

# Pharma Corporate Venture Capital (CVC): Key Players, New Conditions and Big Opportunities

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## Abstracts

### **A good opportunity is opening up for pharma CVCs, but only if the corporate structure is right**

The medical/health and life science sector was the second highest corporate venture capital (CVC) investment sector in 2007/2008 with investment of US\$959 million. Most big pharma companies have a CVC arm and they have been instrumental in securing key science and commercial assets.

In May 2009, Lilly Ventures, the CVC arm of Eli Lilly, announced that it was to “go it alone”. The main driver for the decision was to offer its employees more competitive compensation packages in line with traditional VC firms - something they were unable to do previously because Eli Lilly’s compensation policies did not permit it. After a steady stream of high-profile exits to rival VCs, the spin-out was approved in early 2008.

### **Emerging CVC opportunities**

With the current recession taking a firmer hold and venture capital investments plummeting to a 12-year low, many industry observers are concerned that VCs are being - and will be - more conservative in the way they invest their capital, especially as fund limits are reached and obtaining new capital remains a problem.

This could mean that CVCs play an increasing role in bankrolling fledgling biotech companies as they are somewhat insulated from the financing environment as their money comes from inside the company. With VCs moving more towards product-based opportunities, rather than platform-based ones, this area will give additional openings to CVCs.

## **Understand the issues and evaluate the players**

For a critical assessment of this important sector, turn to FirstWord's report *Pharma Corporate Venture Capital (CVC): key players, new conditions and big opportunities*. Using primary source data and information, this 46-page briefing presents a timely review of a sector facing change.

### **This report answers key questions:**

Will the CVC community rise to the challenge?

How is compensation structured?

What are the strategic objectives of CVCs and how are they organised?

How much funding does Biogen Idec New Ventures control?

Is the Roche Venture Fund strategic or financial in its investment policy?

What is MedImmune Ventures investment portfolio?

## Contents

### **EXECUTIVE SUMMARY**

### **CORPORATE VENTURE CAPITAL FUNDS - WHAT ARE THEY?**

### **WHO HAS THEM?**

Focus on Pharma and Biotech

### **SO, WHY DO THEY HAVE THEM?**

Strategic and financial objectives

### **HOW ARE THEY STRUCTURED?**

Organisational Structure

Funding structure

Compensation structure

### **AT WHAT STAGE ARE INVESTMENTS MADE AND HOW MUCH?**

### **HOW DO THEY HEAR OF INVESTMENT OPPORTUNITIES?**

### **HOW IS PERFORMANCE MEASURED?**

### **CVCS – THE NEXT BIG THING?**

### **PHARMA CVC PROFILES**

Biogen-Idec New Ventures

Biogen Idec Innovation Incubator (bi3)

Genzyme Ventures

GSK Venture Fund (formerly SR One)

Johnson & Johnson Development Corporation (JJDC)

Lilly Ventures (Eli Lilly & Co)

Spin-out

Lilly Ventures Fund I LLC

MedImmune Ventures  
Merck Serono Ventures  
Novartis Venture Funds (NVF)  
Pfizer Venture Investments (PVI)  
Pfizer Incubator (TPI)  
Roche Venture Fund  
Takeda Research Investment (TRI)

## **APPENDIX**

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