

# A new approach to finance

**Biotech companies work hard to find funding, however, venture capitalists are becoming increasingly cautious. The money is there, but to access it means a process involving public tenders and industry partnerships. EuroBiO 2009, the partnering and technology transfer event for bioindustry, provides resources to help companies change their approach.**

**W**hile the global economy lies ailing, and credit is in short supply, the search for funding for many industries has become more difficult and more intense. In the biotech sector, the purse strings on venture capital (VC) money have tightened, forcing many companies to rethink their funding strategy. Where can they find the training and networking resources to meet today's funding challenges? The EuroBiO 2009 conference holds many answers.

## EuroBiO 2009

'The conference is linked to the hard context of 2009, which will be a difficult year for all biotechnology companies,' says Etienne Vervaecke, general manager of healthcare development agency Eurasanté, and general commissioner of EuroBiO. 'The capacity to access venture capital or the proceeds from an IPO is much more limited, so it is important to rethink the manner in which these companies approach business development.'

The event is to be held in the Grand Palais in Lille, France, 23-25 September 2009. Organised by Eurasanté and Package Organisation, it will bring together Europe's key players in biotechnology, bioscience, pharma and academia.

'We are proposing to biotechnology companies new ways to enter fruitful partnerships with academia, pharmaceutical companies or other biotechs for collaborative research deals,' says Vervaecke. 'We also offer ways to re-engineer business models in order to widen their search for funding. In mid-2007, money from VCs in Europe and the US wasn't scarce, but the context has been changing dramatically ever since. Just like other industries, the fuel for research and innovation in biotechnology will be linked more to public subsidies and collaborations with the pharma industry.'

For example, the EU has emphasised R&D in areas such as biotechnology, and research grants have been conditioned around the need for companies to participate in tenders, where the stress is on academic or industry collaboration.

'All biotechs need to understand the public funding structure and then find the right partners,' stresses Vervaecke.

## Funding transformation

Five years ago, biotech CEOs might have split their time evenly between meeting VCs and pharmaceutical companies, seeking funding and technology sales, respectively.

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Vervaecke believes they are now more likely to divide their time into three segments to incorporate meetings with academics and other partners to pursue collaborative research in the context of publicly funded programmes.

As proof of the shift in funding processes, he points to the €400 million the French biotech sector raised in 2004. This figure fell to €80 million last year. Vervaecke expects EuroBiO will provide the right tools for understanding new funding procedures and networking with potential partners.

'In the US and Europe, companies have resorted to VC money to such an extent that now financial agents are rethinking the balance of loans and equity,' he explains. 'They are waiting for innovative companies to change their habits and seek other sources of money. Our event will give those companies access to business managers from many partners in different fields, which will help them rebalance their sources of revenue.'

## Meeting of minds

EuroBiO not only helps biotech companies, it also brings together mid-sized and large pharma companies with many of their service providers, like CROs. Large established organisations come to meet new players in biotech and academia, which have in turn come to commercialise their intellectual property.

Biotechs need to maintain their appetite for innovation, but must now incorporate three sources of funding, having been accustomed to only two. At EuroBiO they will find a forum through which to further their understanding of the new market dynamics. **WPF**

## Company profile

Package Organisation is a professional conference organiser that has partnered companies and local authorities in creating, coordinating and hosting industry events since 1985. EuroBiO has been organised by Package since 2002 within a dedicated department for life sciences partnering events. For more information, visit: [www.eurobio-event.com](http://www.eurobio-event.com).