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Institutional Financing Opportunities for Medical Applications of Nanotechnology

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Abstract – Financing provided by institutional investors can be critical in funding the development and commercialization of technical innovation. For many, however, the process of raising money from a venture capital or private equity firm is not well understood. This presentation aims to provide background on the industry as well as frameworks specific to medical technologies for identifying potential investors and positioning an opportunity for institutional investment. Illustrative examples of nanotechnology companies and attendee questions will be discussed.

Venture capital and private equity firms periodically make headlines for driving and profiting from significant financial and business events, e.g., the Internet boom, leveraged buyouts (“LBOs”), the credit crisis. Rarely, however, is the industry, the structure of these funds and what they do, or the process of raising financing explained.

This discussion will focus first on providing a structural overview of the industry and a typical fund. Topics will include types of firms, investment stages, and services provided to investee companies. Building on that basis, the presentation will describe frameworks to characterize healthcare-related companies and technologies to assist in 1) the identification of well-suited funding sources and 2) the preparation of materials (e.g., executive summary, investment presentation) to be used in attracting investors. Common healthcare financing industry categories and models will be defined and explored with particular emphasis on nanotechnology applications, including Drug vs. Device; Drug vs. Drug Delivery; Diagnostic vs. Therapeutic; Platform vs. Product. Critical components of business models will also be explored through a healthcare lens, including: 1) Defining the customer as Patient, Provider, Payor and 2) Categorizing the application as capital equipment, disposable, consumable, implantable, service or other. Concepts will be illustrated using examples of current nanotechnology companies.

In addition to the current agenda, the speaker will address attendee-generated questions submitted to ICAMquestions@gmail.com by August 15, 2009.