

TECHNOLOGY EMPOWERING FINANCIAL SERVICES INDUSTRY

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MANAGING DIRECTOR

OUTCOME CAPITAL

**FROM BENCH TO BEDSIDE:
CREATING A PATH TO LIQUIDITY
IN THE LIFE SCIENCES**

\$15



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Outcome Capital



*The annual listing of 10 companies that are at the forefront of providing
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OUTCOME

FROM BENCH TO BEDSIDE: CREATING A PATH TO LIQUIDITY IN THE LIFE SCIENCES

By Jeff Rodriguez

When it comes to transactions in the life sciences industry, the rules of achieving a desirable result through traditional investment banking practices do not apply.

What makes it so different from other fields such as retail or manufacturing?

Answering this would have been challenging if not for the diligent research and vast corporate experience of Dr. Oded Ben-Joseph and Arnold E. Freedman in the dynamic realm of life sciences, and healthcare at large.

These longstanding entrepreneurial professionals understand the industry's dynamics and the increasing complexity of the value chain. They have strived to define how and why realizing a favorable liquidity event is a challenge for early and development-stage companies. They established Outcome Capital to serve life science companies throughout the industry.

Outcome Capital is a highly specialized investment banking firm that provides strategic advisory, growth capital, and M&A services to life sciences and healthcare companies in the

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We know what it is like to be in a CEO's shoes—the burden and joy of running a company. The most important area of focus should be aligning the organization to the market you live in, not the one you wish for

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TOP 10

**MERGERS AND
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CONSULTING FIRMS - 2022



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continuously evolving marketplace. Backed by a team of highly qualified intellectuals with extensive subject matter expertise across the value chain, Outcome is perfectly positioned to guide life science companies seeking a liquidity event to achieve the best outcome. Many of these professionals are former scientists and physicians, possessing a unique combination of scientific, clinical, business development, and sales experience in the life sciences industry. Their combined expertise in biotech, pharmaceuticals, MedTech, and molecular diagnostics, among other disciplines, further strengthens Outcome Capital's footing in the global market.

It is noteworthy that numerous staff members, including Dr. Ben-Joseph and Mr. Freedman, have previously been CEOs. They bear the scars of being executive-level leaders and understand what it takes to navigate the segment at a granular level.

Owing to this robust and seasoned team of driven individuals with scientific, clinical, as well as business and transactional expertise, Outcome Capital boldly advises companies on how to create value and navigate toward a favorable transaction.

"It is our opinion that the life sciences industry is not amenable to a traditional investment banking approach because it is a capital and, most importantly, knowledge-intensive industry," says Dr. Ben-Joseph, Managing Director and Co-Founder of Outcome Capital. "As opposed to other industries, our primary currency is scientific and clinical data, not financial parameters," he adds.

The cost, complexity and high risk associated with the development of novel medical products make it difficult for young organizations to grow on a standalone basis. Established companies typically navigate the market more easily since they already have an elaborate sales channel in place and a host of vital expertise necessary to bring a novel product to the patient. The same cannot be said for new and growing companies that may be rich in intellectual property, knowledge and innovation, but desperately lack capital and expertise for late-stage clinical development, manufacturing and market entry. Growing organically is thus a most risky endeavor, which necessitates the need to form partnerships or undergo M&A transactions. This makes perfect business sense as large players rely on smaller innovative and R&D-rich companies to feed their pipeline. This symbiotic relationship has been most effective in propelling innovation from bench to bedside.

The complexity of life science transactions requires reaching out for the steady hand provided by Outcome Capital, which often proves to be a game changer for the client company. The operational expertise that fuels Outcome Capital, atop its broad scientific, financial, clinical, and strategic capabilities, empowers clients to approach their M&A objectives more confidently, all while increasing the value of their research and development. Outcome urges CEOs to begin with the end in



mind and adopt a top-down, statistical and debiased mindset. Among others, the Outcome team assists CEOs in reflecting on various pertinent issues such as:

Will the technology demonstrably translate to significantly improved clinical outcomes for patients?

Can it distinctly cut costs and provide financial incentives for adoption?

How healthy is the acquisition universe, and what are key acquisition drivers?

What are the buyer's perspectives and how will the technology integrate into their workflow?

If the answers to these questions—simple yet challenging to materialize—are favorable, then the next action step is to properly align the company and its technologies with the targeted market segment. It is here that Outcome Capital has a distinct advantage: its executive leadership and strategic alignment experience.

"We know what it is like to be in the CEO's shoes—both the burden and joy of running a company. The most critical area of focus should be aligning the organization to the market you live in, not the one you wish for," expresses Freedman, Managing Director and Co-Founder of Outcome Capital. "We must always focus on listening to the market".

The process begins with a market landscape analysis to thoroughly grasp the dynamics of the segment. Outcome Capital emboldens clients with insights from a phenomenal network of industry experts. It dialogues with various stakeholders to gain different perspectives and collects invaluable data to analyze and carve out a clear path to liquidity and put forward an effective M&A strategy. This information provides CEOs more visibility into the mindset of the buyers and helps them understand the risks associated with their competitive market.

Outcome Capital tailors its services according to each client's specific challenges and needs. It formulates market-driven viewpoints based on its exhaustive in-house primary



research capabilities, coupled with feedback from their industry network. Clients are subsequently empowered by exit scenario analysis, growth strategy, and target analysis services. Via its highly competent financial back office, Outcome Capital also provides financial advisory services that help improve profit margins, valuation, cash flow allocation, and shareholder value analysis. Its synergy analysis capabilities are commendable, as it allows clients to convey to potential buyers how to integrate the technology into their workflow and monetize the opportunity. This strategy-led advisory firm also offers growth capital services, where it helps clients raise capital following a top-down approach.

Another key component in Outcome Capital's market-tested methodology is the concept of optionality. While life science transactions typically receive extensive coverage, numerically, they are rare events. "A central part of Outcome Capital's DNA is to create multiple strategic avenues for clients in an effort to increase the probability to closing" states Dr. Ben-Joseph. As such, Outcome Capital typically deploys a multi-pronged approach across various transaction types. The following anecdote of Outcome Capital's services creating value for early and development-stage companies is insightful. Professionals in the industry have expressed that while they were busy raising capital for their company, they ended up selling, and vice versa. The market's unpredictable nature can be daunting in this regard, and Outcome Capital suggests that one must not get married to their own point of view. Creating optionality for companies plays a huge role in determining a business' success. If an opportunity to exit presents itself, especially when the intention is not to sell, Outcome Capital recommends considering it regardless. Other transaction types, such as partnerships, licensing, or structured acquisition should also be considered.

Outcome Capital has helped countless clients navigate these confusing and challenging situations, where making an informed decision at the right time can make all the difference

for stakeholders involved. Creating optionality helps CEOs beat the odds and increases their chances of securing an advantageous transaction.

The life sciences industry has piqued the interest of entrepreneurs, investors and strategic corporate buyers worldwide, with many flocking to Boston to be a part of the thriving life science ecosystem. Everyone is working toward the betterment of humanity, and Outcome Capital is leading the way with its strong relationships with local academic institutions. It offers elaborate internship programs and regularly onboards master's and Ph.D. level interns. In-house Ph.Ds, physicians, and business leaders recruited from within the industry have created the perfect environment for young professionals to seamlessly integrate into the segment. Outcome Capital also routinely publishes thought-provoking articles in various leading journals and publications to broaden the knowledge of professionals across the market. "Creating opportunities is a part of our commitment to the younger generation, helping them integrate into the life sciences industry. What we do is a calling; we play an instrumental role in propelling young entrepreneurs as well as seasoned CEOs in bringing novel technologies to the patient," says Freedman.

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Outcome Capital is an investment banking specialist of the rarest breed with a holistic flair for the life sciences and healthcare industries. It enjoys healthy deal flow and is presently experiencing aggressive growth, hiring the brightest minds as it moves into a new phase of its tenure. It has garnered mutually beneficial relationships with investment houses in China and Europe. It now stands as a conduit for companies in these disparate geographies to transact with those in the U.S. Having recently launched a new advisory group, Outcome Capital is gearing up to deliver the same strategic, market-driven, and intellectually agile services to companies internationally.

In this domain of transactional relationships, a liquidity event defines everything. Nobody understands this better than the professionals at Outcome Capital. **fs**

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