



Stanford eCorner

The Foundry: Background

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Video URL: <http://ecorner.stanford.edu/videos/1239/The-Foundry-Background>

Hanson Gifford, president and CEO of The Foundry, talks about why the company was founded and what they do to help fledgling companies get off the ground and become successful. The incubation process that The Foundry goes through with each new venture helps these companies increase their chances of receiving funding, he says.



Transcript

Well, why don't we get started? The Foundry was founded on the idea that it's becoming more and more challenging to launch a new startup. The bar keeps getting raised. Investors like Robin wants to see a huge market opportunity, a great solution, proof of principle, perfect IP situation, reimbursement from healthcare provider so that they know that the device will get paid and therefore adopted. So they want a complete package. At the same time, they're managing bigger portfolios. You just saw all of the great companies that Robin is responsible for and unfortunately he doesn't have the time necessarily to really do the early "nets and balls" development work. So that creates a window, an opportunity for The Foundry to take those ideas and do the early work to put it all together so that it becomes very fundable and attractive for investment. If you look at startups 20 years ago especially in the medical device world, a doctor would get a great idea. He'd be doing procedures all day said, "There's got to be a better way to come up with a solution." He'd have a cousin who was an engineer, and you know, that cousin would have a friend who was an investor and the company would sort of stumble into existence. That's getting harder and harder to do.

They really don't have the time flexibility, the skills to really put it together. And so by the time a company like that gets into the hands of people who'd really been involved in startups that's often got complicated capitalization and other issues that need to be work through. So we thought we could start things better from the start and have better companies that move faster and achieve more success for everybody. So what do we do? We really are an incubator and the name has a lot of meanings for a lot of people. Sometimes it's just a space where companies can come and grow and you can share the copy on the phone system and maybe get some advice or some accounting. And we don't work that way. What we do is look at a whole lot of ideas. Both ideas that we generate internally. We spend a lot of time focused on specific disease sets inventing, as well as ideas that come to us from the various sources and pick just one or maybe two of those ideas each year and really then become that company. I become perhaps the CEO of the company.

And The Foundry team just focuses entirely on that project for the next 6 to 18 months building the team, building the story, filing the intellectual property, licensing other ideas, writing the business plan, raising the funding, recruiting the team, and gradually overtime we've segued ourselves out of that project to move on to the next one. But the team is already up and running and has everything it needs to move forward successfully. We were made involved as board members, as advisors, consultants on very nearly a daily basis because it takes a long time. In the medical device world by the time you get to clinical

trials and commercialization, you're talking about a five-to seven-year commitment. And we recognized that upfront and commit to it all the way through.