

Nurturing the business of biotechnology

Incubate, v. To sit upon (eggs) in order to hatch them; (Biol.) to place in an incubator (for developing bacteria); to maintain at a constant degree of warmth that will favour growth or continued survival (e.g., of microorganisms); more widely, to maintain under given conditions in a controlled or artificial environment.

—Oxford English Dictionary

The dictionary definitions of the word “incubation” do not obviously relate to the cutthroat world of finance and business. There is a pressing need, however, for a nurturing and supportive infrastructure for the many embryonic ideas that could, with some luck, form the bases of some of tomorrow’s great biotechnology companies. In particular, the smart folks who first lay the golden ideas need a place to hatch their startups. In response to this need, business incubators have sprung up around the globe.

More than simply “hothouses,” incubators provide some or all of the essential growing conditions need by a new company: a physical

home tailored to the needs of researchers, affordable rents, and shared services.

Most importantly, many incubators come with managers experienced in starting businesses—“mother hens” providing invaluable support, advice,

and perhaps even a shoulder to cry on when things go wrong, as they almost certainly will.

Although a relatively new concept, incubators appear to improve the odds that a startup will graduate as a successful and fully fledged company. In this supplement we look at what incubators offer startups and at the issues you might consider before choosing one as your home (see *Business Incubation and Startup*). Not all incubators are created equal, and entrepreneurs are advised to consider their options, and to ensure that they are suitably equipped for the task ahead.

But nurture is not everything, and as Chris Evans, one of Europe’s leading scientist-entrepreneurs and venture capitalists, points out, nature is important too. Entrepreneurship may well also be in the genes.

Entrepreneurs are people with tenacity, energy, and an ability to stay focused on the task ahead. Undaunted by failure—indeed, failure

seems to be a prerequisite for success—many of today’s most successful entrepreneurs are now in a position to offer valuable insight into what hands to play in the high-risk game of startup. The profiles in the Bioentrepreneurship section provide some enlightenment and further evidence that entrepreneurship, no longer the exclusive remit of North America, has gone global.

For those intimidated by the task ahead, however, be prepared! The rest of this supplement has been set aside to flag many of the other potholes lying in wait to trip up the aspiring entrepreneur.

First, entrepreneurs need to consider business strategy—their startup’s end products, future clients and customers, and the value to investors, partners, and customers (see *Strategic Planning*). Fundamental to this is the creation of a business plan, through which the direction, needs, and objectives of a company are crystallized. However, startups must also ensure that they have the legal and financial resources and intellectual property protection in place to execute this plan (see *Legal and Finance*). Befuddled by legalese, too many scientist-entrepreneurs endanger the future value of their companies by failing to adequately protect their intellectual property through patents and trade secrets.

Bioentrepreneurs must also become familiar with the complex workings of the financial world to maintain the value of their investment in the organization.

And, last but not least, entrepreneurs must be prepared to wear several other hats (see *Management and Communications*). A high-risk, entrepreneurial business may require not one but several “chiefs” during the course of its evolution to profitability.

We hope that this supplement will provide some useful nuggets of information for those considering, or even in the process of, hatching their own ideas. But it is no substitute for expert help, of the type that, unfortunately, comes at a premium. We are therefore very grateful to our authors who have so generously offered their time and experience in contributing to this supplement.