

# Turning research into business

Professor Anne Glover

University of Aberdeen



Best New Biotech  
Company 2006



Sir Ian Wood Award  
for Innovation 1999



Logie Baird Awards  
1999



# Benefits of commercialising

- ◆ New challenge
- ◆ Develop new skills
- ◆ University/funders value KT activities
- ◆ Can establish new contacts for academic work
- ◆ Future financial rewards

# A personal history

- ◆ Carried out basic research into environmental diagnostics/biotechnology funded by NERC and BBSRC
- ◆ Identified commercial potential
- ◆ Spun out company 1999
- ◆ Took 2 years to set up
- ◆ Remedios now trading for over 6 years

# How do you know that your research output will make a business?

- ◆ Identification of a market need/size
- ◆ Identification of a unique selling point
- ◆ Identification of platform technology/ products and future products
- ◆ Identification of strong drivers such as legislation
- ◆ Establish lack of barriers
  - Make sure there are not easier/better commercialisation routes

# Reasons for us to set up a Company

## ◆ Our technology was :

- Faster
- Provided more information
- Data produced is easily understood by clients – novel format
- Directly addresses legislative requirements
- Generates new solutions to old problems
- Addressed a very large market

# Starting a company

- ◆ Put together a team
- ◆ Decide how to access the market
- ◆ Engage legal representation
- ◆ Structure the company (equity shares)
- ◆ Come to an agreement with University/employer
- ◆ Secure funding (VCs vs Angels)
- ◆ Source staff and premises

# Relationships between shareholders

- ◆ Establish shareholding and what everyone is contributing for this
  - Helps establish the value of the Company
  - Helps prevent misunderstandings at a later stage
- ◆ Negotiate hard
  - Rent holiday
  - Academic buy-outs
  - Financial advice, secretarial help?
- ◆ Keep them involved and highlight the benefits to them and your commitment



# Relationship with funders

- ◆ How much money do you need? (then double it!)
- ◆ How much equity can you release?
- ◆ How do you value the Company at start up?
- ◆ Do you want just money?
- ◆ What milestones are being set?
- ◆ What special conditions are being asked for?



# Intellectual property

- ◆ Own/protect IP wherever possible
  - Know-how (needs loyal staff)
  - Patenting
  - Trademarking
- ◆ Cost in IP protection to BP
- ◆ Secure licensing agreements where necessary
  - IP generates value in the company

# Marketing

- ◆ Raise awareness of your Company and its services/products (takes lots of £'s)
- ◆ Engage a PR company
- ◆ Enter competitions (cheap publicity)
- ◆ Offer talks at seminars/conferences
- ◆ Have suitable marketing material (copyright) – flyers/brochures/website
- ◆ Launch event



2/1/2006



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Company 2000*



# Help and advice available

- ◆ Contact local enterprise companies
  - Financial assistance for recruitment
  - IP protection costs
  - Product development grants
  - Extension of professional mentoring
  - Database access
  - Marketing assistance
- ◆ Consider Knowledge Transfer Partnerships (KTP)
- ◆ Small Business Research Initiatives (NERC/BBSRC)
- ◆ Government SMART awards for development of new products/markets
- ◆ SFLGS (*de minimis* provisions)



# Developing the business

- ◆ Fear complacency
- ◆ Pursue Joint Ventures/Alliances
- ◆ Be aware of competition
- ◆ Develop new products/platforms
- ◆ Explore new markets
- ◆ Raise capital in exchange for equity to grow the business

# Key lessons learned

- ◆ Seek expert help in valuing the Company at the beginning
- ◆ Be explicit in what's expected for equity
- ◆ Generate generous amount working capital
  - Employ enough staff
  - Focussed sales team
- ◆ Pay attention to Board structure (management)
- ◆ Secure full time buy-out of academic staff

# Final comments

- ◆ Don't underestimate your own skills/value
- ◆ Take advantage of as much help as possible
- ◆ Try to work as a team to share responsibility
- ◆ Don't be afraid of risk – it's exciting!
- ◆ **Under promise and over deliver**

