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# Catalyst Health & Technology Partners

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# Catalyst's Investment Focus

- Technology Solutions in Healthcare and Life Sciences
    - Traditional domains (devices, DX, instrumentation, biopharma, IT)
    - New domains and drivers (MEMS, nano, hybrid/combo)
    - Limited scientific risk (primary risk is engineering and execution)
  
  - Early Stage
    - Core team
    - Proof of concept technology, core IP
    - Solid plan and strategy for adoption, financial independence
    - Typically Series A
  
  - “Right-Sized” Investments
    - \$1-5 M initial investment
    - \$5-10M total in performing investments over multiple rounds
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# Investment Strategy and Philosophy

- Active, hands-on investment
  - Company building, *not* just portfolio management
  - Partnership with management and co-investors
  - Understand milestones, timeframes, resources
  - Coordinate development and strategy to maximize trajectory
  - Build team and culture of accountability, with all partners adding value
  - Understand and align incentives (including co-investors in syndicate)
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# How Catalyst Looks at the World

## Key concept: Build Value and Create Options

- ❑ Investors and entrepreneurs are *both* rewarded by building valuable companies
  - ❑ Partnership between management and investors
  - ❑ Plan from right to left, considering all functional requirements to achieve financial independence
  - ❑ Focus on milestones representing increased value and reduced risk
  - ❑ Create options for financing and exit
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# Topics

- Management Team
  - Intellectual Property
  - Regulatory
  - Financial
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## Topics: Management Team

- ❑ Like pitching in baseball, management is key to winning over long-term
  - ❑ Background, relevant experience, etc.
  - ❑ Entrepreneurial success factors and “fit”
  - ❑ Different requirements at different stages
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# Topics: IP

- ❑ Proof of concept technology, core IP
  - ❑ “Picket Fence” concept
  - ❑ Practical versus dazzling
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## Topics: Regulatory

- ❑ Rationality, requirements of path
  - ❑ Strategic implications (speed versus barriers)
  - ❑ Risks relative to timing, capital, and other requirements
  - ❑ Clinical trial issues (regulatory, marketing)
  - ❑ Don't forget payment and reimbursement issues
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## Topics: Financial

- ❑ Start up is in a race against insolvency!
  - ❑ Unified view of plan, functional requirements, capital
  - ❑ Plan from right to left
  - ❑ Consider best, worst, expected cases
  - ❑ Understand investors' incentives
  - ❑ Create options to achieve financial independence
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