

AN AUDIENCE WITH...

Daphne Zohar



Founder and Managing Partner of PureTech Ventures, Boston, Massachusetts, USA. Daphne Zohar was named one of the world's top young innovators who will shape the future of technology by MIT's *Technology Review* magazine and one of the top "40 under 40" by the *Boston Business Journal*. A successful entrepreneur, Zohar created PureTech — a venture creation firm specializing in translating breakthrough research from top-tier academic institutions into therapies that will impact human health.

What led you to found PureTech Ventures and how does it differ from traditional venture capital for investment in the life sciences?

I realized that there was a gap between academia and venture capital that has traditionally only been bridged by an individual entrepreneur — possibly a scientist or business person — who gains expertise in the process of creating a company to translate an idea from the academic realm. However, this process is not very methodical, it's very chaotic. The concept behind PureTech was therefore to take an entrepreneurial approach, add some methodology and institutionalize the process.

One thing that is different about PureTech is that instead of one scientist having an idea, becoming an entrepreneur (or teaming up with one) and raising capital from angel investors followed by venture capital, we do it from the other direction. PureTech looks at a breadth of ideas crossing multiple disciplines with a group of leading scientists. We start with a concept and put together a scientific advisory board. In this setting, the academic leaders have the opportunity to guide and shape the direction of a company in their particular field, as opposed to the activity that takes place when they are consulting for an existing company, where they are more passive, reacting to existing programmes and saying whether one looks interesting. PureTech then in-licenses the technology behind the most interesting approaches and considers the key experiments needed to drive up the value.

This concept is different from how most venture capitalists and large pharma companies deal with academics because they often tell them to come back when additional experiments are completed. We actually provide funding and help the scientists to do the experiments needed to get the concept

past the point of scepticism that exists whenever you have a breakthrough idea. Eventually we partner with other venture groups and transition to the role of guiding, but initially we are acting more like an entrepreneur than a venture fund.

What were the key steps in taking PureTech Ventures from an idea to its current position?

What were the key challenges?

Whenever you start something new, you begin with nothing and there are three things that you need to bring together. The first is a team, the second is a product or technology concept and the third is money. A key step in creating PureTech was to build a team of people that would attract the kind of resources and technologies needed to execute the vision. Starting with top people tends to help a company overcome the initial resistance and attract the other elements.

One of the main challenges was that the whole venture capital industry was moving in an opposite direction, away from academic innovation and was trying to look for low-risk or de-risked strategies such as spinning-out compounds from pharma companies or reformulations of available products. So, we were going against the grain, starting something new in an area that people were greatly discounting or devaluing.

“The best people attract all of the other resources.”

Could you explain the rationale behind *Enlight Biosciences*?

During the PureTech process of assessing concepts, we found that we were excluding certain types of platform technologies because we knew at the end of the process

there would be very little interest from the venture community. With other concepts, such as therapeutic drug candidates, if you do initial proof of concept you can interest venture capitalists because once you have de-risked it they know that there is a potential market. However, we found that there was a lot of interest in platform technologies from the pharma industry. The concept for *Enlight* therefore was to proactively work with pharma partners and develop the tools that they really need.

What do you think will be the key challenges for realizing the potential of this venture?

One of the challenges is balancing the strategic interests of the pharma companies with the financial interests of the entrepreneurial founders of *Enlight* and PureTech. We have to identify opportunities that cross both areas of interest to provide both strategic value for our pharma partners and financial value for us. To address this, we look for technologies that are not just one product but technologies that could lend themselves to a tools, service or partnering model. Another challenge we thought that we would have was related to partnering with different pharma companies on the same technology. In practice, however, we have seen that the companies have very similar needs and, instead of each of them tackling problems individually, through *Enlight* there is an opportunity to work together to tackle industry-wide problems and share resources and ideas.

What would be your main advice to budding entrepreneurs?

First, differentiate the concept — ensure it is really different from what other people are doing. Then, go after the very top people. Sometimes it is harder to work with people who are up and coming because they might need more validation in the earlier stages. It is much easier to persuade people at the height of their career because they do not have anything to prove. So, if they like your idea and are excited by the concept, then that is what really draws them in. There are good people and then there are the very best people and the best people attract all of the other resources.

Interview by Bethan Hughes