office dedicated to helping companies prepare for the commercial world.

Show me the money!

A business plan is a selling document and although it should always be realistic and truthful it is also there to entice investors. Your executive summary should shout about your unique selling points and you should have your elevator pitch down to a crisp, enticing sentence. Too much time is spent by early stage technology companies giving detailed descriptions of technology and not detailed financials. An investor is primarily interested in making money. Your technology is a route to achieving that objective, if you cannot convince them that they are going to make a significant increase in their initial investment, then no matter what your technology claims to do, they simply will not invest.

All this leads to the proper preparation for meeting an investor. It is maddening to see a company come in to an investment meeting, which could be one of the most important meetings of their life, but show themselves up by being ill prepared and unready to give well thought answers to difficult questions.

If you are approaching investors then it is worthwhile doing your research. Most venture capital organizations and biotech fund managers will have a website where they will detail the kind of investments that they are interested in. It is a waste of everyone's time to approach an investor who only invests in low technology companies when you are involved in drug discovery. In the same way, it is important to see how much the potential investor likes to invest. If you are looking for ~£250,000, then you are of little interest to the majority of VCs who begin investment at £2 million and above. If you can get a respected intermediary to introduce you to the investor, again your chances of being taken seriously are greatly increased. It is a fact that the majority of investors will only invest in less than 1% of the opportunities that land on their desks. A telephone call from a good quality intermediary who knows the investor well is likely to push your plan to the top of the pile and gives you the chance of receiving feedback even if your plan is rejected.

Business assessment

As an early stage company seeking investment it is important to prepare to answer several questions (Box 2) to prove you have a thorough understanding of your business.

Remember that a private investor is often more forgiving than a venture capital company. Where a VC will be reluctant to consider a company with an inexperienced management team or an undeveloped business plan, a private investor could be open minded enough to not only invest but work with the company to fill the gaps in the management and develop the business plan. An equity-for-effort type deal can therefore be as worthwhile to a company as an equity-for-investment deal.

Conclusions

The market is getting better and more funds are opening up that are specifically focused on investing in early stage biotechnology companies. Experienced investors who are interested in biotechnology are coming out from hiding following the economic slow down and appear to be digging into their pockets again. Against this, however, the universities, research institutes and corporations are getting better at spinning innovative companies out so the competition is getting increasingly tougher. To beat the competition, academics need to focus on the commercial needs of investors and effectively adapt to become business people.

Erratum

Please note a correction to the article entitled *Effective experimental design: enzyme kinetics in the bioinformatics era* by Emma F. Murphy, Steven G. Gilmour and M. James C. Crabbe, published in the *Information Biotechnology II* supplement to *Drug Discovery Today* (Vol. 7, No. 20, S187–S191).

This article should have contained the following Table, to go with its citation in column 2 on page S190.
The Editorial team of *Drug Discovery Today* would like to apologize for this inaccuracy and for any confusion that this might have caused.

Table 1. Comparison of calculated utility values with Bayesian-determined utility values

Kinetic-data source and model type	Calculated utility for design and choice of points	Calculated utility for design using Bayesian-determined rules	Fold increase in utility (i.e. decrease in parameter variance)	Refs
Michaelis–Menten (trypsin)	2.6×10^{-1}	6.0×10^{-1}	2.30	[28]
Three-parameter hyperbolic (β-lactoglobulin dehydrogenase)	2.7×10^{-5}	7.6×10^{-5}	2.80	[29]
Four-parameter complex equation (cytochrome P450 3A4)	5.3×10^{-8}	9.2×10^{-8}	1.75	[30]

PII: S1359-6446(02)02508-4