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LATEST NEWS

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Lawrence life sciences firm gets \$15M

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Staff Writer

Deciphera Pharmaceuticals LLC, a Lawrence-based life sciences firm, has landed \$15 million in financing from "private Kansas sources," according to the Lawrence Regional Technology Center (LRTC), an incubator that has assisted the firm.

It potentially is the largest amount of financing an area startup has received in 2003, said Elizabeth Usovicz, who tracks venture capital financing for the Enterprise Center of Johnson County, a Lenexa incubator. The Enterprise Center has not yet compiled 2003 figures.

"This is potentially significant," Usovicz said of the \$15 million investment. "That's an enormous amount of money."

According to the Enterprise Center's findings, all area biotech firms received a total of \$1.8 million in financing in 2002.

Deciphera moved to Lawrence in 2003, where CEO Dan Flynn is an adjunct professor at the University of Kansas. The two-person company has designed a proprietary drug discovery mechanism that provides a base for drugs to be built that aid in the treatment of cancers, diabetes, arthritis and Alzheimer's disease.

"I guess I'm over the shock," Flynn said Thursday. "We were very fortunate to land this \$15 million. The entire \$15 million came from the Kansas City area, which is even more astonishing."

The first three proteins the firm tested worked, he said, which led to the investor enthusiasm.

Upon coming to Kansas from Boston, where Flynn worked as a chemist, Deciphera received a \$1.5 million seed investment led by state-owned Kansas Technology Enterprise Corp., along with investors such as Lawrence-based Sam Campbell & Associates, Lawrence-based Dec Investors LLC and Precede Fund of Kansas City, Kan.

The new, unnamed investors put their money into Deciphera in November.

David Frankland, CEO of KCCatalyst, a nonprofit that helps tech and life sciences companies find capital, said the Deciphera investment is "a momentum builder for the region."

"It's a great testament to local people funding local ideas," said Frankland, who introduced Flynn to KTEC leaders.

With a soft market for investing and an overall downturn in the technology sector, KCCatalyst has assisted more than 100 companies but has seldom seen a contact receive as much money as Deciphera.

Frankland called it a victory for the almost 2-year-old organization.

"This is one of the reasons we were put here," he said.

Matthew McClorey, CEO of the LRTC, said Deciphera's ability to get money shows that a life sciences company doesn't have to be on the coasts to instill investor interest.

Deciphera has big plans as a company. Flynn told a crowd of prospective investors in May that he plans to take the company public in 2008 and have a valuation of \$1.8 billion within 10 years, if all goes according to plan.

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