

New Effort to Boost Startups

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By Mark Fagan, Journal-World, Lawrence, Kan.

Jan. 10--The Kansas Bioscience Authority is getting ready to help promising scientific companies get the help -- and money -- they need to survive and thrive.

The authority's board of directors, meeting Tuesday at the Dole Institute of Politics, approved plans to launch an assistance effort known as Heartland BioEnterprise.

The project -- receiving up to \$4.5 million from the authority during the next three years -- will be designed to give bioscience startups the business assistance they need to have the best chance of landing venture capital, the millions of dollars infused into promising technologies to help bring them to market.

Kansas currently lacks significant sources of venture capital, and that hampers efforts to commercialize promising research under development at Kansas University and other research institutions and among a variety of entrepreneurs, said Tom Thornton, the authority's president and chief executive officer.

The \$4.5 million will be used to create a seed fund for financing such companies, and hiring a staff to counsel them and a board to guide them. That way, Heartland BioEnterprise will eliminate many of the traditional barriers standing between promising startups and the organized sources of venture capital necessary to feed them.

Companies would get help finding executive talent, compiling solid business plans and otherwise making their operations as attractive as possible for potential venture capitalists, Thornton said. Then the companies would be in a position to secure their own financing.

"We're providing them the assistance they need to get to the next stage," said Clay Blair, chairman of the authority.

The model comes from Cleveland BioEnterprise, which started six years ago and attracted less than \$5 million in venture capital during its first year. In 2006 -- working with a \$3.3 million operating budget -- the programs' companies attracted \$175 million in venture capital.

An "aspirational goal" for Kansas, Thornton said, would be to have companies in Kansas drawing \$100 million of venture capital each year. Heartland BioEnterprise would be expected to work with 10 to 12 companies a year, many of them spun out of Kansas universities.

"We're talking about growing our own here," Thornton said.

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