I Want to Start a New Consulting Business, What Should I Do?

LASANTH™
CONSULTING

kegodage@lasanth.com
Mobile: +1-609-477-6041

Kamal Egodage, PhD., MBA

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Lasanth™ Consulting Background

- Lasanth™ Consulting/Canopy Biopharma in 2017 by Kamal Egodage after 22+ years in the biotech industry – Novartis, Eli Lilly, Pharmacia, Monsanto and Symic Bio

- Technical and business consultant company for start-ups to medium size biotech companies

- Consulting focus:
  - CMC technical CMC development for biologics and gene/cell therapy companies including regulatory strategy and technical CMC document writing
  - biotech start-up and business development strategy, due diligence and fundraising

Points to Consider When Thinking to Start a Consulting Business

- Financial flexibility –Business starts slowly, revenue could swing up and down

- How to find work: Already have few requests? Professional network is strong?

- Structure of the company: LLC or INC, Tax status. Talk to tax person first

- Health care and disability insurance: Have health insurance? Disability insurance?

- Legal Liabilities: Errors and omissions, property, cyber security, data breach, worker compensation

- Bookkeeping, salaries, tax and operations: Are you good with these tasks? Need a professional support

Registration and Legal support

- Lasanth Consulting/Canopy Biopharma was registered in Delaware as an LLC. Main office is in Whitehouse Station, NJ and registered in NJ as well

- Why Delaware? Corporate law is very well established, and most companies register in Delaware because of interpretation corporate law in DE. Follow your legal advisor

- Lasanth™ has registered offices in every state we operate (i.e. have clients) in using a registered agent. This is required by state laws in most US states . There are companies that support this service (e.g.: Cogency Global,….)

- Find a legal team with reasonable costs with strong network. For Lasanth™, business start-up advice, business registration, all tax registrations were handled by Cooley LLP

- All new client CDAs, contracts should be reviewed by legal team. All legal matters should be notified to the legal team

- Most of the legal documents are formatted and easy to change according to the requirements from clients

- Final review and OK from the legal team prior to any business contract signature

Insurance

- Make sure that the company have enough insurance to cover liabilities

- Some clients request specific insurance coverage, others assume that the consultant is covered and don't have any clauses

- Strongly advise to obtain error and omission insurance. This could be obtained via some groups like RAPS or ACS………

- If you hire permanent employee's – health insurance, disability insurance, personal liability ……….

- IT and cyber security insurance is need to cover unforeseen events that might leads to data breach or other IT failures that the client might think as consultant's fault

Accounting and Tax

- When you start the company, use a Excel sheet for accounting then move to software based accounting. Web based systems like QuickBooks is easy to operate and comprehensive

- One of the hardest tasks is to calculated the employee's payroll tax, disability tax, social security, …. if you have employee's in a few states. These tasks could be handled by software like QuickBooks payroll

- With multiple clients in different states, tax payments get complicated. Tax preparation could be outsourced for a tax consultant or tax prep firm

- Estimated tax payments needed to file every quarter.

IT and Cyber Security

- IT and cyber security is a must. Major software companies offer not only business software but also the cyber security packages

- All devices including mobile devices should be VPN enabled and active all times

- For Lasanth™, database security is managed by the software provider with additional subscription for higher security

New Clients and Advertising

- Network, network, network

- Other consultants

- Conference advertising and participation, booths, presentations

- Regional conferences close to the operational base