From Zero to One: The Essential Guide to Getting Your Biotech Started

ZAGENO

Thinking of founding a biotech company but don't know where to start? Or in the early days of launching a new biotech company but unsure how to take your startup to the next level?

We put together this essential guide to help you take your biotech company from 0 to 1. In particular, we cover:

1. How to do market research to formulate and refine your startup idea
2. How to build an advisory board to help you launch and grow your company
3. How to put together a fundraising pitch deck to present to investors
4. How to find resilience and strength even through the biggest founder challenges

Biotech Startup and Its Growth Stages

To set the context, we first define what a biotech startup is and what stages one can expect to go through when founding and leading a biotech startup.

A biotech startup is a relatively new, young company that is developing a new therapeutic or technology to tackle an existing problem in the broader biotech industry (such as a disease treatment or diagnosis).
Typically, there are three stages of a biotech:

- **Early-stage** (angel, grant, pre-seed, and seed stage in venture terms): you have an idea, perhaps a very small team (you and your co founders), and a sense for how that idea would translate into a product
- **Mid-stage** (Series A, Series B): you have team members beyond the founders, a product in market, and some cash flow from sales and licensing agreements
- **Late-stage** (Series C and beyond): you have many team members across many departments, meaningful market penetration, and are scaling all process around further product development and sales

Market Research

In the zero to one process of the first segment of early stage biotech startup building, you should consider the following:

- Whether you want to personally make the jump from your current career path (whether in academia or the private sector) to founding a company (an intensive, 10+ year long journey and commitment)
- What problem you want to solve
- What market opportunity your problem and solution have
- What differentiated solution you will build in the market selected
- What your business model will be to monetize your value
- What you will need in financial capital (funding) and human capital (team and advisory board) to move your company forward

Market Research

First step: conduct market research. Doing market research is a crucial part of laying a strong foundation for your startup. Through market research you validate what you will build, who you will build it for, and how you will bring your product to them.

But how do you do market research? We put together this guide on conducting effective market research.

Primary Research

One way to conduct customer discovery research is through connecting directly with potential customers to better understand their pain points, workflows, and goals. Here are some best practices for conducting great primary research through interviews, focus groups, or surveys:

Ask open ended questions. Steer clear of yes or no questions that implicitly or explicitly try to direct them to an answer. Instead of asking “would you like this tool?” or “do you have this problem” ask something like “what are the biggest challenges you face when doing X?”

Give rank order questions. Instead of asking prospects to make judgement calls on whether they like or dislike something, ask them to rank order their preferences. Give them 5 features or priorities that are on your mind and ask them to rank these in order of their interests. Doing this helps to better understand how the prospect thinks at a deeper level rather than a surface like or dislike level.

Focus on actions instead of words. To be friendly, prospects may say things like “oh your product seems easy to use.” Instead of taking their word for it, ask them to play with your product and observe their actions. Are they actually breezing through? Or does it take them a long time to find the next step on each page? Actions speak louder than words.

Market Research

Notice the body language. Instead of just listening to your prospect's words, also look for nonverbal cues. Where were there long pauses? Did their tone of voice show frustration? Were there particular questions that got them excited? Where did they talk more quickly and intense versus less so?

Understand the full context. No product or company exists in isolation. Of course your questions should be relevant to your particular part of the workflow or ecosystem, but it is still crucial to understand the full context of your prospect's professional life. What other tools do they use even to solve other problems? Would these tools be competing with yours for budget? What other people do they work with who may be decision makers but not users? What are your prospect's instincts? What are their main priorities? What KPIs are they evaluated on as a professional?

Be careful about representation. Are you talking to a diverse enough group of people? Do your surveys, focus groups, and conversations only cover a portion of your prospects? Is your data actually comprehensive?

Secondary Research

Beyond direct engagement with your prospects, you can also leverage data from existing resources to better understand their behavior and the broader ecosystem.

Understand the other players. Use tools like Tracxn, PitchBook, AngelList, or Crunchbase to see comprehensive lists of other players in your space. Look deeply into their websites, press features, product, customer reviews, social media, content, and more to better understand what they offer and what they are missing and how you can build something differentiated.

Research the market trends. How has the need for your product grown over time? How have technological changes, cultural shifts, regulatory developments, and other tailwinds or headwinds impacted your spend? How will you articulate the "why now" for prospects, hires, and investors?

Size the market opportunity. How many people can you realistically reach with your product? How much can they and will they pay? What are they paying for substitute products now? From this, you can gauge the actual market opportunity you are going after.

Understand the go to market channels. Beyond the product itself, consider how you will reach your prospects. Which social platforms do they spend time on? What content do they consume? What style of communication do they prefer?

Advisory Board

Now that you have finalized your startup idea through market research, the next step is to get the right people behind the business to help launch and grow it.

Advisory boards are a core part of the founding and growth of all startups, especially research driven startups. But how do you go about designing, forming, and running your advisory board? We break down the full process for you through this guide.

Deciding who should be on your advisory board

Identify skill gaps. Are there functional areas that your team has limited experience in? Perhaps you are technically skilled but need commercialization support. Or perhaps you have great wet lab experience but less data experience. Look for advisors who augment your team. You should still have a core team member now or in the future dedicated to each essential part of the business, but advisors can help you hire and train that team member and provide advice in the interim and beyond.

Identify brand needs. Are you selling into prospects that care a lot about brand recognition? If so, having advisors with experience at large incumbents, especially in very senior roles, will be useful. Or do your prospects instead resonate more and focus more on growth stage companies or upstarts? If so, target people with this type of experience when identifying your advisors. Or maybe they care more about university research? If so, focus on finding advisors who are current emeritus professors. Will you work a lot with government agencies? If so, having someone onboard with public sector experience would help.

Optimize for trust. Ultimately, your advisors are your long term partners not just for a few months or a year but for many years, even a decade to come. Are you comfortable with these people being your close partners? Do you gel well together? Do you share the same fundamental values? Do you trust them? Would you feel comfortable going to them not just with the good news but also your biggest challenges? Is this someone who will work hard for you when you need their support? Get to know your potential advisors not just as professionals but also as people to better understand this alignment.

Reaching out to advisory board prospects

Start with your network. It certainly helps to onboard an advisor you have worked with previously. It is both easier to connect with them and easier to vet them if you have actual collaboration experience with them. Go through your past projects, labs, and classes to see who you already know and identify if any of those people would align with what you are looking for.

Ask for referrals. Even if you cannot find the right fits in your direct network, reach out to people you have worked with for introductions. The scientific community is surprisingly tight knit, and the power of your second order network should not be underestimated. Moreover, once you mention to people that you are looking to put together this board, they will also keep your request front of mind as they meet with new people or catch up with others and can send you leads as they come up.

Cold outreach. Do not be afraid of more direct, cold outreach. Are there professors who wrote papers that were pivotal to your work? Operators at companies in adjacent spaces that you really admire? If there is no way to connect with them through your own network, craft a personalized email to this person. Show your deep understanding of their work (people love to be appreciated and heard), show your “give first” attitude through sharing how you can help them, and be clear about why joining your board would help them as well.

Launching your advisory board

Have clear expectations. Clearly define roles, responsibilities, and tangible outcomes. What does success look like? Be as precise and quantitative as possible. How does each advisor’s value add differ? What is the cadence at which you will interact with them? How can you get the best ROI of their time? How can you ensure the experience is meaningful for them too? Craft the role description for your advisors based on this understanding.

Name a director. Make sure there is a clear point person on your team (usually the chief scientific officer) for the advisory board. This person is in charge of the day to day operations of running the board, the execution oriented tasks, the main questions, and the achievement of the strategic goals. If there are too many point people, your advisory board will get confused, and when there are too many point people, effectively no one takes real responsibility.

Continuously reevaluate. Your advisory board does not have to be static. As your company grows, your needs will naturally evolve. Identify new opportunities and challenges. How can additional advisors support you? Go through this process at each new stage of your company.

Almost every investor you meet will ask for a pitch deck, and it is quite likely that you will speak to and present on one at each pitch meeting. But what should go into a pitch deck? We put together this guide with all the essential slides you need to make a great pitch deck.

Fundraising Deck

Now that you have laid the foundations of your startup with your idea and team, you will likely need capital to hire more team members and invest in research and development, office space, sales and marketing, and more. This capital often comes from investors in the early days before you have revenue. How do you pitch investors? What should go into the perfect fundraising pitch deck? We break it down here.

Here are some examples of pitch decks from companies that have built incredible businesses.

One liner
Start with a simple one liner on what your company does in as basic terms as possible. Being able to explain something complex in simple, straightforward terms shows true understanding. Doing so also helps to give the investor all the necessary context from the start. If you start off by going too far into setting the stage and setting the context, the investor may get lost in those rabbit holes of thought before they can even understand what you are building.

Why now
A great idea at the wrong time still makes for a bad investment. Investors have 7-10 year time horizons with their fund, so while they do not have urgent timing, realizing returns during a limited window is crucial to the success of their fund. Explain to investors why now is the best time to build your company. How do the technology, regulatory, social, and culture trends come together to create the optimal tailwinds for you?

Market opportunity
How many people or companies are you ultimately selling to? How much are these people willing to pay for your product? By articulating the size of the market you are going after, you paint a more quantitative picture of your monetization potential and ability to build a true revenue generating business.

Impact
Tell a story about someone whose life is or will be transformed by your technology. Show their photo and state their name. Statistics are valuable, but ultimately people connect much more with stories.

Paint the picture of what the world would look like if you succeeded. Dream big and be as bullish as you can. This is your opportunity to get investors excited about and bought into your big vision.

Differentiation
Who else is a player in your market? While you may be unique, someone else must be doing something similar or adjacent. Articulate to investors, preferably through a quadrant graph, how you stand out from the competition and who your competition is so they can better understand your landscape. What is your unique insight? How did you arrive at it? How do you continue to hone your superpower and

transform it into a lasting moat?

Team
Many early stage companies pivot in their journey to finding product market fit. Investors know and even expect this, so much more than the idea itself, investors are betting on the team. Articulate why you are the best people to tackle this problem. Show your founder market fit.

Plan
Be clear about your next steps. How much are you raising? On what terms? Where are the funds raised going to? How is your product roadmap shaped by the fundraise?

Appendix
Beyond the core slides above, keep most of the other slides and information you would want to share to the Appendix so that the presentation slides clean, sharp, and to the point. Include backups slides on the financials and technology platform, in case particular investors want to dive in further on these fronts.

Founder Resilience

Through all of these steps, you will no doubt face seemingly insurmountable challenges and unexpected obstacles. A founder has one of the most challenging jobs: leading a team of people to build something from nothing and reach unprecedented heights. It's no wonder that founders feel burnout much more often than most team members. Biotech founders, in particular, face a seemingly insurmountable challenge of curing intractable diseases and developing technologies and therapies that truly change the lives of countless people globally.

To support biotech founders in their founder journeys, we put together a guide on combating founder burnout and building founder resilience.

Have a founder support network. While your friends and family members may be very supportive, only other founders understand the unique founder journey. Being the leader of a company is an incredible experience but can also be a very lonely one. Find other founders who truly empathize. Have a group chat where you can share wins and vents. Get together for coffee or drinks regularly.

e.g. For example, BIOS has a great community of founders.

Reframe mistakes. Instead of tying your self worth to perfection, embrace failing fast and making mistakes. Each mistake is an opportunity to learn and do better. Instead of tracking your wins and only celebrating those, track your mistakes as well and see those also as "wins" since mistakes are crucial stepping stones on your journey to success.

If an experiment fails or a partnership agreement falls through, instead of feeling very down about it, see it as an opportunity to learn from mistakes and continuously improve.

Focus on the process. Building a company is an incredibly long term journey (especially so for biotech founders). Instead focusing on the outcome which may never come, at least not in the way you expect, focus on the process. Learn to truly enjoy the messy middle and the journey. Instead of thinking constantly about what is next, be mindful and present and enjoy the here and now.

Celebrate the wins. Everyday can feel like an endless process of putting out fires. But when you look back on the past month or quarter, you realize how far you have come. Carve out time for yourself and your team to reflect on the wins accumulated over time that are often missed when people focus solely on the day to day.

Particularly with biotech companies, impact is paramount and where you derive the most meaning and fulfillment. Take a step back to realize and imagine the life saving impact your company has or will have.

Have boundaries. Founders often feel guilty when spending even a moment away from their startup, but ultimately, boundaries make you better. When you make time for yourself to sleep, exercise, and spend time with family, you come back feeling more refreshed, energized, and able to be more efficient. Moreover, in those moments away from work, you can often lose any tunnel vision and be able to consider the same challenges with a broader perspective and a more open mind.

Block off mornings or weekends to read nothing about your particular area of biotech. Go outside. Do something completely different to ground yourself and refresh your mind.

Focus on the people. What makes each biotech startup unique is the team. As a founder, you are able to pick the people you work with each day. Relish in that opportunity. Even when the work feels challenging, appreciate the time you get to spend with so many amazing people you admire, love, and look up to.

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We hope this guide helps you take your biotech startup from 0 to 1! To find more resources and tactical advice for your biotech startup journey, check out ZAGENO blog.

To learn more about how ZAGENO can further help grow and scale your company, book a free consultation here.

Additional Resources

Here are some other resources that may be helpful in your biotech building journey. Best of luck!

- What is a biotech startup?
- The Entrepreneur's Guide to a Biotech Startup
- How to build a biotech startup
- Advice for biotech founders
- How to start a biotech startup

With approximately 22 million product SKUs from nearly 5,000 unique brands, ZAGENO offers the largest life sciences lab supply marketplace. In addition, our platform provides tools to help increase scientific productivity by removing the manual and tedious steps labs are forced to deal with when researching, purchasing, and tracking lab supplies.

Discover the simplest way to order lab supplies at www.ZAGENO.com