

# Capital Access for Biomedical



The Ohio State University  
Columbus, Ohio

## Growing Capital Access for Biomedical Firms

Entrepreneurial activity thrives where there is an abundance of capital – Silicon Valley, San Diego, and Boston provide strong case studies to this point. Beyond a handful of notable examples, the nation is not awash in capital for start-up enterprises. Ohio is on a deliberate path to become one of the notable places with sufficient investment capital to support the creation and growth of technology-based companies, especially in the technology fields that are the focus of the Ohio Third Frontier.

One such field is biomedical, and we have recent evidence of progress toward our goal related to the availability of investment capital. Ohio recently ranked second in the Midwest for dollars attracted for healthcare start-ups by the *Midwest Health Care Venture Report 2008*, assembled by the Mid-America Healthcare Investors Network and BioEnterprise. This ranking is a direct result of the number of biomedical companies receiving the investment capital that enables them to grow and succeed in Ohio.



One such company is **Minimally Invasive Devices**. Wayne Poll is a Columbus physician who has first-hand knowledge of the limitations of medical devices used in laparoscopic surgery. To overcome these limitations, he formed **Minimally Invasive Devices** in 2006

to develop and market new medical instruments, including a disposable device to clean and defog laparoscopic surgical tools while they are being used during surgery. The early-stage medical enterprise has received \$2.4 million in angel capital, a portion of which came from funds supported by the Ohio Third Frontier.

There are many other examples like **Minimally Invasive Devices** where the robust ecosystem that the Ohio Third Frontier is helping create has supported technology start-ups in Ohio with world-class research, entrepreneurial business services, a growing pool of talent, and a pipeline of capital to take those companies from creation to market entry.



Cincinnati-based **AssureRx** is a personalized medicine company dedicated to helping physicians determine the right drug at the right dose for individual patients suffering from a range of medical conditions. The company was founded in 2006 to license and commercialize personalized medicine technology discovered at **Cincinnati Children's Hospital Medical Center**. **AssureRx's** creation would not have been possible without the entrepreneurial services and \$3 million in local seed capital received from Ohio Third Frontier-supported resources.

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**Arterioocyte Medical Systems, Inc.** began life as a start-up biomedical company with products based on stem-cell therapies developed by the OhioThird Frontier-funded Center For Stem Cell and Regenerative Medicine in Cleveland. To move these technologies through preclinical and clinical trials, **Arterioocyte** raised \$3.8 million in seed funding and development grants, including significant direct support from the OhioThird Frontier. This early investment put **Arterioocyte** on a rapid growth curve. In 2008, the company attracted a \$10 million growth capital investment from outside of Ohio, enabling the company to market novel stem cell products to improve patient outcomes in cardiac, orthopedic and vascular surgeries.



The goal of investment capital and entrepreneurial services to Ohio's small biotech companies is to position them for major growth and job creation. **HTP, Inc.**, a healthcare information company in Columbus is a prime example. **HTP** received entrepreneurial assistance from an Edison Incubator and capital from an Edison Center and OhioThird Frontier-supported angel capital fund totaling \$2.5 million. As a result of **HTP's** early success, the company was recently purchased by health giant **McKesson Medical-Surgical** for what was likely a multi-million dollar deal (purchase details not disclosed publicly). This strategic partnership provides a major growth path for **HTP** and its current 65 employees in Columbus.

While the spotlight of this article is on biomedical companies, the investments made by the OhioThird Frontier in entrepreneurial assistance and early-stage capital have put Ohio on the path to similar success in other industries important to our state's future including advanced energy and materials. Capital is the life-blood of commerce, and being a leader in the formation and attraction of capital makes Ohio a desirable final destination for the growth of new companies and new industries that will shape and change Ohio's future economy.

