The Start

3 Angels

Rencontre mensuelle
16 septembre 2009

Colin Sanctuary
Chief Executive Officer

Finding the way

- Forest

A different perspective

- Forest
- Ridge

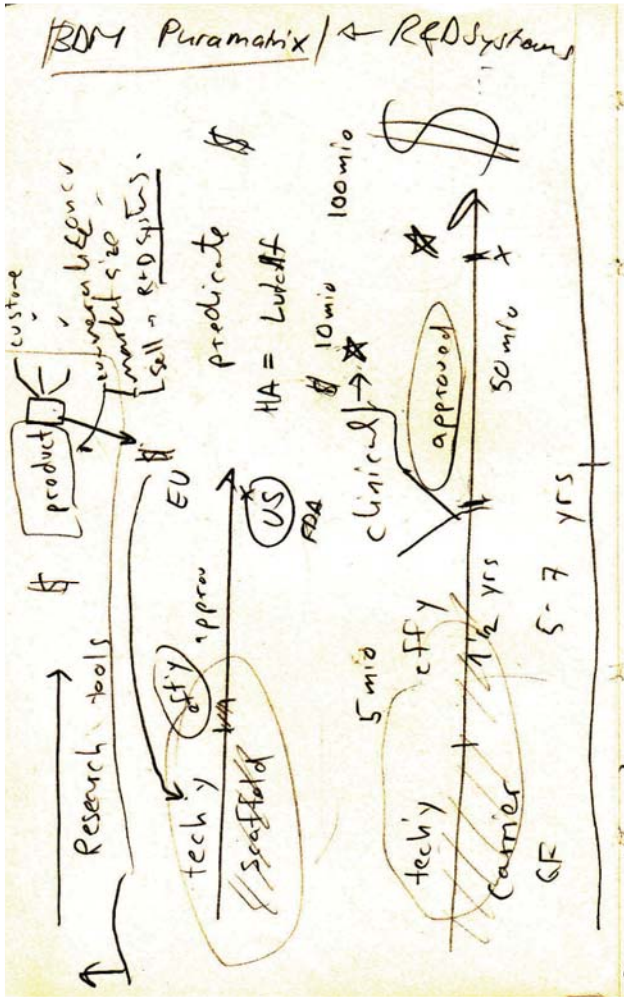
A lot more peaks to climb

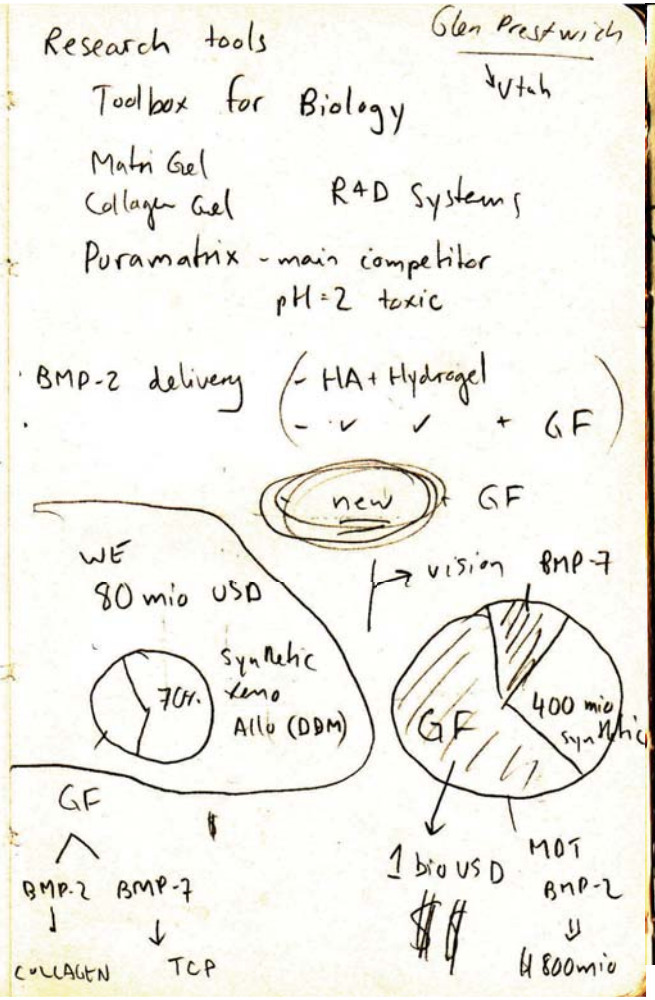
- Forest
- Ridge
- Summit

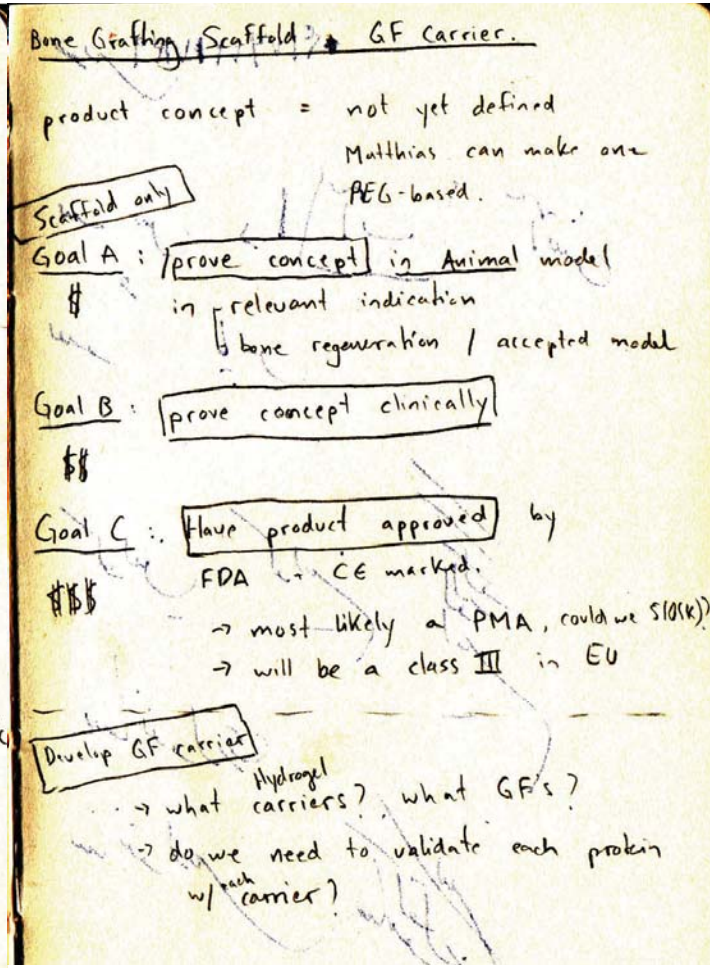
October 2006

- Matthias Lütolf tenure-track EPFL
- Colin Sanctuary managing european biotech business at Medtronic
- Wrote first business plan

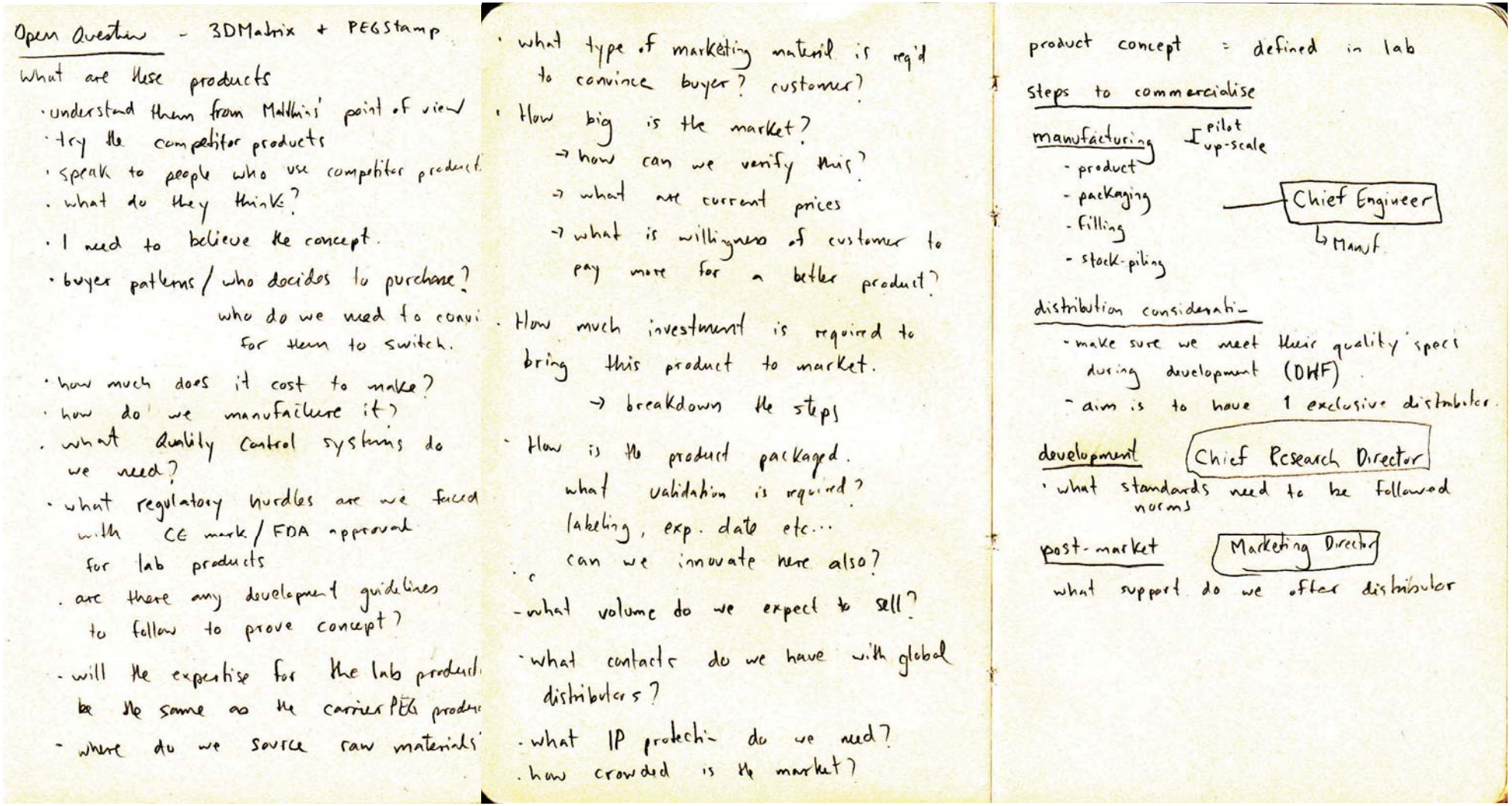
First Business Plan







First Business Plan



Open Question - 3DMatrix + PEGStamp

What are these products
- understand them from Matthis' point of view
- try the competitor products
- speak to people who use competitor product
- what do they think?
- I need to believe the concept.
- buyer patterns / who decides to purchase?
  who do we need to convi
  for them to switch.
- how much does it cost to make?
- how do we manufacture it?
- what Quality Control systems do we need?
- what regulatory hurdles are we faced with CE mark / FDA approval for lab products
- are there any development guidelines to follow to prove concept?
- will the expertise for the lab product
  be the same as the carrier PEG produc
- where do we source raw materials

- what type of marketing material is req'd to convince buyer? customer?
- How big is the market?
  → how can we verify this?
  → what are current prices
  → what is willingness of customer to pay more for a better product?
- How much investment is required to bring this product to market.
  → breakdown the steps
- How is the product packaged.
  what validation is required?
  labeling, exp. date etc...
  can we innovate here also?
- what volume do we expect to sell?
- what contacts do we have with global distributors?
- what IP protection do we need?
- how crowded is the market?

product concept = defined in lab

steps to commercialise

manufacturing — pilot up-scale
- product
- packaging
- Filling
- stock-piling

Chief Engineer
↳ Manuf

distribution considerations
- make sure we meet their quality specs during development (DHF)
- aim is to have 1 exclusive distributor.

development — Chief Research Director
- what standards need to be followed
  norms

post-market — Marketing Director
what support do we offer distributor

October 2007: Big Company

- Acquiring technology from struggling companies
- Sixty slide presentations, 14 pt font
- Extrapolating from historical data
- Staying at top-class hotels
- Masterminding incentive plans for sales reps
- Holding customer meetings at exclusive sites
- Reiterating business plan every week

* The Art of the Start –Guy Kawasaki

October 2008: Start-up

- Trying to come up with a company name
- Struggling to make people understand the innovation of our technology
- Ten slide presentations, 30 pt font
- Wishing we had historical data
- Sleeping on floor of friend's friend's living room
- Desperately seeking advice
- Rewriting business plan every week
- No trophies, no medals, hooray for VK + CTI

* The Art of the Start –Guy Kawasaki

The Pitch: Tips

DO NOTs

- Do not present what you think they want to hear
- Do not focus on technology
- Do not assume they know ‘the *so what?* test’
- Do not have multiple team members present
- Do no repeat mistakes
- Do not invent answers

DOs

- Present what you know and what you don’t know
- Make sure your team is aligned
- Know or research audience
- Cite sources, state assumptions, be concise
- Listen to feedback
- Practice on friends
- Persevere

The Pitch: Good & Bad

BAD PITCH

- Are you providing a service or a product?
- What's the product?
- You think you can do that with only $ ____?
- What's your business model?
- Who is on the team?
- Which market?

GOOD PITCH

- What are the steps to commercialize the product?
- What are your main assumptions in the financial model?
- How will your competition react to your products?
- Do you have a more comprehensive business plan?

January 2009

- Met with experienced investor for advice
- One week later investor calls me
- One month later another group is interested
- Met group in North America

Now what?

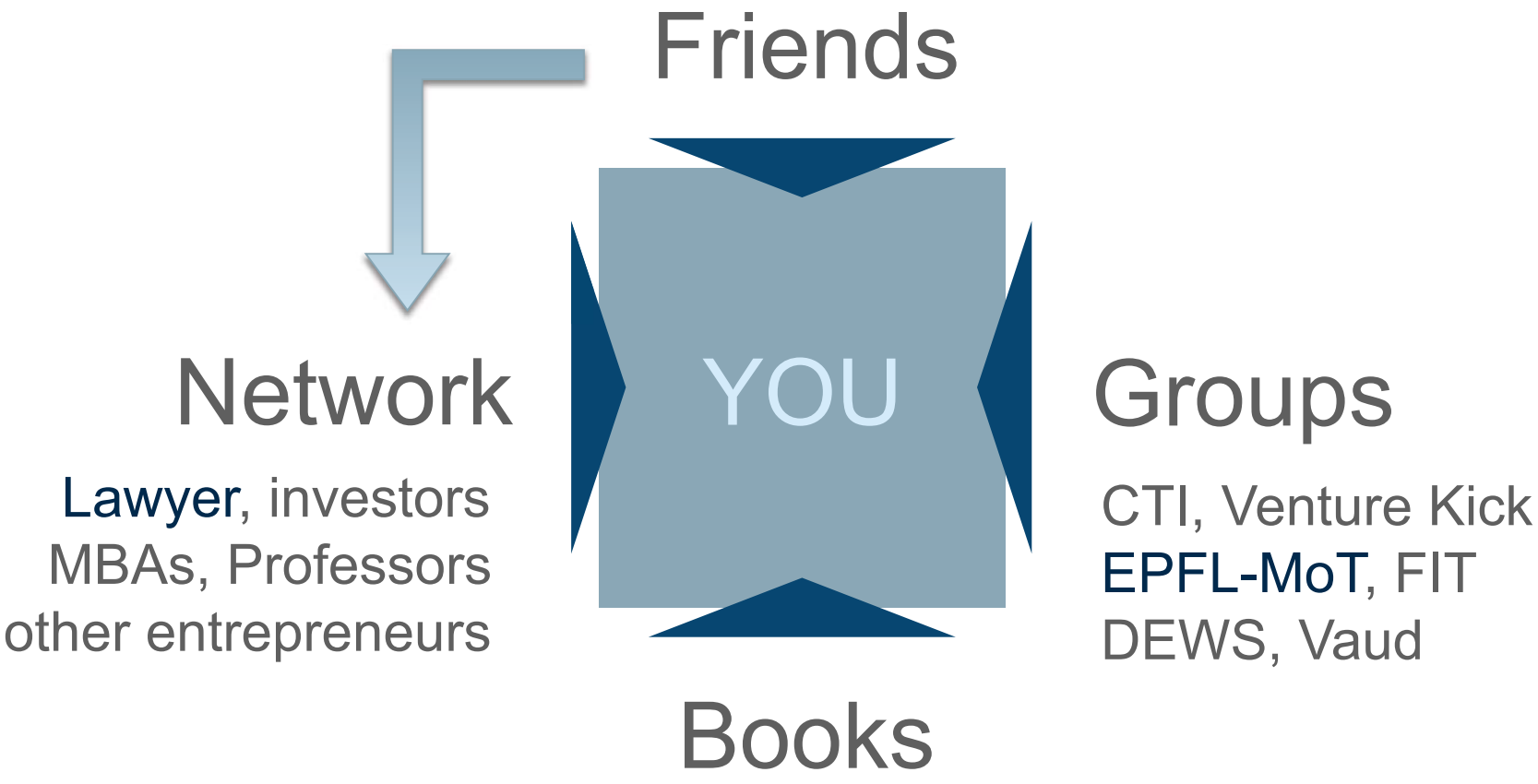
* List non-exhaustive and subject to change without notice

Intimidating

KNOW YOUR WEAKNESSES

- Finance
- Legal
- Intellectual Property

Get help!


Friends
Network
Lawyer, investors
MBAs, Professors
other entrepreneurs
YOU
Groups
CTI, Venture Kick
EPFL-MoT, FIT
DEWS, Vaud
Books

Intimidating

KNOW YOUR WEAKNESSES

- Finance
- Legal
- Intellectual Property

TAKE THE LEAD

- Show you can do it
- Communicate
- Be the first to raise issues

January 2009

- Met with experienced investor for advice
- One week later investor calls me
- One month later another group is interested
- Met group in North America

- Investor meets investment group
- Agreement to invest
- Defined tentative terms of deal

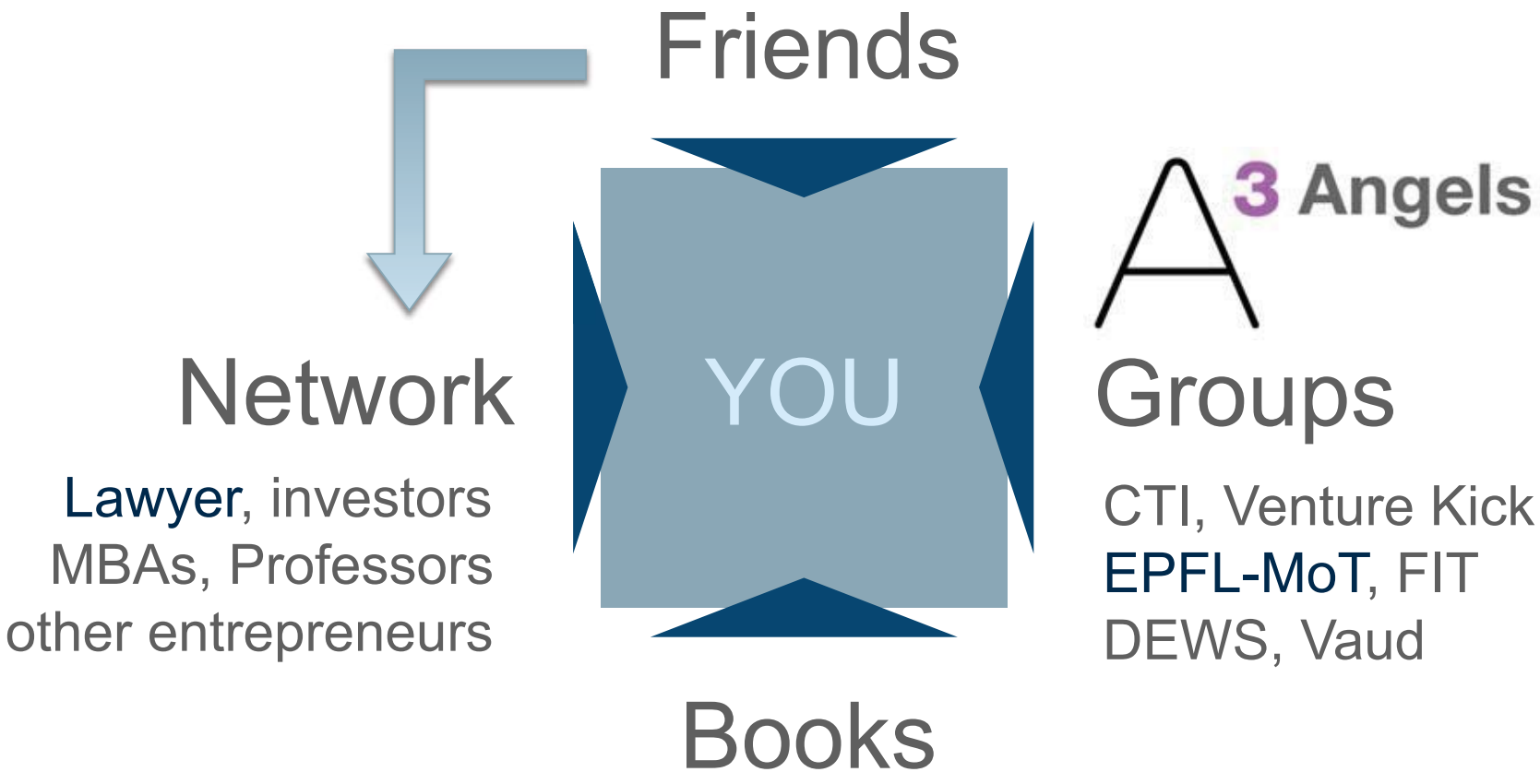
Milestones achieved

- Venture Kick Phase I, CHF 10’000
- Official support by CTI-Startup
- Tentative terms; Sanctuary quits day job
- First prize at MoT course
- Granted FIT loan
- Jul 09. QGel SA Incorporated
- Aug 09. Colin Sanctuary hired as CEO
- Sep 09. Simone Rizzi hired
- Sep 09. Official support from SELT, DEC, VD

12-month milestones

- Develop from prototype to product
- Define & populate CRM system
- Implement ERP system
- Seek aid to develop pipeline products
- Resolve quality and regulatory issues
- Define supply chain; distribution
- Prepare product documentation
- Launch first product line
- Have a customer reorder our product

Get help!


Friends
Network
Lawyer, investors
MBAs, Professors
other entrepreneurs
YOU
3 Angels
Groups
CTI, Venture Kick
EPFL-MoT, FIT
DEWS, Vaud
Books

At the summit?

- Forest
- Ridge
- Summit

Paying attention to detail

- Forest
- Ridge
- Summit