



Case Studies in Biodesign Ethics

On the Path to Fund Raising

You have spent the last 6 months sorting out important unmet medical needs and assessing solutions to the most pressing needs identified. You have are now creating a business plan and presentation of your idea for a company to develop the very exciting medical solution you have come up with. You know your audience will be friends and family, high net-worth investors or ‘angels’ and venture capital firms. You have been told by others that such people want to hear that

1. the need is real and important
2. the market for the solution is very large
3. the market will accept the product rapidly
4. the business will lead to high profitability relatively quickly through recurring revenue
5. the path to regulatory approval will be rapid
6. the need for funds along the path to profitability will be relatively modest for this industry,
7. experts in the field have already given you encouragement
8. there will be reimbursement for providers of your solution and
9. you have identified a management team with experience in the field that would help you start a company around your solution.

You have some idea about quantification of these points but you have not spent as much time on them as on organizing your idea. Some of your friends tell you the audience typically expects hyperbole and you need to paint a very "rosy" picture of the business or you will not attract funds.

You strongly believe your solution will be successful because it is so good and because it truly leads to improved patient health. You know you will never be completely sure of all the elements you have to address and you assume some of them might be "better" than your current most critical assessment suggests.

- Should you take the approach of inflating the story about your product and company in all areas including those where you are uncertain?
- How can you decide when you have enough information to start your presentations?
- Should you be modest in your presentation if elements of it clearly might turn off the people whose funding you seek?
- If you go over the details of your idea with many others to prepare the elements of your presentation, how can you protect your ideas?
- Should you tailor your presentation to the level of the potential investors you are addressing, recognizing some of the unsophisticated might not know the critical questions to ask?
- What are the consequences to you if your family or friends invest in your ‘start-up' and it fails to return their money?
- How will you feel if you ask members of your family for monetary support and they decline to invest?
- How much of your own money and time should you commit to this effort until you get funding from others?