

INNOVATIVE ENTREPRENEURSHIP VIA SPIN-OFFS OF KNOWLEDGE CENTERS

Financing and risk taking in Biotech / Medtech projects

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Specific parameters to control risks of Biotech / Medtech projects from Knowledge Centers

- 1) Verify the quality of scientific research
- 2) Verify and strategize the intellectual property
- 3) Do not ask scientists to become business people if they cannot
- 4) Bring to the project, from the early beginning, advisors with an industrial experience in the fields (regulatory, pricing, manufacturing, medical added value...)
- 5) Do not accept “quick and dirty” developments due to lack of funding (you would pay for by-passes later!)

- 6) Creation by Knowledge Centers of maturation funds (around 500K euros per project) to “prove the concept” before incorporating a company (project concept) and risk more money
- 7) Do not ask VC’s opinion / participation at the early stage; rather prefer other sources of funding
- 8) Negotiate reasonable terms of the licences from Knowledge Centers (Biotech will have to sublicense or divest in a few years!)
- 9) Incorporate the project / company in an incubator / accelerator environment (cluster concept), focus energy on technology / development matters
- 10) Focus on products which meet a true medical need and will be reimbursed

The general ideas / concepts to be successful

- 1) Only excellent science leads to “inventions of rupture” or “ground-breaking inventions” and successful products
- 2) Biotech / Medtech projects are long lasting and costly but they very often conduct to results, even though these results are not the ones anticipated at the beginning
- 3) To be successful, entrepreneurs have to be atypical and slightly crazy
- 4) To be successful (and rich!), risk taking is more important than capital securing or avoiding dilution
- 5) The biggest risk is not to take any risks

An example from what we presented: Pasteur Biotop (2000 – 2005)

- 14 companies incorporated from Pasteur's research
- 4 companies listed (Euronext and / or Nasdaq): Collectis, Genticell, Genomic Vision, Hybrigenic
- 1 company in the process to be listed
- 2 companies sold to big pharmas (Anaconda, Cellogos)
- 1 company is profitable and has become a market leader in its field (Texcell)
- 1 company is surviving
- 5 companies were unsuccessful and have disappeared