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## ATI now ready to pounce on biotech

Jessica Hanover, a biotech veteran, hired to steer incubator's foray into lucrative sector

Austin Business Journal - by [Laura Hipp](#) ABJ Staff

Jessica Hanover, the newest director at the Austin Technology Incubator, sees all the pieces for a thriving biotechnology sector in Austin.

Now, she must put the puzzle together.

**Hanover recently was chosen to lead the bioscience segment of the Austin Technology Incubator. The program is the newest segment in the University of Texas incubator, which already helps grow companies in the clean energy, wireless and information technology sectors.**

The tools to create a successful biotech program, such as investors, entrepreneurs and scientists, are in Austin, she says. They just need coordination.

"One of our goals is to help build the infrastructure that these pieces can all fit into so people won't be duplicating efforts," says Hanover, who was most recently the senior director of strategy at ev3 Inc., a San Francisco medical device company.

The biotech effort is a highly desired segment of Austin's technology scene. **There are almost 90 biotech companies in Central Texas, according to the Austin Chamber of Commerce's BioAustin. Most are medical device or diagnostics companies.**

Over the past eight years, entrepreneurs in Austin have opened or attempted to start similar programs to nurture young drug or medical device firms but failed. With the strength of ATI behind the latest program, early stage biotech companies have a better chance at success, many believe.

ATI's bioscience program was spurred by a \$125,000 grant from the city of Austin in 2007. The money pays the salary for Hanover and an intern.

Two biotech companies, pharmaceutical maker Terapio Corp. and medical robotics creator Agile Planet, are the first residents of the program.

At ATI, young companies receive guidance, office space and support to grow. Each segment hosts conferences and events that bring investors, companies and policymakers together. ATI gathers companies either by staff members stumbling upon businesses with strong potential or through entrepreneurs and researchers who seek out the incubator.

Executive Director Isaac Barchas says ATI is speaking with Austin Community College and the Texas Life Sciences Collaboration Center in Georgetown to provide lab space as needed for biotech companies. For companies in their earliest stages, labs at universities and third-party partners can be used, he says.

In her first two weeks, Hanover has met local investors, executives and others with an interest in building biotech. She will choose an advisory board by the fall.

She has the expertise to pluck research that has commercialization possibilities, Barchas says. Her experience as a buy-side analyst at Robert W. Baird & Co. Inc. in Chicago gives her expertise to navigate companies through capital markets, he adds.

The challenge now is building the city's reputation, Barchas says.

"When people think about Austin they really don't think about the life sciences," Barchas says. "We're not San Diego, and we're not Boston. But we are a place where life science companies can grow successfully."

Or folks simply assume Austin's biotech sector was bubbling with activity -- like Hanover did when she arrived in March. She and her husband moved here when he secured a research position at UT.

"I assumed that there would be a pretty big bio community here just because UT-Austin is one of the top two biggest schools in the country," says Hanover, who has a doctorate in neuroscience from the University of California at San Francisco.

Instead, she found a community hungry for biotech.

"There's a lot that can be done here, that needs to be done, to try to build the infrastructure for bioscience-type companies," she says.

**Many advocates for biotech say a local medical school is crucial to the region's biotech sector. Texas A&M University plans to build a medical school in Round Rock, and UT is considering one.**

"It certainly will not hurt to have a medical center here," Hanover says. "Just having that expertise, especially in the therapeutic space, is beneficial."

However, collaboration with UT's medical programs in other cities is important, she says. Those in the biotech community are eager for ATI to begin grooming new entrepreneurs.

"The timing is perfect," says Tom Kowalski, president of the Texas Healthcare and Bioscience Institute. He says efforts such as the state's push to commercialize research, Texas Emerging Technology Fund investments and local health care venture capital activity have already set the stage.

**Courtesy of JB Goodwin**