**ENTRE 509 – myPS bank Fundraising Strategy**

myPS bank is a proposal for the first privatized, public induced pluripotent stem cell bank. As it is a biotechnology start up rather than an application or software, the capital needed to establish myPS bank initially would be more than most other start-ups, due to equipment costs, reagents, and employee salary. However, due to the medical and research potential of myPS bank, there are also many avenues of which to recruit fundraising.

1. Solicit government and translational grants (SBIR Phase 1)

Government and translational grants offer the advantage of non-dilutive funding, as well as a fair amount of capital. The amount of capital required for myPS bank would actually be lower than would be required for many other grant-funded biotechnology ventures, as there is no experimental aspect to myPS bank – rather, we are using established techniques simply to collect, transform and store cells. As a result, the equipment and reagent costs would be easily covered under most government grants, and a government grant would allow for the establishment of the feasibility of commercialized stem cell transduction and storage. However, the downside to grants is delayed funding. This could actually be an advantage for myPS bank, though, for two reasons: first, delayed funding could allow for navigation of any regulatory agencies which may be responsible for oversight of myPS bank (the FDA), and two, delayed funding may also allow for the establishment of safety for pluripotent stem cell clinical trials (several of which are ongoing), which would further add to the value of myPS bank.

1. Work with a biotech/life sciences incubator and securing more translational grants

Once grant funding is secured, we will then use the delay in funding to prepare myPS bank for working with a biotech or life sciences incubator. Although competitive, we believe the unique value of myPS bank, the use of cutting edge medical technology, and the preemptive solution to future medical problems would make us a solid competitor. An incubator would offer us the advantage of professional advice which could be used to learn about regulatory concerns or soliciting more capital. Additionally, the exposure of myPS bank in an incubator could significantly increase valuation as well as attract investors and new customers. Additionally, during this time, we would look at further translational grants which could assist in any costs associated with ensuring regulatory compliance for myPS bank.

1. Secure venture funding

For the expansion of myPS bank, venture funding is required. The initial capital from grants and incubators may be enough to establish the first myPS bank and navigate regulatory concerns, but as a physical bank is needed to collect, transform, and store cells, expansion of myPS bank to other locations would require significant capital to expand storage space, hire more staff, and purchase more equipment. However, with the establishment of the myPS bank, we believe we can secure enough customers and revenue which would make myPS bank a feasible and low-risk proposal. Additionally, establishment of myPS bank in new cities would not require a physical bank but rather a “clinic”, which can specialize only in cell collection and shipment to a centralized bank location. As a result, significant capital from venture funding may support the establishment of “clinics” in many other cities, rather than necessitating the establishment of an entire bank in a new city.