

From Founder to CEO

Podcast

Host: Todd Uterstaedt

Guest: Kerriann Greenhalgh, Founder and CEO of Kericure, Inc.

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0:00: NARRATOR: Coming up on today's show:

0:03: KERRIANN: You get tempted by so many smaller leads and while it may have an immediate payout, it may be a lot more work. And to really keep that clear focus, that clear vision and not be pulled aside because there's a smaller short term opportunity that will get you a short term return but may not be helping you get to your end goal.

0:24: NARRATOR: Welcome to the show that helps you make the successful journey from founder to CEO. Hear from dynamic, inspiring and successful founders as they share their insightful stories and practical tips that make becoming the CEO more fun, stress free and easier to build the company and life of your dreams. Now, please welcome your host, Todd Uterstaedt.

0:48: TODD: Welcome back to the show that's dedicated to helping you become a better leader. In this episode I speak with a founding CEO who will impress you with her knowledge and inspire you with her vision. And she'll also share how she handles the vetting processes of all the opportunities that keep presenting themselves to her and her company.

But before we get started with our great guest, let me introduce you to our new sponsor, Khorus. Founding CEO's use Khorus to drive performance, manage talent and build a strong culture and I just love the way it helps founding CEO's better clarify big picture priorities, align employees around those priorities and drive predictable performance. Try out their demo on our resources page at www.fromfoundertocEO.com/resources.

Now, on with the interview.

1:43: TODD: In the studio with us today is Dr. Kerriann Greenhalgh. Kerriann founded Kericure in 2011 and has been leading the way as CEO ever since. Kericure is a biotechnology company that has successfully converted a unique nanoparticle drug-delivery platform into wound and skin-care products that help alleviate a wide range of skin conditions and protect minor cuts, scrapes, burns and abrasions from getting infections. With five people on the team and growing, Kericure now has national distribution for its flagship liquid bandage products. Kerriann, you are super busy. Welcome to the show!

2:19: KERRIANN: Thank you. Thank you so much for having me.

2:21: TODD: It is my pleasure. I'm so excited to have you here on the show. Like I mentioned to you before we got started, my daughter was all excited that I was having you on the show today because she thinks you're really cool working with nanoparticles.

2:33: KERRIANN: Very neat! We love it!

2:35: TODD: We haven't had anybody come on the show yet who is really kind of pioneering in the nanoparticle area. Help us understand, what's this powerful promise of value that Kericure brings to the marketplace?

2:47: KERRIANN: Well I think we have a very unique platform technology and it's actually part of work that I had worked on as a graduate student at the University of South Florida when I was getting my PhD in Organic Chemistry.

3:01: TODD: Which most people don't get right?

[Laughter]

3:05: KERRIANN: Yeah! I love Organic, come on!

3:06: TODD: I like it too! My wife does too. My wife's a physician so she loves the days of her Organic Chemistry classes.

3:12: KERRIANN: Well that's good to hear because almost every single doctor I talk to tells me "That was my worst class!"

3:19: TODD: Oh yeah, she loved it. She loved it. So nanoparticles, really?

3:24: KERRIANN: Yeah, we have a very different type of nanoparticle, though. We're not the big scary "it's going to go into the air and get into your lungs and kill you" type of nanoparticle. We're a very friendly nanoparticle.

3:36: TODD: Oh I'm smiling.

3:38: KERRIANN: We're actually a polymer-based nanoparticle so we have a lot of weight to our particles. It's not a powder, we're actually an emulsion. And what an emulsion basically is, if you think of milk. Milk is fat dissolved in water; you're fats from the milk and what is made into cheese, that provides all the nutrients and then it's suspended in a water system. And that's basically what we are. Our nanoparticles are an oil-based nanoparticle and their suspended in water.

4:04: TODD: Very cool. So those of us in the audience who may not actually know what a nanoparticle is, can you give us kind of Nanoparticle 101?

4:13: KERRIANN: Sure! Well, it's really just a way to catalogue the size and shape of a particle. So basically a nanoparticle is anything from one nanometer up to 100 nanometers in diameter. Typically it's uniformly round, but sometimes you get oblong, kind of oval shaped particles, but usually the term nanoparticle is referring to a spherical particle, you know a droplet in some cases, that is in the realm of one to 100 nanometers in diameter.

4:44: TODD: Gotcha. So my brain registers "super small."

4:46: KERRIANN: Super small. So if you think of a bacterium, bacteria are typically around one micrometer and so we're talking about an entire thousandth degree smaller than a bacteria.

4:58: TODD: That makes it much more understandable for my non-biotech brain. Thank you very much! Alright, so you got this idea and were working on it when you were in school?

5:10: KERRIANN: Yeah. So our technology and what we've actually licensed from the University of South Florida and are working with a couple of big companies right now with, is to take different ingredients, so and antibiotic, an anti-cancer drug, something that has maybe poor stability in suspensions or their trying to get it into a water-based system for delivery; if the drug is not water soluble that creates problems especially when you're talking

about giving someone an IV – it has to be water-based. Or if the drug has issues; like Penicillin G is a great, very-active antibiotic, but we now have MRSA which kills Penicillin G essentially. And what our research did was took Penicillin G, for example, put it into our nanoparticle system and basically our nanoparticle acted like a Trojan horse. That Penicillin passed those molecules that the bacteria emit to kill the Penicillin, got it directly into the cells and we made Penicillin active again against MRSA.

- 6:11: TODD: Wow! So in sales we often talk about better, faster, cheaper and what you're suggesting is that this is better because you can still use an existing antibiotic.
- 6:20: KERRIANN: Exactly. So what part of our research we're looking at is actually to investigate some older antibiotics and drugs that had good use back in the day, but maybe had some challenges, maybe it's stability or whether it was resistance formation, and see if we can't re-invigorate them. You know, instead of trying to create these new antibiotics and new drugs where we're really starting to stretch the limits in terms of side-effects, go back to the old traditional ones that didn't have nearly much of an issue and see if we can't get them active again.
- 6:49: TODD: Wow. Because is a world where there is growing resistance to antibiotics, it's really great to be able to pull one out from the past, right, rather than having to create new ones?
- 6:58: KERRIANN: Exactly. Much less hassle in terms of our perspective because we already have something that's been through the FDA, tried and true, people recognize it and if you can get that invigoration again in the market, it's actually an easier pathway in terms of commercialization.
- 7:12: TODD: I love that. So tell us about this flagship product, liquid bandages. Tell us more about how the nanoparticles relate to liquid bandages.
- 7:20: KERRIANN: Sure! It's actually an interesting story. When I was in the lab, especially towards my last year in graduate school, I started to notice that the product would form a film when you know, we'd spill it. On the bench, you know, it happens. I was very curious about this film that formed and so I started looking at the film properties themselves and say that it could stretch and bend but go back to the original shape. I was like this is kind of like the skin. And so I had that in the back of my head when I was finishing up my work at USF and my husband and I were dating in grad school and he actually had a small cut on his hand that, it's right between the thumb and the forefinger in an area where the skin is just constantly moving and reopening. He ended up getting a really nasty MRSA infection, his hand swelled up like a balloon, he got rushed into surgery, they had to drain the wound; he almost lost the use of his hand if he had waited a few more days actually.
- 8:19: TODD: Oh boy.
- 8:20: KERRIANN: They even threw out the big "a-word," amputation and scared the crap out of everybody.
- 8:24: TODD: Scary, yeah!
- 8:25: KERRIANN: But this was all from a small cut on his hand. You know, we did everything right, we did Neosporin, we put Band-Aids on, we even tried the Nu Skin stuff because the Band-Aids just kept coming off. The Nu Skin cracked right open and of course burned like crazy. And so I took a step back and said okay, we did everything possible that's on the market and he still got this horrible infection. So then I really started to look at that technology I had worked on in graduate school and say maybe I can apply this as a topical product because it had similar properties to the skin and see if I can prevent infections from getting in. And so I did some testing, I actually formed a lab in my garage and started playing with different combinations of my polymer to see what would be the best, most skin-like substitute to really provide that, not just a barrier, but something comfortable on the skin; that it wouldn't pull and stretch. I hate that the Nu Skin product is like superglue on your hand and a

lot of those liquid bandages where your skin puckers because it's not elastic, it doesn't stretch with you. So it can actually cause secondary tearing, I found out after the fact. If your skin tries to move and it's not going to let it, it can cause a tear in another spot.

9:42: TODD: So did you run home to your garage, whip all this up and run over to the hospital and use your husband as a guinea pig?

[Laughter]

9:49: KERRIANN: IT was a little bit more spread out than that, but we certainly have all been guinea pigs in this household, especially my four rescue dogs. They did take the brunt of it. It really has been really very organic evolution of it from hey this might be something that could work all the way to finding out that we help with poison ivy and insect bites and psoriasis on the skin; all these other great things that we're able to help with this formula that I would have never thought about when I was first starting this off and in the lab. My first intention was to help prevent infections in people.

10:24: TODD: Absolutely, and help your husband right? So hopefully your husband got well quickly, even though you weren't able to whip up your formula in the garage for that particular moment in time, right?

10:35: KERRIANN: Yeah, he was well beyond.

10:36: TODD: Okay, good!

[Laughter]

10:39: TODD: So, you know creating something like that, Kerriann, I can't help but imagine that you got a lot of the big companies in the healthcare bandage, liquid bandage market; we won't say any of their names. You caught their attention I'm sure!

10:54: KERRIANN: You know it's been an interesting market to look at because the liquid bandage market is really on the decline in terms of sales. I think there's two things attributing to that. First is the majority of the products out there have really harsh chemicals in them. So you're putting on acetone, which is nail polish remover, alcohols; one of the products has isooctane.

11:20: TODD: What's that?

11:21: KERRIANN: Gasoline.

11:21: TODD: No way!

11:23: KERRIANN: Yes, a version of gasoline. So that right there is going to be a turn-off. Then the second things is they all burn like crazy, especially if you're going to be talking about putting it on a kid because the statistic is 50% of kids hate band aids. So parents try this sweet looking liquid bandage and it shows the little kid's knee on the packaging and they put it on and the kid streams bloody murder! You have that parent's guilt because you just hurt your child and then you never do it again! So I think between those two factors, the market has really been going down and people have this negative connotation in their heads for liquid bandage because of that. So we certainly have an uphill battle in terms of changing that stigma because we don't have those harsh chemicals. We actually only have our nanoparticles and purified water and that is it. And that gets the job done for us.

- 12:17: TODD: No can you, and this is where my ignorance on patents and biotech goes. Can you patent your nanoparticles?
- 12:23: KERRIANN: Yep! We have one cleared patent on the nanoparticle as a drug delivery vehicle and then we have a patent pending on the nanoparticles alone as a medical device.
- 12:34: TODD: That's fantastic.
- 12:35: KERRIANN: Yeah. Because we have a couple different applications that we're looking to grow it into, for example staying within the wound-care market, we can apply our polymer to the surface of the different types of patches and foam dressings to provide a bacterial barrier on top of them so that those patches get in and do all the good stuff that they do, whether it's a foam that's absorptive or it's a collagen sheets that's helping the wound grow. But you still need to keep the bacteria out at the end of the day. So working with companies like that is one of the areas that we have with our patent pending that we're interested in moving with this technology or partner with them.
- 13:11: TODD: Wow. You know, I can't help but that that obviously not only are you super smart and have your PhD and all of this biotech area, but also a great business person. You just mentioned about partnerships. So fairly quickly for us, what's the business model? How do you generate revenue? Are you manufacturing your own products or are you licensing it? How does that work?
- 13:32: KERRIANN: Our ultimate goal is to partner with one of the larger pharma-companies, medical device companies, to really be an R & D house for them. So we have so many different areas that we can bring our technology into different market segments. As of today and we're only three years into first launching, we have products in the consumer market, animal health and now the professional medical market. So in each market segments you have a big player who we're interested in working with because we don't have the big marketing dollars to make this a household name. So for us, I think the strategic play is to partner with someone who does, put this great new technology under their name where they can get it out to the people and so that way we can step back and create new products for them. We have quite a lot in our pipeline that we're looking to increase the product lines and add some really great benefits to the products if we have a partner who is interested in helping us bring them to market.
- 14:31: TODD: Kerriann, this is huge!
- 14:33: KERRIANN: Thank you!
- 14:34: TODD: I mean really! This has the opportunity to really impact the entire wound-care segment.
- 14:41: KERRIANN: That's our goal! We have the technology spans every segment from just over the counter to acute serious burn wounds to chronic wounds. We've actually had people use it when they see the development of a chronic wound start to form and actually try to help prevent that by blocking out the bacteria that are usually what cause those chronic wounds from getting really deep and nasty.
- 15:04: TODD: You know, I have a nephew who recently got MRSA and was playing on artificial turf, which is a big cause of kids getting MRSA.
- 15:11: KERRIANN: It harbors it better.

15:13: TODD: I can imagine he could really have used this because his got out of hand, he finally got it under control. But great applications for this and wide variety of areas. Good thing you got your PhD in Organic Chemistry, huh?

15:24: KERRIANN: Yeah, exactly!

[Laughter]

15:27: TODD: Well, speaking about all those great things in the future, obviously you're ability to be able to bring this to market is just tremendous. This platform is all about that journey from the founder role to the CEO role. So when we come back from the break, can we talk about maybe one leadership strength that you've brought to this, and maybe one struggle that you are conquering?

15:49: KERRIANN: Sure! That'd be great!

15:50: TODD: Great, when we come back from the break.

[Break]

15:59: TODD: Hey, it's Todd! If there's one thing I hear from founding CEO's all the time, it's that you are extremely busy! So my team pulled together 63 productivity hacks from 50 top founding CEO's like you and designed a beautiful .pdf for you to get some quick wins, getting more productivity from your day and your team. Team management, data management, project management, marketing management tips and more are in this great guide. So go grab it now on our home page at www.fromfoundertoceo.com and just get more done.

16:39: TODD: So we're back from the break and we are with Dr. Kerriann, who is just, Kerriann I just am amazed at this great work that you've been doing and the impact that you're going to have on the entire wound-care industry. I think that people listening to this will hear your excitement and enthusiasm and wonder 'what is one of your leadership strengths that you think has gotten you to this point in time in your journey from founder to CEO?'

17:09: KERRIANN: You know, I think that I've been building relationship since grad school. Part of what I was doing in the organic chemistry lab had nothing to do with organic chemistry. I was actually taking it a step further and starting to look and really apply this core technology and seeing what I could make of it and that doesn't typically happen in academia. So I had to start networking really hard to get done what I wanted to do and had to reach out to different colleges within the university, to different universities to see if they could test for me and I learned how to create something from concept all the way through to pre-clinical studies in grad school, which is pretty unheard of. So I taught myself.

17:54: TODD: I was going to ask to that! Do you think you had these organic networking skills or did you learn that over time? Where did all that come from?

18:02: KERRIANN: You know, my dad is a great example of it. He is just one of those people who you can put him in a room with 50 strangers and he'll know them all by the end of the afternoon. And that's just how we are; just always open and eager to talking to people and finding out about their story and learning what they do and just connecting with people. So I think that was really one of the reasons that I was able to get that accomplished in grad school. And then the same thing happened in my first job out of my PhD. I was thrown into a role of getting products tested for the FDA, a new product I had developed there, and I had never talked to anybody about doing a cytotoxicity test! I had no clue! So I started calling, networking, going to conferences and I found a really great core group of companies and people that I now rely on to help me with all of our testing and with the

regulatory aspects of things. And a couple of those people, when I formed this company actually came on board as my board of directors.

19:04: TODD: Wow.

19:04: KERRIANN: Yeah, so I think that's the biggest leadership skill I have is being able to bring people together in a room to get something accomplished and also looking outside of our group for help.

19:14: TODD: Well you know you also said something else. You said you were getting interested in other people. You remind me of that quote by Dale Carnegie where he says "You can make more friends in two months by being interested in other people than you can in two years by trying to get other people interested in you." And you have such a fascinating background that I could see how someone in your shoes just might want to go start sharing that. But you made a very key distinction a couple minutes ago and I want to pull out and that is being interested in other people I suspect is what your secret sauce is as well.

19:42: KERRIANN: Yeah, that's how you relate. People always get interested in what I do so I don't like to talk about it as much.

[Laughter]

19:52: KERRIANN: I mean it's just one of those things, but I'd rather hear about them and what they're doing. And then I figure out a way that they could use my product.

19:59: TODD: Absolutely!

20:02: KERRIANN: Because everyone needs a liquid bandage!

20:03: TODD: Absolutely! Yes, especially if you have kids.

20:05: KERRIANN: I can always find a way for someone to need it.

20:08: TODD: The only way my daughter would wear a band aid on something is if it had some cartoon character like Hello Kitty bandages and things like that.

You know, Kerriann, I really appreciate you sharing your leadership strengths. I know other founding CEO's like to learn about other people's leadership challenges or struggles because it helps them to be able to say 'Gosh, you know people have those types of issues too' and learn from them. So what do you think has been maybe one of your leadership struggles you've experienced on this journey from founder to CEO?

20:38: KERRIANN: I think that the hardest challenge has been vetting some of the opportunities that come our way. Especially when you talk about service providers. So our biggest challenge has always been marketing. I always say I'm a chemist, not a marketing expert. That's really been our hardest part is finding the right people to fill that niche and this can be anywhere from hiring an outside company or bringing someone in-house. We've just had really bad luck with that unfortunately. We have a great core team, but we still find that we, I don't know if it's not communicating the expectations properly or finding the right person who has been in this specific market who has done something with a similar type of product who understands what the consumer response will be. But that's really been our biggest challenge is identifying that person or that group that can really get us a home run in terms of marketing.

21:28: TODD: So it's evaluating an outside resource, right? And a market is an example?

21:33: KERRIANN: Yeah, absolutely.

21:34: TODD: So I'm sure because you're very smart you've navigated that pretty well. Any tips for other founding CEO's that you've found that you've learned in terms of vetting and evaluating an outside resource?

21:45: KERRIANN: I would call on acquaintances, colleagues and ask 'have you worked with this person, does anyone have a reference for this person?' Check and get what people are saying before you jump in because I think that could have saved us some money!

21:59: TODD: Absolutely! That's a great tip and people don't often take that step. It's somewhat similar to when you're hiring an employee, right? People forget the step of potentially calling some references because their fearful that someone's just going to give them good information or generic information like when they started, when they ended. But I think getting those references is a real big deal. Is there something else that you've done that you've learned that helps to vet those outside resources?

22:22: KERRIANN: Well one of the things that I've actually done with a good friend of mine who is the CEO of a company called I Love Gurus is we started a group called the Consumer Product Club here in Tampa. And I call it a support group because really, it's better than therapy, trust me! But essentially we invite companies who have similar market channel consumer products and we get together about every other month and we share. We share sales ideas, we share marketing people, strategies, sales reps; we share manufacturers, we share fulfillment centers, opportunities, we'll split a booth at a trade show. It gives us a place to bounce ideas off of each other. We're all going through the same struggles, we're all dealing with similar companies or similar customers and facing the same types of challenges like who know the best SEO person, who has just got their website done, were they happy or not happy? It's almost like a concentrated way of networking and vetting other companies that you're dealing with because everyone in the group has had an experience with someone one way or the other and we can tell you the good, bad or the ugly.

23:34: TODD: Kerriann, that's brilliant. You created your own Buyer's Club.

23:38: KERRIANN: Yeah!

23:40: TODD: I Love that! I don't think I've ever heard anyone say that before!

23:43: KERRIANN: I mean, we were introduced at a couple of networking events with our Tampa Chamber here in Tampa and we would get together afterwards and just start talking and finally I said we need to do this with the whole group and just start a monthly meeting! There's so much we all shared and wanted to learn from each other and it just seemed like the best way to do it. Now I think we have ten or twelve companies in the organization right now. Very informal, we meet about every other month. But one of the great things I was able to do was to bring the group to the Home Shopping Network, to HSN and they got to pitch, because I had a relationship with HSN I got an invitation to bring the whole group there and have one of our group meetings and they all got to present their products to the buyers there.

[Laughter]

24:30: KERRIANN: You are absolutely amazing! Wow! So first it's obviously look for referrals and references from other people. The second really amazing insight is creating your own buyer's club that you can kind of corral and collect all those connections and use the vetting power of the entire group which is super powerful. Is there any other tip that you might share with founding CEO's as these kinds of outside resources?

- 24:58: KERRIANN: I would say to also look to your local universities because they always have a connect program or your tech park or something like that and they're so willing to help. Between the university and the small business groups in Tampa and Pasco County here, we've really had a lot of support from them and it helped to link us to companies that they know and they've already vetted and that they are comfortable recommending. So that's a great way to learn new companies that you don't know about yet. And if you have an issue or you have a need that you need to get done, to go there and ask them because they really know who's who and they know what they're talking about.
- 25:39: TODD: Three powerful insights about vetting outside vendors, outside resources. Look for referrals, build your own Buyer's Club like you did, Kerriann, and look to the local universities for some insight. That's really, really powerful. I appreciate you sharing those insights. I know a lot of founding CEO's outside, but they can also go to our website. So as we get ready to say good-bye, I've just got one finally thought-provoking question for you.
- 26:05: KERRIANN: Alrighty!
- 26:06: TODD: As you reflect on your time as a founding CEO, what leadership skill would Kerriann the CEO tell Kerriann the founder to develop earlier in her tenure.
- 26:19: KERRIANN: Oh, that's a good one! I think having a solid organizational plan and sticking to it.
- 26:25: TODD: Focus?
- 26:26: KERRIANN: Yes. I think that, you know, you get tempted by so many smaller leads and while it may have an immediate payout, it may be a lot more work and diluting of your time and efforts than you intended. And to really keep that clear focus, that clear vision and not be pulled aside because there's a smaller short term opportunity that will get you a short term return but may not be helping you get to your end goal. That would be my main thing that I would do differently when I go back.
- 26:55: TODD: Well you're a shining example of staying focused because you obviously know what you're doing. Your nanoparticles are having a big impact and will have even more positive impact on a lot more lines of wound products I'm sure in the future. So what's exciting you right now about your company? When you get off this call with me and you keep moving forward in the next couple of weeks, what's really exciting you?
- 27:17: KERRIANN: Well I'm extremely excited about a couple of clinical studies we're about to launch with some local hospitals. Kerisure is the first and only FDA approved liquid bandage that can be used over surgical sites to prevent infection.
- 27:32: TODD: Wow! That's huge!
- 27:34: KERRIANN: It is and so a couple of the hospitals are offering to investigate this for us and do a clinical study. We already have the clearance, but now we want to get as much data as we can and really present a strong case to the physicians of why they should start using something over these incisions as opposed to just putting a piece of gauze over it I remember when I had my C-section, my son is three years old next week, they did the surgical adhesive glue and then put a piece of gauze and that was it. I said 'you guys know that surgical glues don't prevent infection?' Apparently they did not. Of course, I used my own product.
- 28:16: TODD: Of course! You used your own product on yourself, wow! That's a testimony.
- 28:20: KERRIANN: No infection, no issues. Yes! I think there's a lack of understanding about that and we're really focusing on some of the more prevalent surgical site infection based surgeries like gastro, where you're dealing

with the gut and there's a lot of bacteria. And that's really going to be our best target to show that we can significantly reduce those numbers because surgical site infections are costly hospital \$20,000 per patient when they occur.

28:45: TODD: Wow.

28:46: KERRIANN: Yeah, it's not covered by insurance because it's on the hospital because it happened at the hospital.

28:52: TODD: Kerriann, Dr. Kerriann Greenhalgh, you are going to have a huge impact on the world going forward. I can tell. I can't thank you enough for you sharing your story and your journey from founder to CEO. How can everyone learn more about Kericure? What's the best way?

29:08: KERRIANN: You can go to our website www.kericure.com or just give us a call or email info@kericure.com. We're always open to ideas and suggestions and feedback.

29:22: TODD: Fantastic. We wish you and Kericure continued success.

29:26: KERRIANN: Thank you so much!

29:27: TODD: Thank you!

29:28: TODD: Well I hope you enjoyed today's interview with Kerriann and I hope you took away some practical tips to help you become a better leader. Check out our sponsor Khorus. They're the first enterprise leadership platform Check out their demo on our website www.fromfoundertoceo.com/resources. Until next time, peace and prosperity to you and your team.

30:01: TODD: Hey. You still there? Could you also go to iTunes? Check it out and if you think we're doing a great job, I'd really appreciate you filling out a rating and review and let us know how we're doing so we can keep improving this podcast in 2016. Thanks so much, bye-bye!

30:18: End