

COLUMNIST

BioAdvance: Cultivating life sciences innovation

Experiments are the lifeblood of biomedical progress. It is therefore fitting that when Pennsylvania sought ways to spur development of its life sciences sector, the Commonwealth chose a bold experiment. Using \$2 billion in Tobacco Settlement funds, the state provided a continuum of new funding for the life sciences, consisting of research grants, an important



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injection of venture capital, and the launch of three Life Sciences Greenhouses including BioAdvance, the Biotechnology Greenhouse of Southeastern Pennsylvania.

At BioAdvance, we are proud of the fact that in just two years since our first Greenhouse investments, we have made a difference in helping entrepreneurs commercialize novel drugs and devices and have already created a new generation of life sciences enterprises in our region.

When BioAdvance was founded, we set aside \$20 million of our \$34 million allocation to establish the Greenhouse Fund, which provides seed funding for early stage biomedical start-ups. This fund is helping to fill the gap in seed and "pre-seed" financing, which has lagged in recent years as the venture capital sector focuses on later stage opportunities.

Seed capital is especially important to Greater Philadelphia, because it can be leveraged with the region's unique combination of world class teaching and research institutions, federal grants and biopharmaceutical expertise to fuel new enterprises with fresh ideas for medical solutions.

The Commonwealth's commitment has enabled BioAdvance to intervene to change this dynamic. BioAdvance has already selected 24 companies and university projects to receive over \$9 million in Greenhouse investments of from \$5,000 to \$500,000 each. More importantly, we have served as the first investor for over half of these enterprises, catalyzing the creation of new companies and jobs for the region.

Our help goes beyond the funding itself. Gary Kurtzman and I work hard to connect these entrepreneurs with the other resources they need to succeed — whether finding other funding sources, or identifying management talent or getting a particular expertise to help a company reach the next stage. Our ability to provide this "link" reflects the region's rich talent and enthusiasm for growing the life sciences sector.

In addition to their positive economic impact, these investments have the potential to make an impact on

human health through the work of these entrepreneurs. Their technologies and products cover an array of innovations — from powerful new diagnostics to medical devices that reduce the need for surgery to promising therapies for a variety of disabling and life-threatening conditions, including cancer, Alzheimer's disease, macular degeneration, obesity, drug-resistant infections, intractable pain, and addiction.

Are these efforts working? The answer is clearly yes.

To date, Greenhouse Fund recipients have raised over \$65 million. Capital brought into the region primes the growth pump, with each dollar raised and spent by these companies being spent several times over across other sectors of the economy.

These companies are already achieving key commercial goals — reaching product milestones, being acquired by larger firms and forming key partnerships. Examples include Acuity Pharmaceuticals, advancing the first RNAi product into clinical trials; RetinaPharma, with FDA approval to market a new glaucoma diagnostic; and Geliflex, acquired by a global medical devices leader.

To further help these growing companies, BioAdvance saw the need for a dedicated, early stage life sciences fund to provide the second step of the funding continuum. So last fall, with the help of Quaker BioVentures, we established BioAdvance Ventures, which closed on \$26 million, supported by the participation of a long list of distinguished companies and institutions who recognized the opportunity to promote regional growth while participating in a potentially attractive financial investment. The fund is already at work, syndicating with investors from around the country to support life sciences companies in this region.

We believe the best is yet to come. BioAdvance is committed to developing innovative ways to tap into the region's many strengths, to reinforce our region's role as a national and international life sciences powerhouse. We are fortunate to be able to leverage a rich array of economic development resources in Pennsylvania, with the continuing initiatives of the Rendell administration to encourage venture capital, support the commercialization of new technology, promote a skilled work force and provide an infrastructure for innovation.

Working together, we are confident that our diverse community of young companies, global firms, academic researchers, financial institutions and government agencies will continue to enlarge Greater Philadelphia's role as a critical engine for progress in the life sciences.

Barbara S. Schilberg is CEO of BioAdvance.