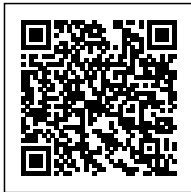


THE BOOM IN LIFE SCIENCE START-UPS - DELOITTE

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The current economy is no barrier to growth for these start-ups, and they are providing lawyers with a clear and confident role going forward

In markets connected with life sciences, there are a lot of people coming out from universities armed with PhDs that are getting a level of investment from private equities and business angels, says Javier Menor, Corporate and M&A Partner at Deloitte Abogados. "And because they are normally very organised, these start-ups are not only getting the funds but also really good results for these investors."

A contributing factor to this market being relatively untouched by the current economy is that huge investments are not required at the beginning, thereby allowing all parties to take a small risk for the opportunity of big returns, explains Menor. He believes that this is not only attracting both international and national investors, but those that don't mind sharing the investment. "Investors are more concerned with trusting all the people running the business and the ideas, and they approach these investments from a financial perspective."

But while this active market continues to bring with it a confidence for all parties concerned, that is not to say there aren't specific problems associated with life sciences – such as how to narrow the

gap between expectations, says Menor. "It's not easy as these entrepreneurs are often not used to legal structure required by the professional investor. They are inventors and appear more comfortable coming at it from a science perspective than a legal and contractual one."

However, although probably closer to the investors than to the 'ideas' people, law firms are able to provide a useful middleman role. "One of the advantages is that we don't approach it from just a legal perspective," concludes Menor. "We design the way of investing, but we also try to explain to the start-up that investors aren't acquiring the company – we are just helping them to make their business bigger. At the end of the day, we are also partners in the investment."