
E-Net Monthly Meeting

October 11, 2005

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Director

Technology Development Fund

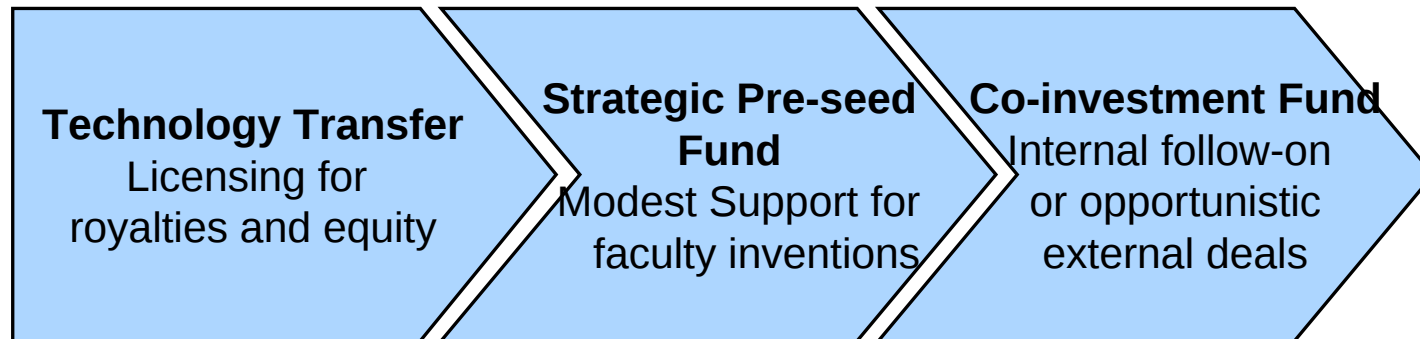
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OTD Continuum of Activity



- ❑ **Generate attractive financial return**
- ❑ **Maximize value and development of BU's intellectual capital**
- ❑ **Promote strong interactions with the business and finance communities for BU**

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Technology Development Fund

- ❑ Captive venture capital fund
- ❑ Founded in 1975
- ❑ Seeks to co-invest in early stage companies
- ❑ VC Fund investment spun off in 1997, but CTF still manages
- ❑ Has held equity in over 200 companies
- ❑ IT and life sciences investments

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Current Portfolio



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Cellicon Biotechnologies



Prior Investments



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Fundraising in 2005

- ❑ Number of funds making any investments has dropped 40 % since the bubble popped
- ❑ Number of firms making new investments has dropped 55 % to 608
- ❑ Number of firms making more than 4 new deals per year in 2005 = 210
- ❑ ~ 17 % of capital goes to early stage
- ❑ Few VCs likely to invest in an early stage company

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Other GP issues

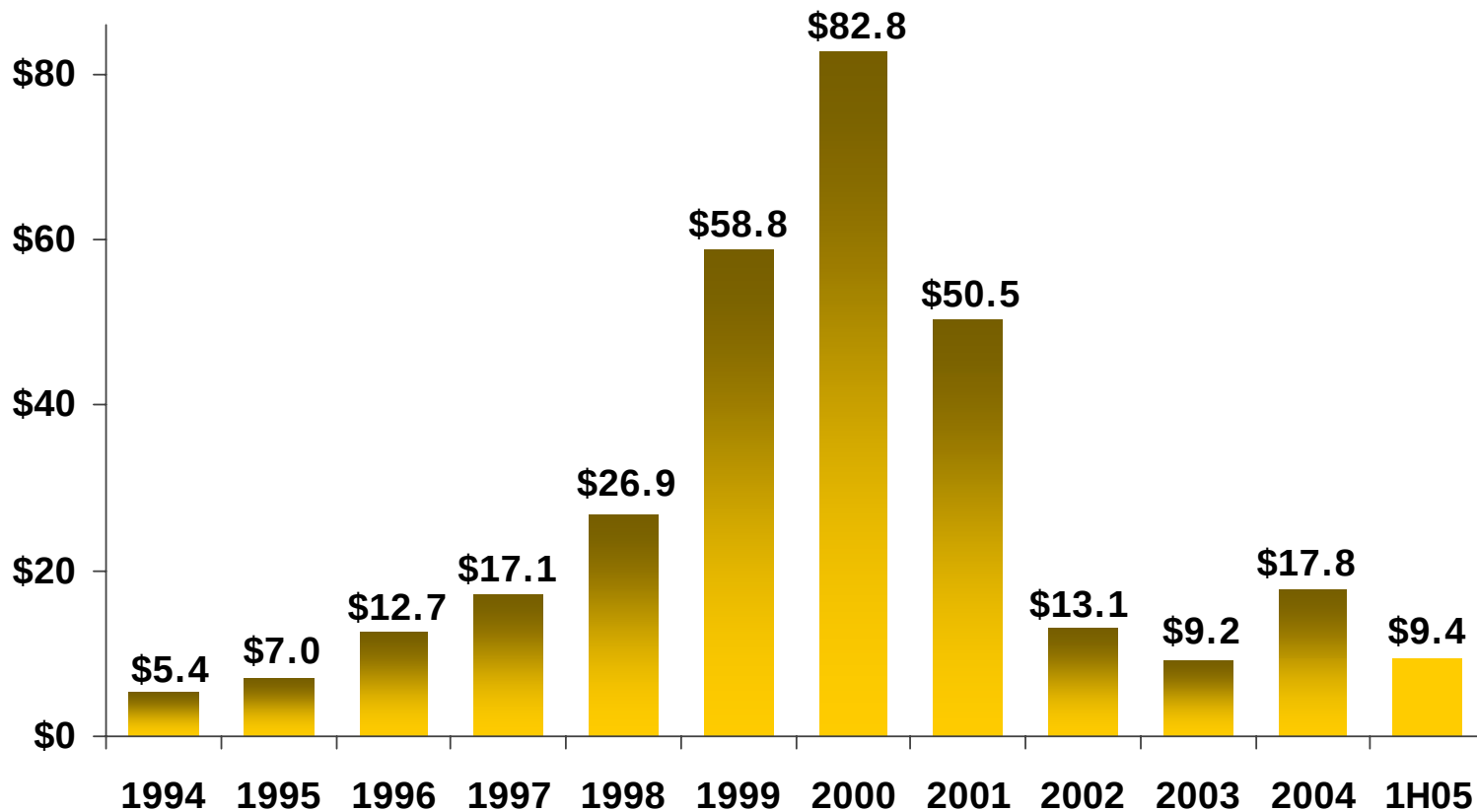
- ❑ GPs have to fundraise too
- ❑ Generational transition
- ❑ Large funds = large fees
- ❑ Clawbacks

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VC Fundraising in 2005

Commitments to Venture Capital Funds



Source: Dow Jones VentureOne/Ernst & Young

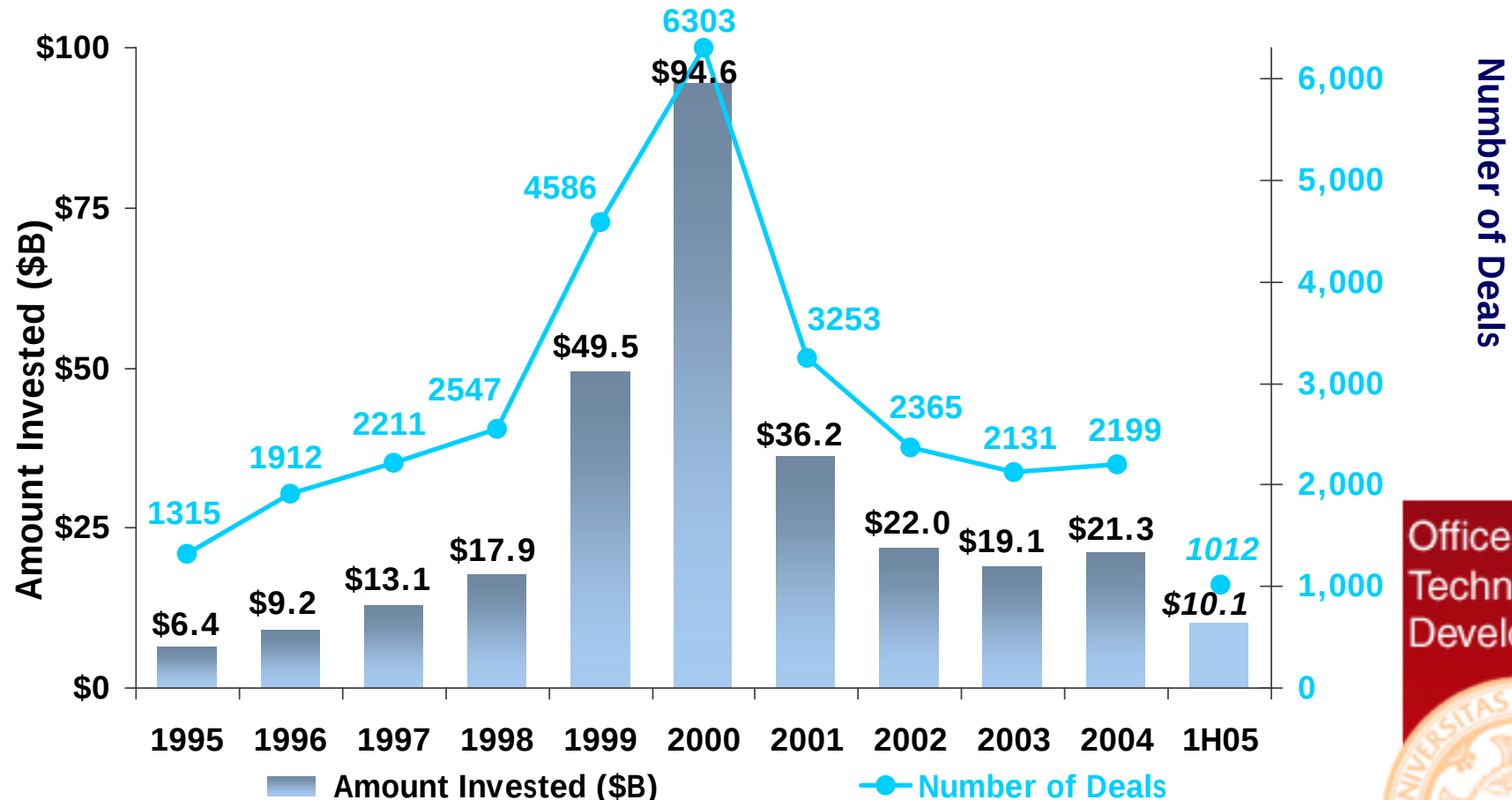
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Deal Flow and Investment in 2005

About the same as the past 3 years



Source: Dow Jones VentureOne/Ernst &Young

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How to get to a Series A

☐ Biotech example

- ☐ Use drug discovery platform as a service to generate cash
- ☐ Get SBIRs (beware strategy dilution)
- ☐ Corporate partnership
- ☐ Inlicense complementary later stage compound

☐ Web Application example

- ☐ Bootstrap
- ☐ Generate revenue
- ☐ Prepare for a long process

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How to get a VC's attention

- ☐ Each GP does 1 or 2 deals per year out of hundreds submitted
- ☐ Revenue (best source of funding)
- ☐ Partners
- ☐ Capital efficiency
- ☐ World class team
- ☐ Personal referral
- ☐ Persistence
- ☐ Positive progress

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Outlook for 2006

- ☐ IPO market?
- ☐ More fresh capital should be available
- ☐ New technologies and industries always emerge
- ☐ A return to early stage

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