



Buyer-Side Diligence in C> Tools & Tech

The Ask

Diligence in cell and gene therapy (C>) requires not only the necessary research, but also an integrated in-depth analysis and interpretation of the findings based on a deep understanding of the technical field. This investor client required rapid and thorough diligence on a potential acquisition target (a viral vector tools and tech company) including review and assessment of the potential target’s IP portfolio and the competitiveness and relative strengths of its products as compared to the competitive landscape.

Why DHC?

EXPAND CLIENT BANDWIDTH

PROVIDE ADDITIONAL TECHNICAL EXPERTISE

SOLVE EXISTING PROBLEM (REMEDIATE)

DHC’s Approach

Focusing on the target entity’s flagship product, DHC performed a detailed, technical, and IP-driven analysis of the target entity’s technology. Our team:

- Evaluated the target entity’s patent portfolio for coverage of its commercial and soon-to-be launched products, including claim scope, geographic coverage, and remaining term. We performed a comprehensive deep dive into the IP rights (patents) across the globe, with a particular focus on jurisdictions with a high commercial value.
- Assessed the target entity’s “competitive moat” by evaluating and weighting the scope of patent coverage, assessing the relative value of know-how in the field of the target’s flagship product, and considering competitors’ potential workarounds, technical capabilities, market presence, and market share.
- Further evaluated the flagship product’s technical and commercial performance, using, for example, the following tools:
 - a blinded “voice of customer” survey, which assessed customer perception of the company and its flagship product relative to competing products
 - a critical review of performance data (provided by the target company) with a head-to-head comparison of the flagship product with competing products
- Considered intangible factors contributing to the flagship product’s market adoption, including the degree of market “stickiness” and the factors in this particular industry that contribute to customer loyalty or lack thereof.
- Provided an objective and unbiased assessment of the target entity’s technology within a tight deadline, allowing the client to achieve a high level of confidence within a short deadline for an investment decision.

DHC’s multifaceted approach to buyer-side due diligence



The comprehensive assessment for each potential target in question includes evaluation of technical, financial, regulatory, and intellectual property consideration, enabling a holistic picture of target value.

The Impact

DHC provided the client with a detailed and unbiased assessment of the target entity’s technology, including evaluation of the target entity’s existing and soon-to-be launched products in the marketplace vis-à-vis competitors’ similar products. Our client gained a clearer understanding of the technical capabilities of the target entity and its competitors, their relative positions in the market landscape, the status of the target entity’s IP assets, and an assessment of the perceived competitive advantage that the target’s flagship product held in the marketplace. The deliverables provided by the DHC team armed our client with a complete slate of information necessary for effective decision-making on the potential investment.