunity here but we must move fast. To do this we need to first build up a community of abcam site users...


1.) Fix and improve muscat search engine (keep users returning to site)....it is not indexing all the listed sites plus not highlighting the search term within the hit page, plus does not have any user instructions (like sorry no matches...please try). Mike has got these problems on his task list (I am very aware of his huge work-load at present)....but perhaps if you were to also suggest in a friendly email to Mike that these are important to get users returning.....?

2.) More products on the site..... we have to add other company products to our catalogue (I am talking to novus tomorrow [Colorado company] about reciprocal marketing, and to Serotec about purchasing product space within our catalogue).

2000

22 SEP

Regular Reporting

From: Clair Parsons
Subject: **Weekly Activity Report**
Date: 22 September 2000 15:55:47 GMT+01:00
To: E-mailE-mailE-mailE-mailE-mailE-mailE-mailE-mail <David Cleevely
▶  1 Attachment, 31.0 KB

Please find attached this week's activity report.

Please note that the HGMA & Research figures for January through to July are in the process of being re-defined due to the new sales definitions and I am aiming to have these revised figures ready for next Friday's report.

Kind regards,

Clair Parsons

<http://www.abcam.com>

2001

6 FEB

The downside of “scaling-up”

From: Jonathan Milner
Subject: FW: Biotech Rumor Mill message: Re: SciQuest the reason
Date: 6 February 2001 15:52:22 GMT
To: E-mail <David Cleevely>

I couldn't have written this better myself...

;-)

J

-----Original Message-----

From: Biotech Rumor Mill [<mailto:info@biofind.com>]
Sent: 06 February 2001 15:12
To: jm@abcam.com
Subject: Biotech Rumor Mill message: Re: SciQuest the reason

This message was sent to you on behalf of ac@abcam.com who writes:
more views on sciquest

Biofind Ltd. does not send unsolicited e-mail. If you believe this service
has been abused by other parties please contact: <mailto:admin@biofind.com>

Rumor: Re: SciQuest the reason
Posted by Batman on 2/6/01 9:18:50 AM

there is a reason Sciquest is fading and not just because its a dot-com.
Not all dot-coms fail, to simplify to that level is shortsighted. Sciquest
is a dot-com that has like 400-600 full time employees at peak.

THAT is one of the reasons they got well known so fast, they were able to
build things fast, and copy any other sites that may have had better ideas,
with 400 employees you have a LOT of resources.

However manpower alone doesnt get it done. so now they are laying off
people, stocks are fading, they are cheering chemdex's demise, meanwhile
they still have a poor business plan, a bad website, bad supplier relations.

2000

13 APR

Your network: your most valuable resource

From: hermann.hauser@AMADEUS1.COM
Subject: Re: Abcam shares
Date: 13 April 2000 08:31:13 GMT+01:00
To: David Cleevely

David,

I would be happy to put up #100k at your present round.

Hermann

"David Cleevely" <david.cleevely@analysys.com> on 12/04/2000 12:01:30

Please respond to "David Cleevely" <david.cleevely@analysys.com>

To: "Hermann Hauser" <hhauser@amadeus1.com>

cc:

Subject: Abcam shares

Hauser-san

We had a brief conversation about taking shares in Abcam on the train about 3 weeks ago. I took from that chat a view that you might want to invest if the valuation on Abcam was relatively low (say £3.5 m). Since

2001

6 SEP

Bad luck happens – not everyone survives

From: Eddie Powell <eddie.powell@abcam.com>
Subject: RE: Pension Scheme Loan
Date: 6 September 2001 12:12:08 GMT+01:00
To: 'David Cleevely'

David

I have at last obtained a copy of the loan agreement. There is one minor issue on it which John Short has emailed you about. As soon as this is sorted I suggest we meet - I would like Jim Warwick to come as he and I can give the necessary Board approval - we will simply need the various papers to be signed (John Short has the two security documents ready to go) - and we can sign and make the money move.

Would you like to meet this afternoon - around 5:00 if possible?

Eddie

2003

6 JUN

Set out visions for the future


From: Jonathan Milner <Jonathan@abcam.com>

[Show in Mailbox](#)

Subject: Marketing 03/04 and Techmark dinner

Date: 6 June 2003 01:01:13 GMT+01:00

To: ddc@analysys.com

▶  1 Attachment, 32.5 KB

Hi David

Today we had the annual strategy meeting where (thanks to your idea) I set out a vision of 3 possible press clippings five years from now. I attach them here and would welcome your input. I believe that getting the marketing strategy right in the coming financial year is crucial to making Abcam into the successful company that we all want to see. I also believe that your skills and experience in guiding this could mean the difference between success and failure.....would you be interested in mentoring Mark? I will let you guess what my preference is and what the management team agreed to in principle.

hmmmm.....tempting....what do you think?

J

What Investors Want

- You've got a working product and a great track record
- No-one else has this, and there is a crying need for it
- Market is enormous; in 10 years the company will be huge
- The proposition is a platform, with IP protection
- Competitors are manageable
- Easy access to customers
- Great team, clear milestones
- Validation (due diligence)

Choose your investors carefully



What is your product?

Aspirin?



.... or Chocolate?



Platforms



Process, Process, Process



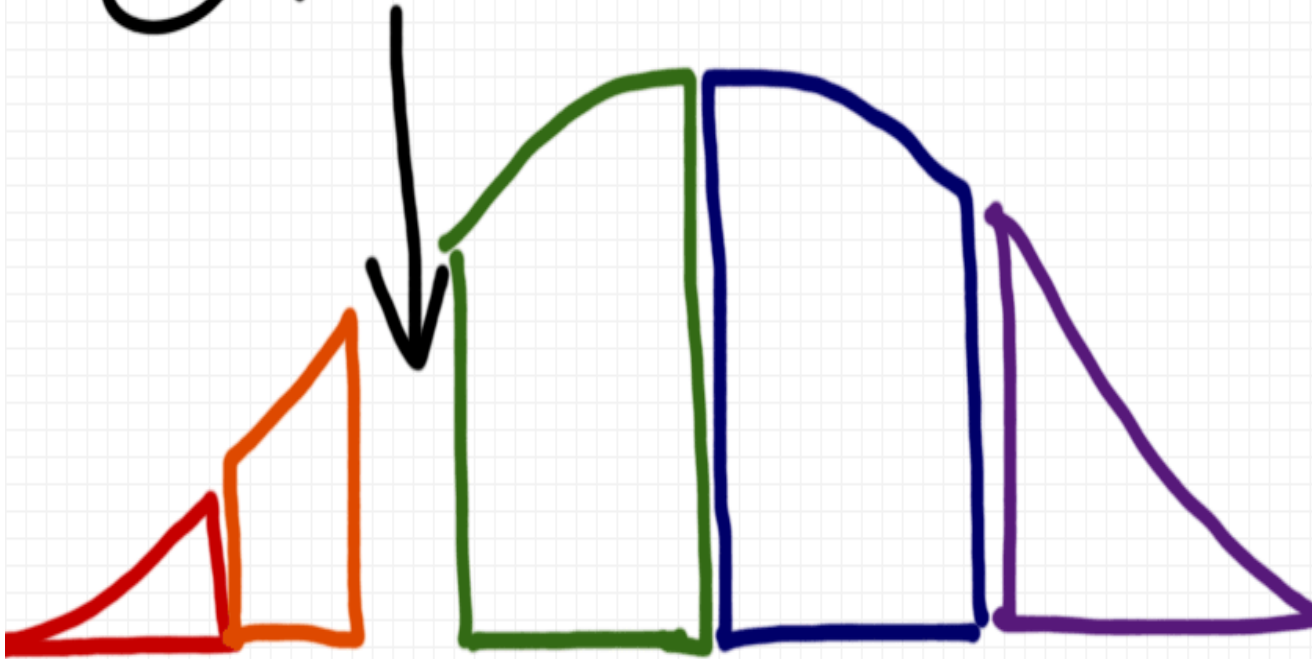
Build Teams Carefully

1. Hire Highly Effective Team Members
2. Focus on Inspiring Trust
3. Encourage Candor.
4. Be Clear About Expectations

Why Great Ideas Fail

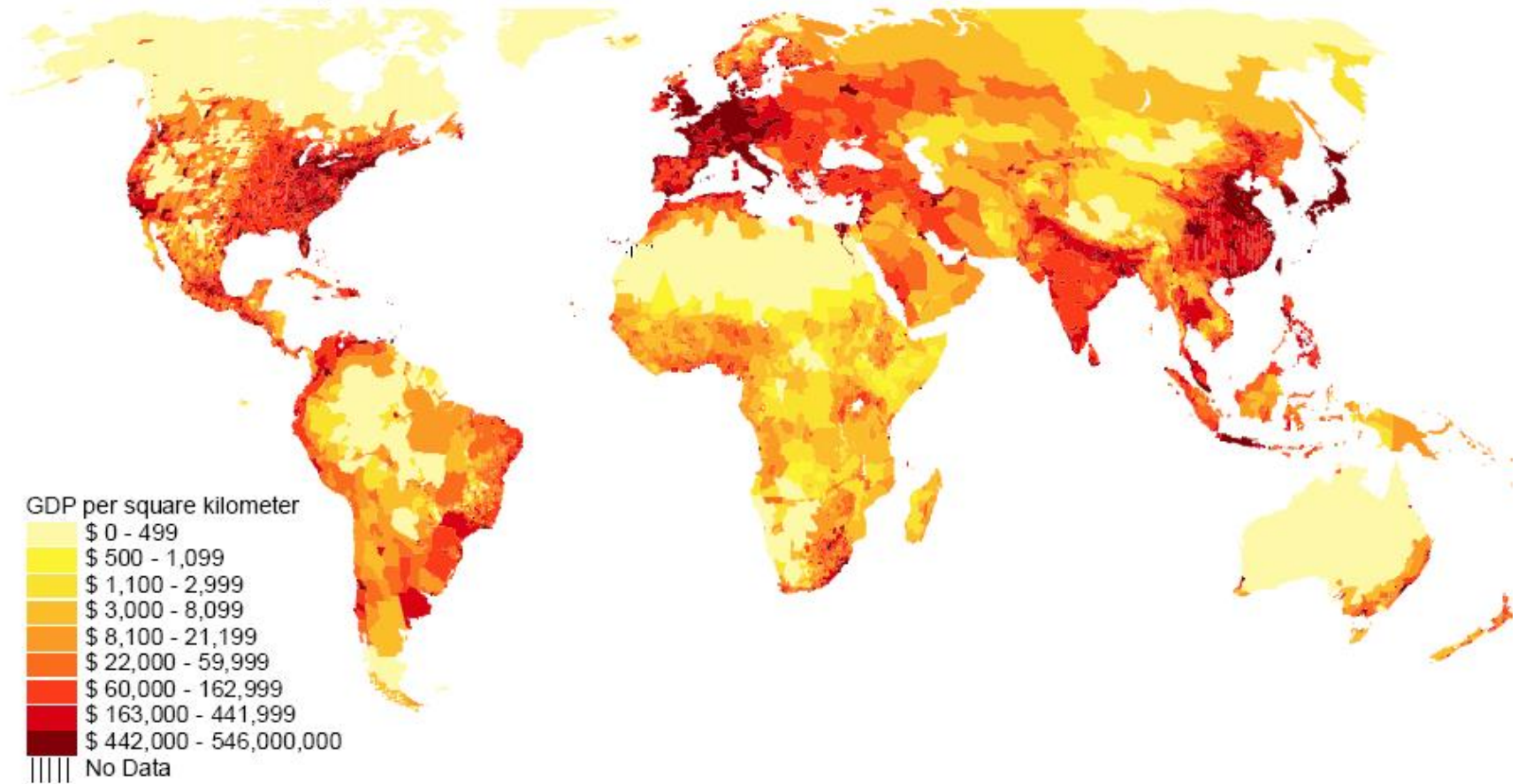


The Chasm



World Markets

GDP Density



The Next Billion \$?



The Future



david.cleevely@csap.cam.ac.uk