



Biotechnology
Innovation Organization

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#BIO2023
#StandUpForScience

Biotechnology Entrepreneurship Boot Camp

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BIO Recognizes Course Sponsor:



**McDonnell Boehnen
Hulbert & Berghoff LLP**
Intellectual Property Law

Biotechnology Entrepreneurship Through the Lens of Real-Life Experiences

- Extracted from personal experiences
- Books vs. direct experiences
- There will be ups and downs on the roller coaster. Can be a lonely experience as the CEO
- Opportunities and challenges
- A journey of experiential learning
- Nothing can prepare you for these real-life challenges
- Opportunities to problem solve
- A continual learning process
- Failure is part of being an entrepreneur - Unusual to not experience failure at some point

My Journey in the Life Sciences

- Applied Science vs. Academic Science: A critical decision point
- Early career path: non-linear. I benefitted from diverse experiences from both academia and industry
- First start-up: unconventional
- A nearly 30-year career in life sciences
 - 3 platform companies
 - 1 product-focused company
 - Founded a venture arm in Big Pharma



How to Manage Fear

➤ **Build a close-knit advisory team**

- Scientific co-founders and advisors
- Business advisors
- Mentors

➤ **Thought-partner to join you on the journey**

- Sounding board
- Accountability
- Execution-focus

➤ **Comfort Zone**

- Networking is a requirement
- Self-promotion is part of the game



Platform vs. Single Product

➤ **All Biological Platforms are not created equal**

- Platforms with the benefit of millions of years of evolution
 - Engineering benefits
 - CMC benefits may include stability, expression level, manufacturing to scale, COGs
- Value creation: Pipeline

➤ **Drugs that act on a specific target**

- Brings the gift of focus and the opportunity to learn and understand real biology

➤ **Key Questions:**

- Is the science ready to be applied for drug discovery?
- Or does it need another 10 years in the academic setting to figure out?

Applied Science: Goal-Oriented Strategy

- Execution: Strategy to de-risk
- Map out your de-risking plan in the form of a decision-making flow chart
 - Pre-defined Decisions ahead of data acquisition
 - The Go/No-Go Decision is made far in advance
 - The sooner you know of the risks, the sooner you may be able to address them
 - If unsuccessful in addressing the risks, you are saving time and investor money



“The Fast-to-Fail strategy benefits everyone”

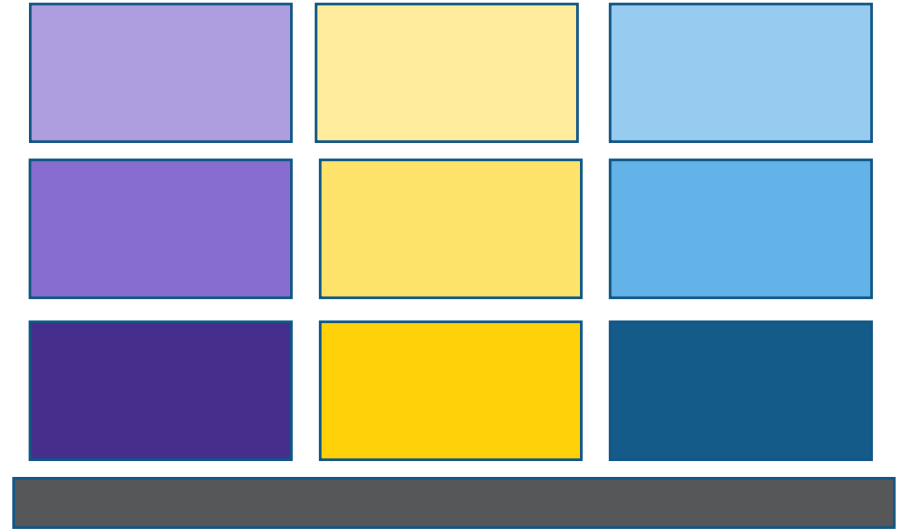
Fundraising is a process

- **Sources of funding** – Friends and family, SBIR, DOD, DARPA Grants, Disease Advocacy Groups, HNW individuals, Angel Investors, VC's
- Build a 1-2 Page Corporate Fact Sheet or Executive Summary
- **Introductory meetings** - Pre-wiring, no pressure to the potential investor
- **Timeframe** for raising money
- Ask if you can keep them apprised of progress
- Throughout the process, *make it easy for them to act*



The Pitch Deck

- Build a clear and concise non-confidential business and scientific pitch deck (~15 slides) that addresses investor questions upfront
 - **Unmet Needs:** Start by conducting expert interviews (SAB, other KOLs) - helps to frame your positioning
 - **Solution:** How your technology and approach will solve patients/physicians/payer's unmet needs
 - **Competitors and differentiation**
 - **De-risking data**
 - **Team and advisors:** highlight experience
 - **What is your ask?** How much money are you seeking, to what milestone will it take you, timeframe to closing a round



Building out a Lean Team

- Focus the money on the science
- Defining the Scientific Team: Consider what research should be done in-house vs. Outsource to CRO's
- Wearing multiple hats as the CEO saves money and prioritizes the science
- Don't give away lofty titles to new hires unless deserved, it is hard to take them away or hire above
- Take the time to hire well



Working with the Board of Directors

- Honesty and full transparency, No surprises
- Frequent Board Chairman meetings - useful and builds trust
- More frequent BOD meetings – e.g., 5-6 meetings per year in the early seed funding stage
- Listen to their advice, act on what is useful
- Take advantage of their network: fund raising, potential partners and acquirers
- Experienced Independent Directors – provides a sounding board for you as the CEO
- Compensation: equity, equity plus a cash component to the Chairman, equity plus travel expenses for Independent Directors



Building and Working with your SAB

1. Build SAB with a focus on knowledge, experience and relevance of the members
 - a) Deep knowledge in the scientific focus area
 - b) Significant experience in the general technology foundation
 - c) Disease area relevance
 - d) “Been there, done that” in Discovery
 - e) “Been there, done that” in Pre-clinical and Clinical Development
2. Remember that you are not there to teach the SAB, they are there to help you succeed
3. Focus the meeting on answers and advice you seek from the SAB
4. If the outcome of SAB meetings are not sufficiently productive, consider 1:1 meetings with individual members
5. Compensation – consider equity only in the form of Options (if you have completed a 409A valuation) or RSU’s if not

Address Gaps in Leadership, Knowledge and Skills

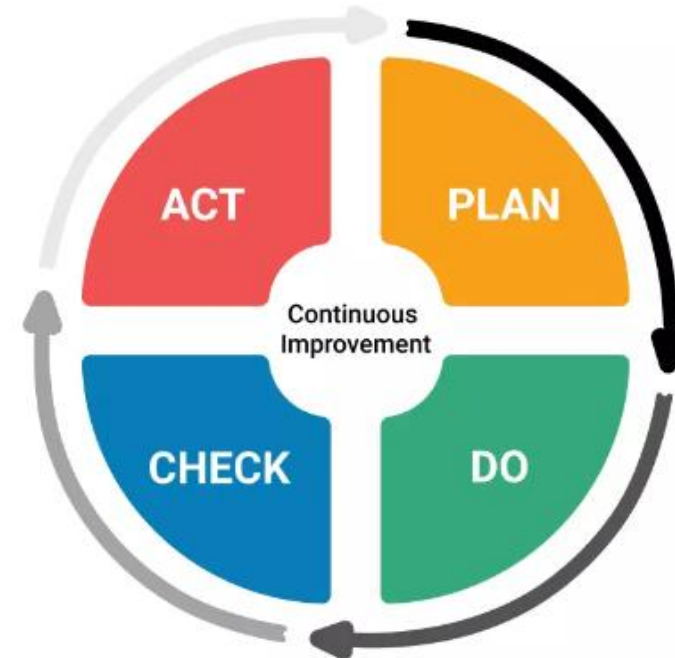
Build your skillset as the CEO by working with independent consultants

➤ Kaizen Principles

- Leadership
- Management
- Relationship building
- Ways of working

➤ Attention Management

- Organization skills
- Execution
- Delegation



Q&A