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

Torino, September 2005

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Where start-ups are located in the value chain

Area of interest for start-ups and spin-off in red biotech
From Scientific result to company creation: Bioentrepreneurship environment

Government

Research Institutions

Sources of Bioentrepreneurship

Seed/Venture capitalist

Technology transfer

Regulator facilitator

Customer Competition

Cooperation partner

Large companies

Smart money


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From Scientific result to company creation: Bioentrepreneurship environment

Life sciences and development

The strategic vision

Institutions

Research

environment

From Scientific result to company creation: Bioentrepreneurship

The strategic vision

Large partner

Capital

Government

Technology transfer

Regulator facilitator

Customer Competition

Cooperation partner

Large companies


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From scientific result to company creation: path to entrepreneurship in the life sciences

**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

MARKET


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From scientific result to company creation: role of Bioincubation

**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
From scientific result to company creation: steps in Bio-incubation (...and in incubation in general of high tech initiatives...)

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

Technology transfer and incubation activities

Source: Arthur D. Little
**From scientific result to company creation: the role of an incubator in a science park**

<table>
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<tr>
<th>Specialized schools</th>
<th>University</th>
<th>Technical scientific institutes</th>
<th>Companies</th>
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<td>• Training</td>
<td>• Training</td>
<td>R&amp;D Expertise</td>
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<td>• Research prog.</td>
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<td>Data collection and preparation services</td>
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<td>Incubator nursery</td>
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<td>New technical-scientific entrepreneurship</td>
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Source: V. Vagaggini “Economia Industriale”, ELEA, 1996

**Bioindustry Park del Canavese**

**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

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www.bioindustrypark.it
### Shareholders

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Bioindustry Park -
Theoretical model

Science Park

BIO-INCUBATOR

Company

New Company

University

Innovations

Know-how

Infrastructures

Business idea

Skilled Human resources

TT Know-how

Technology requests

Needs

Company

Finance

Money

Experience

Needs

SCIENCE PARK FACILITIES & BIO-INCUBATOR

“In-house” scientific know-how/technologies

Chemistry Molecular Biology Proteomics MRI Bioinformatics

Customized setting up of R&D labs and Pilot Plants. Bio-incubator

General services for lessees and support skills for entrepreneurial development, technologies and conference/training activities

Research, development, technology transfer, CBtech scientific services and support activities

MARKET
Organisations located and operational in Bioindustry Park

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

The objective 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
Bioindustry Park and Start-ups: 
Bioincubation and DISCOVERY project - partnership

• 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
Bioindustry Park and Start-ups: Bioincubation and DISCOVERY project – steps and quantitative results

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

Bioindustry Park and Start-ups: Bioincubation and DISCOVERY project – the triple helix approach

START-UPS

Research needs

Business Ideas

Selection Incubation Tutoring

Seed capital Know-how Tutoring

Eporgen Venture

REGIOINE PIEMONTE

Financial resources Support

Imput for the creation Support to activities Opportunities

Positive environment

Positive environment
Bioincubation: between public and private efforts - Bioindustry Park incubator and Eporgen Venture case

- **Incubation site** in Bioindustry Park; **Specialized in life sciences**
- Created thanks to the support of European funds and Regional Authorities to help scientists to become entrepreneurs
- Complete **package of services** to facilitate start-up and company spin off at each development phase:
  - Pre-start-up support and selection at national/international level
  - Seed capital opportunity
  - Start-up assistance
  - Development assistance
  - Way-out support

- **Eporgen** is an independent 100% private organisation based on the involvement of local informal private investors that decided to integrate their resources in one initiative instead to act as single business angels.
- **Eporgen** will offer seed capital funds in order to assure the growth of biotech start-up in the first period of development (24 months)
- **Eporgen** has the initial availability of more than 3 Ml Euro
- **Eporgen** will start activities coupled in a non exclusive way with Discovery Incubator at Bioindustry Park

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### 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.
The Eporgen Venture approach

- 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!!

The Eporgen Venture way out scenarios in 2-3 years in a particular 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
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” through 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..
Thank You!!!!