

The Business Journal of the Greater Triad Area - March 5, 2007
<http://triad.bizjournals.com/triad/stories/2007/03/05/story1.html>

THE BUSINESS JOURNAL

SERVING THE GREATER TRIAD AREA

BUSINESS PULSE SURVEY: [Living in Tournament Town?](#)

N.C. A&T to launch first spinoff

Reach Matt Evans at (336) 370-2916 or mlevans@bizjournals.com.

The Business Journal of the Greater Triad Area - March 2, 2007 by [Matt Evans](#) The Business Journal Serving the Greater Triad

GREENSBORO -- N.C. A&T State University is ready to create its first independent company based on academic research; it will be a biotechnology firm that will take aim at a piece of the multibillion-dollar market for a diagnostic tool using something called antibody therapies.

Provagen, as the A&T spinoff will be known, plans to commercialize a technology developed in A&T's agricultural science labs that uses "Protein V" to purify and isolate antibodies that can be used in a number of disease treatment and diagnostic applications, according to Doug Speight, A&T's assistant vice chancellor for outreach and economic development.



Julie Knight/The Business Journal
 Professor John Allen, a research coordinator at N.C. A&T, will be president of the university's first spinoff company.
[View Larger](#)

Provagen initially will be targeting the \$30 million market for "antibody binding proteins." Speight declined to offer specific revenue projections for the firm, but he said that based on the technology developed so far, and other research in the pipeline, the company has the opportunity to capture a big share of the available market over time, as much as 30 percent. The company will spend the next 18 months in the technology development stage before attempting to bring a product to market, Speight said.

As is always the case with biotech startups, it will take several years for the company to get to that level of success, if it ever does. But Speight said if Provagen meets expectations it could be employing as many as a dozen Ph.D.-level scientists within three years.

The company will stay located at A&T for now, but hopes to move to the new Gateway University Research Park in the future, Speight said.

"Part of the attractiveness of this for the university is to have a significant program that leverages the intellectual strength of the university," Speight said. "The talent pool that we can draw from here at A&T and in the Triad is relatively rich."

Finding the capital, leadership

Speight said the school thought about licensing the Protein V technology to another firm before deciding instead to use it for its first spinoff. The process of forming that new company was made significantly smoother, he said, through the help of a new program from the N.C. Biotechnology Center in Research Triangle Park designed to increase the number and speed of new companies coming out of the state's universities.

Provagen is the first project for that new program, called the Baton Network, according to Steve Casey, director of business development for the Biotech Center. The Baton Network attempts to satisfy two of the biggest hurdles keeping promising technologies in the university lab rather than on the market, Casey said: startup capital and leadership.

The capital question is addressed through a \$50,000 Technology Enhancement and Acceleration Model, or "Team" loan. Any private or public school university in the state with a biotech spinoff opportunity can apply for the program, Casey said.

Just as important as capital, though, is leadership, which the Baton Network is providing through an interim chief executive who is tasked with what Casey termed "the grunt work," which includes establishing the corporation, creating business and marketing plans and other activities that require skill and time but not necessarily the same experience level that investors will look for in a permanent chief executive.

Good news for A&T

The Baton program is designed to widen the pool of interested permanent CEOs because those who are currently established in other markets, such as Boston or San Diego, won't have to start from scratch in North Carolina finding the right attorneys, bankers, venture capitalists and angel investors.

"We'll already have those people in place and the venture community aware of what's going on and just waiting for the right manager to come in," Casey said. "We'll have opened the doors, so (the permanent CEO) can come in and start actualizing based on the leg work we've done."

[Contact the Editor](#) | [Need Assistance?](#) | [More Latest News ->](#)

Casey said Provagen is finalizing a deal with an interim CEO now. That person will take on those startup tasks and also start seeking revenue-generating opportunities such as research grants, he said. John Allen, a professor and research coordinator in A&T's Department of Animal Sciences who developed the technology, will be the firm's president and chief scientific officer. Allen and the university will both be shareholders in the privately held firm.

While there are few sure things in a biotech startup, A&T's first spinoff is a good sign, according to Michael Batalia, director of the Wake Forest University Office of Technology Asset Management, which has overseen the creation of several independent firms.

"It shows that the institution can draw the management and the resources together that are needed to roll out a technology as a stand-alone entity," Batalia said. "Now what's going to be important is for the university to maintain its support and work with the startup to help draw funding. A lot of due diligence has to take place before that future funding will come in."

Speight said that while A&T will not have a cash stake in Provagen, the university intends to be an active partner in the company in order to nurture the investment it has made in the seven patents related to Provagen, as well as its in-kind services. While it's taken a long time to get to this point with its first company, Speight said the experience should prove valuable.

"We've been able to take this model and others we've been exposed to to accelerate our progress" in other technology transfer efforts, Speight said. "We'll have more in the future."

This article is for Paid Print Subscribers ONLY.

If you are already a The Business Journal subscriber please create or sign into your bizjournals.com account to link your valid print subscription and have access to the complete article.

Become a Print Subscriber



For immediate access to this article, as well as the most recent edition of The Business Journal online, become a print subscriber.

Welcome, Doug Speight

At this time, you do not have any valid, linked subscriptions.

- [Link Print Subscription](#)
- [Purchase or Renew a Subscription](#)

Purchase a Print Subscription

[Subscribe or renew online](#)

All contents of this site © American City Business Journals Inc. All rights reserved.