

The creation of biotech start-ups in Piemonte: the Discovery initiative

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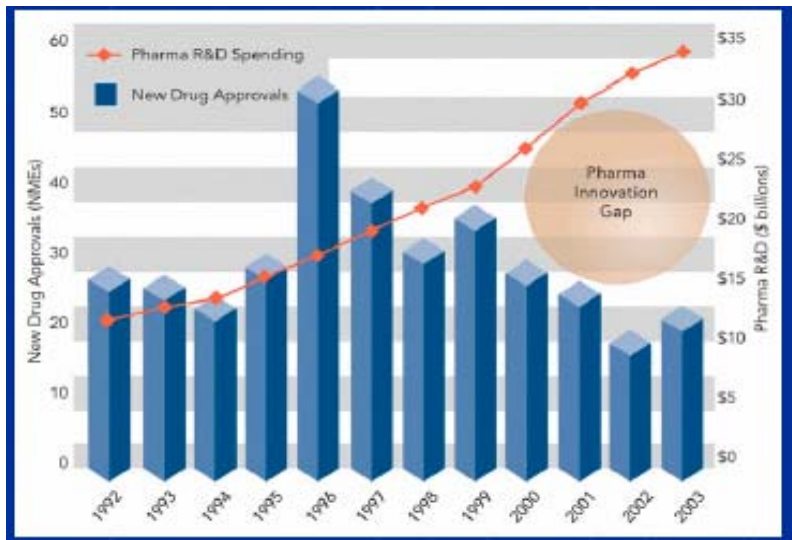
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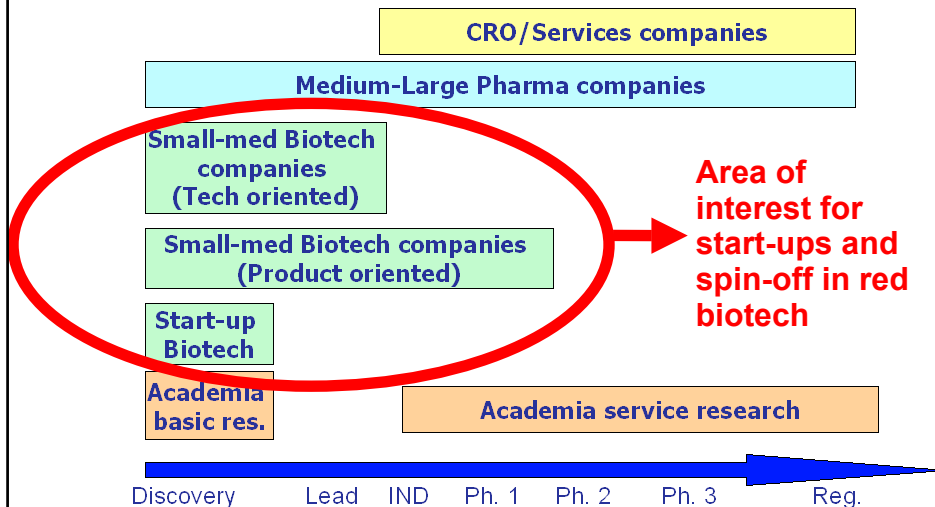


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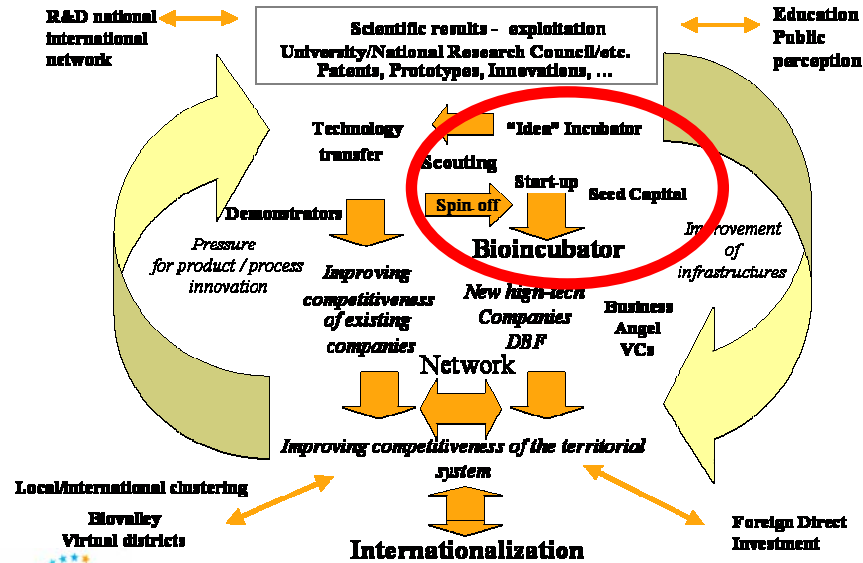
Where start-ups are located in the value chain



Fonte S. Fumero – The Partnership Chain – Nantes 2003

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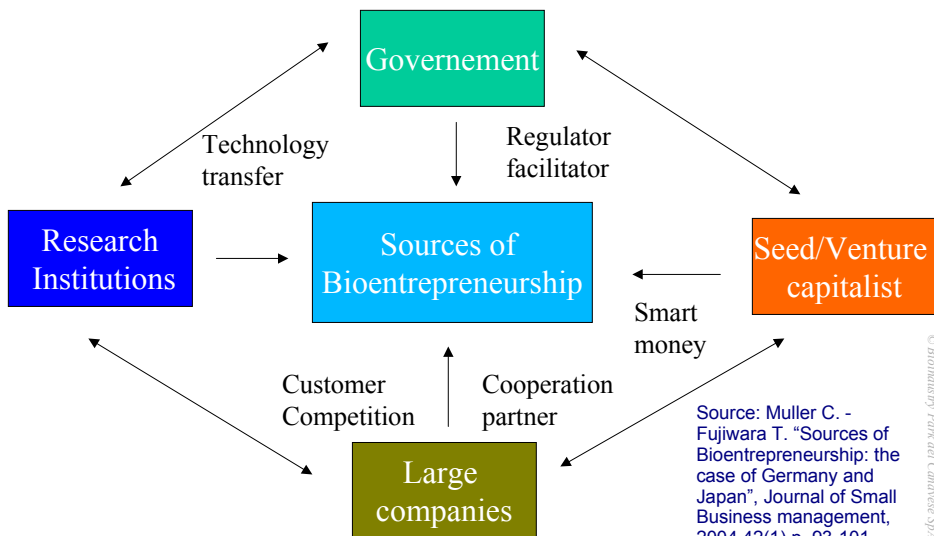
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Source Bioindustry Park 2001

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Source: Muller C. - Fujiwara T. "Sources of Bioentrepreneurship: the case of Germany and Japan", Journal of Small Business management, 2004 42(1) p. 93-101

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FOUNDER=
inventor of
technology

FOUNDER=
market
perceiver

Opportunity recognition

Intellectual property rights

Fund and build team and company

Develop technology toward product

Survive by additional funding, selling
assets (IP licensing) or spinning out
applications

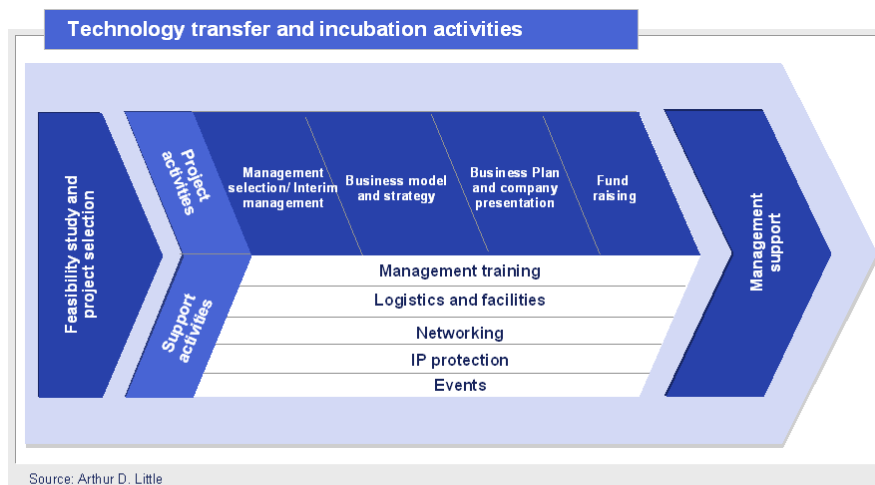
Source: S. Mehta "Paths
to entrepreneurship in
the life sciences", Nature
Biotechnology, vol. 22, n.
12, december. 2004, p.
1609

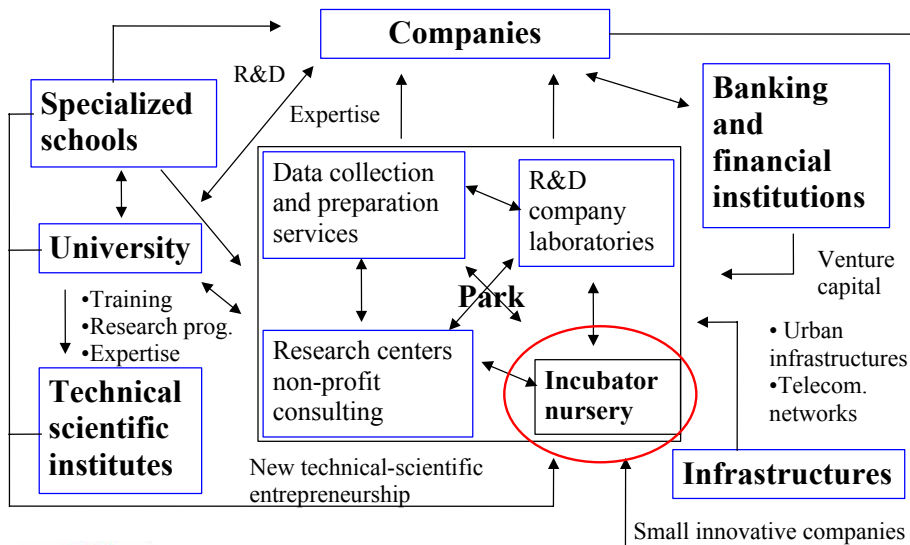
MARKET

Scientist not always are managers!!!

- **Main roles of Bioincubators are:**
 - to build a bridge between research and company creation
 - to support scientists in their process of "transformation" in entrepreneurs;
 - to support entrepreneurs in the value creation process around the scientific result;
 - to support scientists in the solution of intellectual property problems
 - to support scientists in the identification of financial partners

- Pre-start-up support
- Start-up assistance
- Seed capital
- Development assistance and value creation
- Way-out support





BIOINDUSTRY PARK is a Science park specifically dedicated to life sciences.

The Park offers research facilities and scientific services hosting companies and research institutions. Park's Laboratories (LIMA) can supply a wide range of scientific and research services:

- Chemistry
- Molecular Biology/Biotechnology
- Proteomics
- MRI
- Bioinformatics



The Park hosts two University Dept.s (Chemistry and Molecular Biology) and a Proteomic group of CNR. At the Park, in more than 25 organisations, are active more than 200 employees.
Partnership with ADEBAG Grenoble

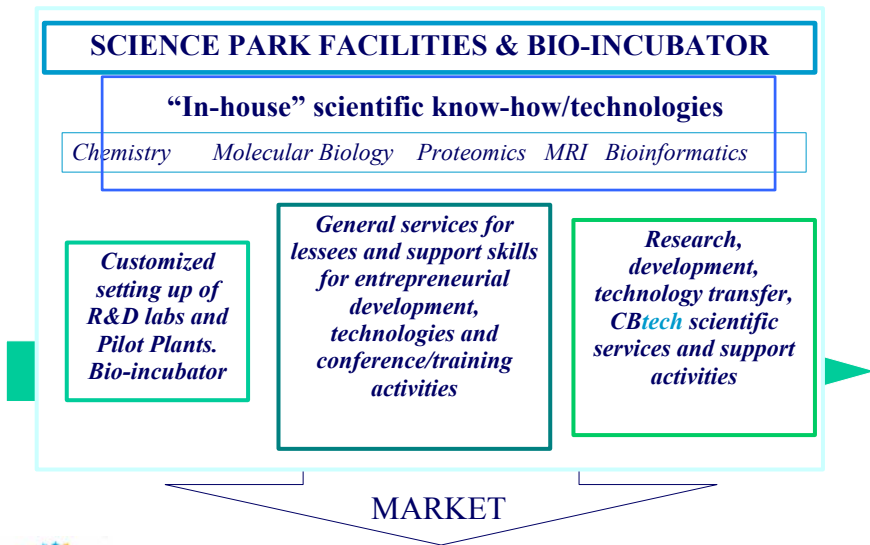
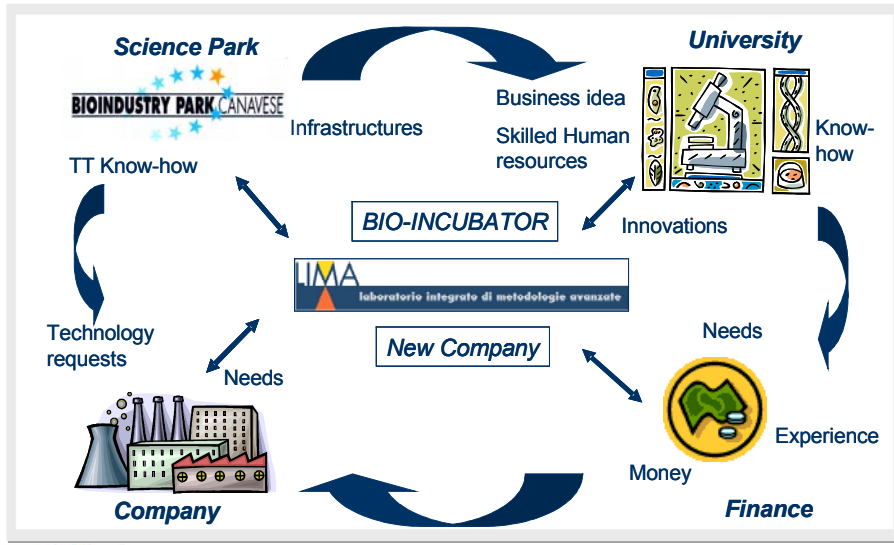




Shareholders



	<i>Euro</i>	<i>%</i>
Finpiemonte	2,11	37,37
Provincia di Torino	1,87	33,12
Serono	1,50	26,57
R.B.M.	0,10	1,77
Telecom Italia	0,05	0,89
Bioline Srl	0,01	0,25
Associazione Industriali del Canavese	0,001	0,02
Federpiemonte	0,0004	0,01
TOT MI. EURO	5,65	100





The **“Discovery”** initiative has been conceived by Bioindustry Park, supported by Regione Piemonte and realized in strong partnership with Eporgen Venture

The objective is to attract research projects/ideas of Italian scientists in order to select the most interesting and to start entrepreneurial activities in the Biotech sector.

The biotech sector, in the context of the Bioindustry Park of Canavese, includes research activities in many areas such as:

pharmacological, pharmaceutical, diagnostic, biomedical, bioengineering, bioinformatics, “drug delivery”, nano biotech and environmental.

•Main advantages of the Discovery approach:

- No bureaucracy
- “Private” approach”
- Private/Public Partnership
- No money requested to scientist



Edmond de Rothschild
Investment Partners

Arthur D Little



- 800 sq.m
- 9 separate labs with basic furnitures/instrumentations
- Availability of a budget of 20.000 euro for each start-up selected
- Possibility to invest up to 100.000 euro for each company in instrumentation
- Availability of a tutoring program
- Shared facilities and instrumentation
- Easy access to instrumentation present in LIMA R&D Bioindustry Park laboratories
- Access to Bioindustry Park network and marketing activities



8 universities visited during presentation roadshow; more of 200 research groups encountered



23 groups of Italian researchers answered to the Discovery project

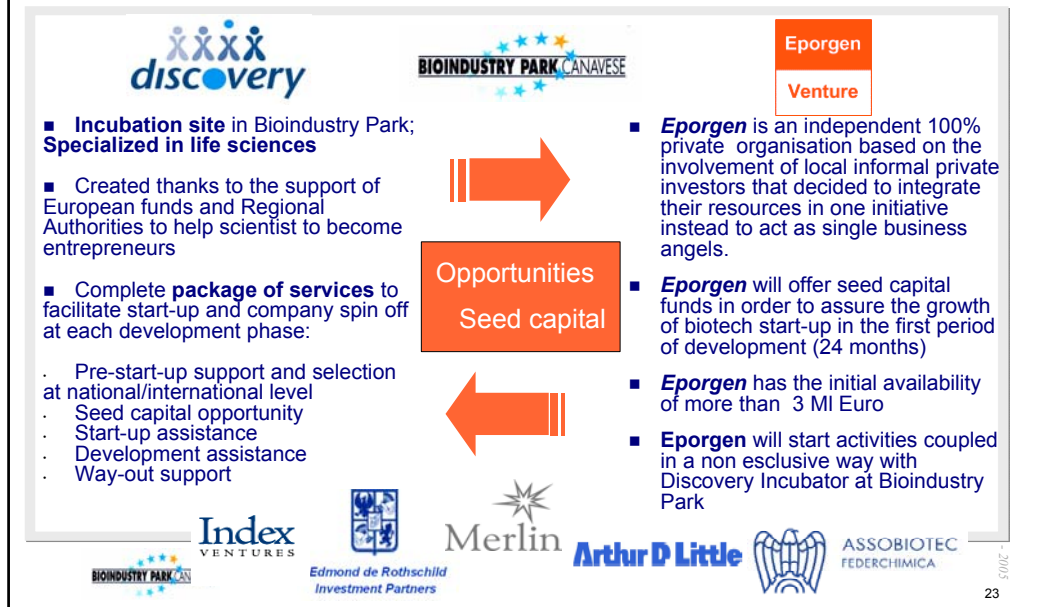


8 projects were selected



6 projects were chosen in order to receive the financial need to start 6 new companies





The Eporgen Venture model

- **“Seed-capital”** company founded and funded by non institutional investors;
- The shareholders of **Eporgen Venture** are *private investors* residents in the area of Ivrea, Turin and Biella. All of them have been motivated from the desire to create and support a series of initiatives aiming to promote new companies (start-up) based on highly innovative projects with international scientific relevance;
- **Eporgen Venture SpA** has the institutional objective of finding proposals from Italian or foreign researchers, either from academic or private institutions, evaluate their potential and give them the means to develop and bring their projects, in a time frame of 2-3 years, to a level where the results can be proposed to new investors and Venture Capital or generate partnerships with medium-large pharma/biotech companies.

- Financial collection from private investors
- Selection of projects at the initial phase with highly innovative content and international relevance, already patented or patentable
- Preparation of a flexible business plan, not only based on the economical features, but more related to the scientific aspects in order to seize all the possible opportunities that can be generated by the project
- Constitution of the company with majority share of Eporgen
- Priority of location in the Bioindustry Park of Canavese, but not mandatory
- Use of regional, national and European funding
- Quarterly evaluation of scientific results and financial situation
- Decisional process by the company board of Directors and Scientific board
- Network with companies, institutional investors and venture capital

Eporgen is a profit oriented company!!



- **increase of Eporgen investment**
- **entry of new investors**
- **entry of Venture Capital**
- **licence of projects/patents**
- **partnership with other companies**
- **collaboration agreements**
- **merger and/or acquisition with or from other companies**





Lesson learned from the Bioindustry Park experience

- Biotech: not just research, but the ability to turn ideas into businesses: not quantity but quality!!
- Act local and think global; It is necessary to activate local resources in order to involve international VCs;
- University, public authorities and private world have to share a common vision respecting specificities;
- It is necessary to have a strategic approach: avoid “fire and forget” initiatives;
- Powerful advantages from proximity and networking to reach critical mass in each phase of development;
- Importance to create a “local market” trough Bio-incubation;
- Matching funds approach; A local capital provider is an asset;
- Is the team that win, not the single player!!! Build the right network..

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Thank You!!!!



Eporgen Venture srl
www.eporgen.com



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