CEOCFO Magazine

ceocfointerviews.com

Issue: April 3, 2017

Contract Manufacturer for Nutritional Products, Specialty Foods, Pharmaceutical Intermediates and Medical Devices providing Lyophilization, Formulation, Filling and Packaging

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CEOCFO: ***Mr. Teeter, what is Anteco Pharma?***
Mr. Teeter: Anteco Pharma is a contract manufacturer located in a small town just north of Madison, Wisconsin. Our focus is the nutritional, pharmaceutical and medical devices industries. More specifically, our largest product lines are associated with wound management products, in-vitro diagnostics and pharmaceutical actives. We are strictly a contract manufacturer. We work only with other company's products. Our core business competencies are lyophilization, filling, packaging and formulation / synthesis.

CEOCFO: ***Is there a deliberate strategy to work in the areas you mentioned or did that develop more opportunistically?***
Mr. Teeter: It was a deliberate strategy that my business partner and I decided upon from the beginning. We have been a company for about thirteen years. Our backgrounds and experiences were in the pharmaceutical and medical device industries. Early on, however, we needed to develop a cash flow that would not have been possible in these regulated industries. We started with food products, specifically, we freeze dried probiotics and other live microorganisms. Subsequently, we reinvested revenue in developing quality systems, and in changing / upgrading our facility to meet pharmaceutical and medical device standards. Later, we achieved ISO 9001 and ISO 13485 certification and registered as a both a drug and a device manufacturer with the US FDA. We are now out manufacturing process mix is about 60% medical devices and pharmaceutical products with a few high value nutraceutical products.

CEOCFO: ***According to your site, you not only meet but exceed expectations. How do you go a step beyond for your clients?***
Mr. Teeter: Having worked in both large and small organizations, we decided that we wanted to maintain the small company attention to our customers that is not possible in a very large multi-division corporation. Our customers know that their contact with the owners, managers and employees at every level, are with the people who can both make decisions and have technical competence. I believe we succeed more than we do not, but it is always our goal to make sure the customer's interests are first and that everything we do is focused their requirements and interests.

CEOCFO: ***How does that work out day to day?***
Mr. Teeter: Because we are a small company, most of our employees, whether they are operators, supervisors, managers, or process engineers, are going to be involved with customers either with ongoing production and customer service or introducing new products. The first thing that happens when we get an inquiry or someone expresses interest in work with us them, is meeting with the teams that will work with them to transfer the process as well as those who will ultimately manufacture the product. We maintain that continuity as long as the relationship lasts. The customer knows

their contacts and they know where to go if they have a problem. We try to answer questions and concerns very quickly, but always with individuals with whom they are familiar.

CEOCFO: ***When a company turns to you, do they know what they want? Are they providing specifications?***
Mr. Teeter: Since we are a small company, there are some things we cannot do. One of them is invent new things that would require intellectual property that we just do not have. We get a variety. Our sweet spot tends to be smaller or midsized companies who need some level of technical assistance, engineering work or help in scaling their product, from bench to production floor. In all cases, we would validate the processes in our facility. Occasionally we get processes that are fully validated, but that would be more the exception. Usually, we have a process that has either been run at pilot scale or has been previously manufactured by a smaller supplier. In all cases, we scale up and do validation of the process in our own equipment and facility.

CEOCFO: ***Is it important to your clients that you do not sell your own products and that you are strictly focusing on others?***
Mr. Teeter: I believe it is, and particularly in the areas where we are most active. Even though all projects, require non-disclosures and secrecy agreements, it is hard to unlearn what you know so, there is always the concern that transferring information would give us an unfair advantage if we were to compete. In that sense, I believe the fact that we are strictly a contract manufacturer is a big plus.

CEOCFO: ***How do you reach out to potential new customers? How would people find you if they are looking?***
Mr. Teeter: we have been rather fortunate over the years, partly because we have worked in many other places and the pharmaceutical medical device industry is fairly small when you have been in it a long time. Many of the people learn we are here because they know me or my partner personally. In recent years, more of our opportunities have come from word of mouth or personal networking. We have done no advertising except for a website (which you may have noticed is a little bit out of date) that is generally representative of what we do. We do get inquires based on that. I would say, however, most of our business continues to derive from networking and word of mouth from satisfied customers.

CEOCFO: ***How is business?***
Mr. Teeter: Business is good. We expanded the facility in 2012 by a factor of 3 because we had reached full utilization. After three years since validation of the expanded facility we are approaching a high level of utilization. Last year, sales increased about thirty percent. We believe 2017 will show even greater growth.

CEOCFO: ***Is there much change in equipment or processes that you need to watch? Is there a constant upgrading or is it somewhat static?***
Mr. Teeter: I believe the changes in equipment are primarily associated with control systems. We have to repair and replace the equipment as it ages and wears, but I would say that our processes –formulation / synthesis, filling, lyophilization and, packaging - have permitted us maintained fairly constant equipment. We have added equipment as required to meet customer requirements, but the majority of improvements and upgrades have generally involved control systems.

CEOCFO: ***Are you able to help your clients with the regulatory issues in terms of tracing materials and genealogy?***
Mr. Teeter: Regulatory compliance is one of the most important aspects of what we do. Every material that comes through the door is traceable, whether it is something that we purchase on the customer's behalf or a material supplied by the customer. That identity continues throughout the manufacturing process. We do mock recalls to make sure that we can trace back everything to the beginning. I believe it is extremely important to our customers that we maintain very strict GMP compliance throughout the entire supply chain starting with the order all the way through to product shipment.

CEOCFO: ***What is next for Anteco?***
Mr. Teeter: I next goal is to make additional investment in equipment that expands our manufacturing capability. We would like to do more work in the area of vial filling and sterile processing. We believe, particularly, that sterile processing of powders and sterile bulk lyophilization are important capabilities to add to our portfolio. Also on our radar is the ability to work with toxic compounds, and the ability to lyophilize from non-aqueous solutions. We see that more and more drugs coming out of development that fit into these categories and would like to be able to provide these services tour clients.