

# Bioeconomy: the ideal mix to pave the way for investments

October 11 2016, by Luigi Serenelli

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Venture capitalists, of course, seek smart inventors and breakthrough products. But candidates with intellectual property and business skills are music to investors' ears

Investors look for a number of things before betting on a company or product in the bioeconomy sector: prestigious and experienced team, economic sustainability, competitive advantage, and potential users.

They also seek companies that develop intellectual property, explains Giovanni De Caro, start-up consultant and advisor of an investment fund in Italy. "It means that there is less risk that someone copies a product. It means security for an investor. It is also important to understand if the patent is strong, solid and covers all aspects of the product or service to develop," he says.

On the other hand, De Caro warns that companies based on solid intellectual property may lack managerial experience, because normally, scientists develop a product or a service, but have no experience as managers. "In that case, the first effort of an investor is to integrate the team with managerial figures. But if an investor finds a team that already has both managerial and scientific skills, that is a great starting point," he adds.

That was the case with [Genenta Science](#), a biotech start-up and spin-off of San Raffaele hospital in Milan, Italy. They have developed a gene transfer strategy to produce tumour-infiltrating cells. In 2014 they raised € 10 million from private investors and banks.

"We presented ourselves with a clear and concise message to investors. We can count on a scientist, Luigi Naldini, who obtained pioneering results in gene therapy. And we have more than 15 years of entrepreneurial and venture capital experience," explains founder and CEO Pierluigi Paracchi. Testing a drug or a product clinically takes a few years, but "that is a risk an investor can take," he says.

Time is also a critical factor, according to [M31](#), a European venture incubator supporting high-tech companies to create new businesses and

[intellectual property](#). It has invested € 7 million since its foundation in 2007, and has found co-investors for more than € 14 million. "We have experts both in the technological and market aspects. We try to bring a company to success in the shortest possible time. Part of our services consists also in looking for talents to add to the team, when they are missing," says founder Ruggero Frezza.

Having good partnerships seems to be another important asset for start-ups that want to kick off a "venture capital adventure." This was the case for German technology company [BRAIN AG](#), which works on enzymes, microorganisms and bioactive compounds, and develops "innovative products applied in the chemical industry as well as in the consumer goods, cosmetics, animal feed, and food industries," explains managing director Frank Goebel.

Their business went so well that in February 2016, the company decided to list on the Frankfurt stock exchange. Indeed, most of their success depends on finding the right partner that "can link a technology to the market," Goebel reveals.

Provided by Youris.com

Citation: Bioeconomy: the ideal mix to pave the way for investments (2016, October 11) retrieved 17 July 2024 from <https://phys.org/news/2016-10-bioeconomy-ideal-pave-investments.html>

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