

Putting the biotech puzzle pieces together

by John Avellanet

With May's announcement by the Massachusetts governor of a \$1 billion investment in that state's biotechnology economy and \$2 billion recently allocated by the Florida legislature to create a "Gold Coast," there is little doubt that biotech has become the new dot-com economic growth engine for states and regions. So whither the Old Dominion?



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know about it and are comfortable investing their money, the end is near; the trend makers have moved on.

Virginia needs to move on as well — not out of the biotechnology market race, but out of the ruts worn down by North Carolina before us.

A grand coalition

Strategy is dictated by goals. If our goal is to rapidly grow the Virginia biotech economy, we need to look at other successful runners in the race who vie for bragging rights with North Carolina. Two of the most successful are Massachusetts and Florida.

Massachusetts has taken a coalition-based approach that leaves many biotechs and their backers with a simple choice: Massachusetts or any other state. Most states provide tax incentives and a recently trained work force for biotechs to draw upon. Massachusetts, however, has added built-in alliances with local hospitals for preclinical and clinical work, dedicated venture capitalists committed to growing biotechnology firms, plus biotech/pharmaceutical-savvy consultants, research centers and IT firms. The proof is in the numbers. In 2006 alone, Massachusetts saw a 12 percent increase in venture capital investments, from \$22.7 billion to \$25.5 billion, in the local biotechnology economy. To top it all off, Massachusetts recently launched a Web site designed to match biotechnology firms with biotechnology-ready properties around the state.

Florida has pushed for a "biomedical city" in the central part of the state, allowing companies to take advantage of top scientists and their staffs at internationally recognized institutions such as the College of Optics and Photonics and the Burnham Institute for Medical Research.

In Orlando alone, the 150-plus biotech and life-science companies will bring in an estimated 1,500 high-wage jobs within the next few years.

A broad, inclusive coalition is crucial for attract-

ing investors, top personnel and achieving sustainable profitability. Growth and innovation also draw investments and top people. Increasingly, such growth comes from distributed alliances. All around us are the pieces of a grand coalition, but they are scattered and disconnected like puzzle pieces poured from a box — the Virginia BioTechnology Research Park in Richmond; the technology councils of Richmond, Hampton Roads, Northern Virginia and Southwest Virginia; the hospitals and medical colleges of Virginia Commonwealth University, University of Virginia and Eastern Virginia Medical School; the research centers of Janelia Farm, Jefferson Labs and the Virginia Tech Corporate Research Center.

Throughout Virginia, laboratory equipment makers and service providers, consultants and law firms are specialized in the needs of FDA-regulated companies and serve clients worldwide. As partners in an inclusive Virginia coalition, all such firms, regardless of size, could be part of a "purchased-services consortium" if they agree to provide discounted rates to in-state biotech companies.

And, lest we forget, we have a geographic ace up our sleeve: Washington, D.C., is on our doorstep. It is home to the Food and Drug Administration and strong industry associations such as the BIO-IT Coalition.

A Virginia-based biotechnology coalition would be a true partner, allowing biotechnology companies to focus on the science and not worry about mastering compliance or bioinformatics systems, finding skilled personnel, securing intellectual property and competing for venture funding. That would be our job, to keep the wolves at bay while Virginia-based scientists create the medicines and the economy of our future.

The question is, are we ready?

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commentary

Carolina. And as good as the presentation was — full of clear recommendations and strong historical data — there was something crucially missing: uniqueness. For Virginia, adopting a "me, too" strategy may be the riskiest gamble we make.

Conversations with my clients, colleagues and neighbors show a broad support for the current efforts of Virginia to draw biotechnology companies ... and this has me worried. As any investment adviser knows, by the time a strategy has been successful to the point where growing numbers of people