

Recommendations
to the
House Study Committee
on
Bioeconomic Development

Charles Larsen
The Innovation Factory
Accuitive Medical Ventures
November 15, 2007

Impact of Medical Devices and Biological/Device

- It is intimately involved in the Healthcare and Life Science Sector, a logical extension of many of the academic areas under consideration
- It is a highly financially successful business sector
- It is easily located in any location, clean, safe, and environmentally friendly

Focus of the Organization

- The Innovation Factory is a privately funded Healthcare Incubator
- Accuitive Medical Ventures is a Medical Device Venture Capital Fund
- Jointly develop and fund Medical Device and Biological/Device start-up Companies
- Located in Duluth, GA, Amelia Island, FL and Rochester, MN

Fostering Industry Growth

- So far, we have no help from Georgia
- Raised \$350M for start-up companies
- Raised \$230M for Venture Fund
- Started Novoste, venture funded, including one local Venture Capital fund (Noro Moseley) ending in a successful IPO

Requirements for Success

- Culture of Entrepreneurial Success
- First Class University System
- Anchors for graduates to remain
- Facilities and Infrastructure
- Trained Personnel
- Large corporate entities

Barriers to Growth

- Private Sector funding
- Lack of Experienced Executives and Management
- Organized “B” stage facilities

Obstacles to Organizations to Success

- No Barriers for Experienced Entrepreneurs
- Novoste brought to IPO
- Eight companies in various stages of progress
- Five launched and out of state
- Two will be launched and relocated in next six months
- Two in process of funding

Role in Life Science Industry

- Select appropriate technologies for development
- Provide Management and Technical Talent for progress
- Provide sufficient funds for growth of TIF companies
- Invest in other, non TIF entities

Improving Growth in Life Sciences Sectors

- Continue to improve academic environment
- Provide more incubator and “B” stage capacity
- Form industry group to assist in technology selection
- Stimulate a local Venture and Private Equity community
- Introduce tax incentives for long term effort

Requirements for Investment

- A public Venture Fund for early stage investment, perhaps \$75M to \$100M
- Create an environment for the investment community to begin local fund creation, with a variety of incentives and co-investments with generous terms
- At least three additional private funds must be available

Potential Georgia Rankings in Life Sciences

- California is one and two (LA and SF)
- Minnesota/Wisconsin has many existing large companies
- Massachusetts has strong academic/hospital background
- Georgia can be a logical fourth or fifth

BIO 2009

- Use opportunity to attract money
- Create an event inviting Banks, VC's, PE and Hedge Funds.
- Showcase Georgia's other corporations and why they are here
- Show progress on Public VC Fund