

**In business for 17 Years providing Equipment, Systems and Facilities Testing used to Manufacture and Release a Drug Product, PCI Pharma has with Increased Sales every year Leading to 29% Growth in Total Sales in 2012**

**Healthcare  
Instrumentation & Calibration**

**PCI Pharma  
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**Andy Ferrell  
CEO**

**BIO:**

As the founder of PCI, LLC in 1996, Mr. Ferrell oversees a management team who are responsible for the general operations of the company. PCI specializes in cGMP programs development and providing clients with technical resources to meet their needs.

Mr. Ferrell has experience in biopharmaceutical facility start up projects. Prior to PCI, Mr. Ferrell held progressive project management

and operations positions with Burroughs Wellcome, GlaxoWellcome, and Pharmaceutical Solutions.

Mr. Ferrell has a long history of working with analyzing business process and compliance requirements in order to establish organizational structures that match the current risk tolerance for many life science companies. He has been in the pharmaceutical, biotechnology and medical device industries since 1989, providing technical and consulting services, some of which include quality system audits, compliance training, business process analysis, workflow development, and calibration and validation services.

In 2000, he founded the Calibration Discussion Group which is an annual event in which thought leaders from around the country convene to discuss innovated approaches to reduce cost, improve compliance, and increase operational efficiencies relative to maintenance and calibrations.

Mr. Ferrell holds a Master's Degree in Industrial Technology from East Carolina University. He is an active member of ISPE, PDA, ISA, and ASQ. He currently serves as a Board Director on the following: ISPE CaSA Chapter, ECU Medical & Health Sciences Foundation, ECU Engineering Department, as well as the Advisory Council of ECU's College of Technology & Computer Science.

**About PCI Pharma:**

PCI was founded in 1996 with a vision of becoming the best consulting and technical services firm in the life sciences industry. The company's core

expertise is calibration and maintenance compliance for FDA-regulated manufacturing facilities and laboratories. PCI's mission is to provide personalized customer service, exceptional and quality documentation to their customers while always preserving the integrity and ingenuity of performance. The company places high value on honesty, integrity, pride, self-esteem and teamwork. PCI takes these values and mission as their primary focus in creating the ultimate results for clients: total compliance in the product quality life cycle.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Ferrell, would you tell us about PCI Pharma?

**Mr. Ferrell:** PCI has been in business seventeen years. We provide consulting services and technical services for life science industry.

**CEOCFO:** Are you considered a CRO? Are you providing different types of specialized services?

**Mr. Ferrell:** We are not a CRO. We actually provide services for CROs as well as drug manufacturing companies and drug discovery companies. PCI, we provide testing services. We are testing equipment, we are testing their facilities, we are ensuring our customers are FDA compliant. We do not test the drugs, but we test the equipment, systems, and facilities used to manufacturer and release a drug product.

**CEOCFO:** What are some of the biggest challenges in doing this type of testing?

**Mr. Ferrell:** The biggest challenges are finding qualified resources. We exclusively hire engineers and scientists. Not a lot of people are trained for that type of service. Our biggest challenge is finding resources who understand this type of business and this type of service, and then we have to train them.

**CEO CFO:** How do you recruit people?

**Mr. Ferrell:** A lot of word of mouth. We network heavily. We also have internal full-time recruiters, but a lot of our business unit heads are responsible for recruiting their own team members. Some resources have come from the military, and many of them come from industry.

**CEO CFO:** You provide a variety of services. Are there areas that you do more in than others and would you like to see the mix changing?

**Mr. Ferrell:** About 40% of our work is on the manufacturing side where we employ engineering technicians. Another 40% is on the laboratory side testing the equipment used to release drug products and where we employ scientists whom are trained to test the laboratory equipment. Then the other 20% is consulting services where we employ industry veterans who are experience in building quality based programs required in the Life Sciences industry. We like the mix, but we really would like to see that change. If anything, we will see our consulting business continue to grow and be a bigger portion of our revenue stream.

**CEO CFO:** What do people come to you for consultation? Is it in setting up equipment?

**Mr. Ferrell:** Yes. Sometimes clients also request our services in specifying equipment and setting up equipment. More of our consultation services are geared around compliance; and by that I mean the FDA typically will find that some of our customers are out of compliance, so our clients come to us. We help them get back in compliance.

**CEO CFO:** Are you regulated by the FDA? How does it work from your end so that you are qualified, or do they take your word for it?

**Mr. Ferrell:** No, we are a service firm so we are not. We deliver a service so the FDA would not regulate us because we do not make a product. We do have some accreditation. There is an ISO accreditation for the type of service we deliver. We are ISO 17025 accredited.

**CEO CFO:** What is the competitive landscape for you?

**Mr. Ferrell:** There are some large international companies who are in this space. And then there are some very small firms throughout the country. We have about one hundred and fifteen people in our company in six offices in the US. So we are a pretty good sized to provide this service to the life science industry in the US.

**“We actually provide services for CROs as well as drug manufacturing companies and drug discovery companies. PCI, we provide testing services. We are testing equipment, we are testing their facilities, we are ensuring our customers are FDA compliant. We do not test the drugs, but we test the equipment, systems, and facilities used to manufacturer and release a drug product.”- Andy Ferrell**

**CEO CFO:** You have several branches; what is your geographic range?

**Mr. Ferrell:** We are headquartered in Raleigh, North Carolina which is right next to the Research Triangle Park. We have offices in Seattle, San Francisco, Boston, Gaithersburg MD, and Indianapolis.

**CEO CFO:** So you pretty much cover the whole country?

**Mr. Ferrell:** Pretty much. Not such great coverage in the middle section of the country, but for the most part we do have engineers and technicians that will travel throughout any part of the country.

**CEO CFO:** How do you reach potential customers?

**Mr. Ferrell:** We do not have any sales people in the business development and we never have. We do participate in professional organizations and trade shows throughout the country.

**CEO CFO:** Do you typically work with a company on an as-needed basis, or do you have a contract to inspect a couple of times a year? What is the model?

**Mr. Ferrell:** Year to year, we see about 75% of our business is fairly repetitive in that we do have multiyear contracts, where we are going into sites frequently. The other 25% of our business year is project based, where there is a specific start and end date.

**CEO CFO:** How do you keep up with all of the technology changes, the new equipment, as well as the changing regulatory environment?

**Mr. Ferrell:** We rely heavy on our Consulting Team members to provide technical and compliance training for our technical teams. For clarity, our Consultants are all full-time. We have no 1099 resources within our company; everyone is a full-time employee. Our consulting team is responsible for keeping up with industry trends, FDA citations, and new technologies. Our consulting team members all speak at conferences throughout the country, as well as in our own training center. We have a training center that holds sixty-five people.

**CEO CFO:** Would you tell us about your corporate culture? It seems to be a very inclusive setting.

**Mr. Ferrell:** Our corporate culture is more of a family atmosphere. Our retention rate is really, really good for a service company, in any industry. Many of our employees have been with us more than ten years. The culture is more of a learning environment I guess I would say; more so than a typical service environment. Again, we have a Training Center in our headquarters in Raleigh, North Carolina, and we patch in our other offices on a regular basis, at least

once a month, for some type of compliance and/or technical training.

**CEO CFO:** PCI Pharma provides data analysis and data management services. Would you tell us about that portion of your business?

**Mr. Ferrell:** Certainly. When we started the company, the data analysis services we offered really to show our clients where they were compliant and where they had compliance gaps. That service has evolved to help our clients make better business decisions with data and information relative to the condition of their facilities and their equipment. We help them manage the life cycle of their assets. In addition to keeping them compliant, we also help them to understand: how those assets are performing, whether those assets are underutilized, and when those assets need to be replaced. That type of service is a little bit unique for our business model.

**CEO CFO:** Do many of your clients take advantage of the full range of services?

**Mr. Ferrell:** Yes. We have about a two hundred customers. And of that about 25 to 30% use all of our services.

**CEO CFO:** That seems fairly high. Are you happy with that?

**Mr. Ferrell:** Never completely satisfied with it. We would like for that percentage to double in the next five years.

**CEO CFO:** How is business these days?

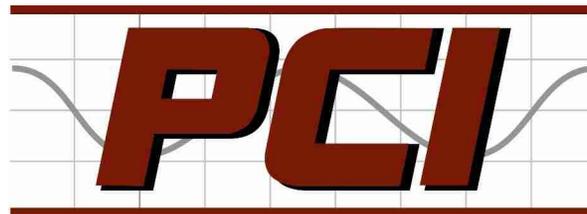
**Mr. Ferrell:** Business is good. Like I said, this is our seventeenth year, and we have increased our sales every year. Last year was our biggest year, with 29% growth in our total sales.

**CEO CFO:** What accounts for that growth, and how do you continue at such a rate?

**Mr. Ferrell:** Being able to respond to the industry's needs. There have been a lot of consolidations and a lot of mergers within our client base. A lot of our customers are looking for more productive ways to produce their products. We have built our company with infrastructure and platforms that are scalable.

**CEO CFO:** Why should investors and people in the business and life science communities pay attention to PCI Pharma? What makes you a special company?

**Mr. Ferrell:** That is a good question. I would say we have a unique culture, and we are in a really good space. The business we are in is fairly recession-proof and PCI has a good track record and a really strong management team.



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