



Stanford eCorner

Exit Strategy for the Single Product Company

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How you exit your venture is of equal weight to entering the market, says Mir Imran, CEO of InCube Labs and entrepreneur behind 20 different ventures. Particularly for the high-risk, single-product enterprise, knowing how your shop will be sold or acquired is a critical component to its viability.



Transcript

So what do you consider a good exit strategy for these ventures? Do they usually get acquired? Do they go public? When does it happen? If you look at my companies, I probably have sold nine companies, and an additional three have gone public, but even the ones that went public were ultimately acquired. Then, out of the eight that are currently there, there is one getting ready to go public shortly. So it's a mixed bag. It depends on the kind of technology. It's very difficult for any of these companies to survive long-term on their own because they're a single-product company. So the risks are very high for these companies. One hiccup and you're in deep trouble. Manufacturing problem, clinical problem, regulatory problem, any delays can basically shut you down. That's why most of these companies end up getting sold to bigger companies.