

URL: <https://ecorner.stanford.edu/clips/market-selection-for-biotech-platforms/>

Trevor Martin, co-founder and CEO of Mammoth Biosciences, explains his approach to identifying markets for a platform biotech company. He encourages founders to develop a compelling story about the markets they pursue, to always think about where the tech is headed and be willing to pivot, and to consider how smaller markets could offer opportunities to reach proof points and get partners excited.



Transcript

- That is like the blessing and the curse 00:00:04,440 of a platform company is like you can do everything but obviously like you'll fail if you, and that's like a classic like, and I don't know, I've probably had to learn myself like a seed kind of issue is that you have this like big vision of like, oh it's like a platform and like it can do anything.. but if you don't have like a good story around like what are some specific markets that like it's really compelling for and that can be really challenging to like have a compelling story about like okay, like why is this exciting and investible? And I think just to start off, I think people maybe over index a little bit on like oh like when you're doing your seed ground, like this market that you set in the deck is like the exact market you're gonna go after like 10 years from now.. I think what was more helpful to me at every stage of the company was the thought process that you went into when you're selecting that and you might pivot the exact market as you develop the technology and you move along, but what's important is you have that thought process of like going to market and like understanding like okay, like what are the advantages we have? Like where can we not go cause maybe we don't actually out compete.. So it's more of like a philosophy of like in some sense it matters less what you choose and it's more that you have a mentality of choosing and like iterating on that and like making sure that you're always thinking about okay like I have a cool technology platform but like where is it headed? And like having that product mindset.. That can be like a really big trap I think is just like staying on the technology and then just assuming that like oh people will partner like you know, so I think that's the high level.. So then once you do that, like you can stack rank things however you want.. There's like market size, there's like time to market.. I think something that's underappreciated there is this idea of kind of the proof points like regardless of market size even is like maybe something you wanna optimize for is just progress and like showing that the technology works and maybe you do that with a market that's frankly like not commercializable in many ways, and you know, hopefully it is and like you work something out but maybe you're actually just optimizing for hey this CRISPR works and it is something that's efficacious and it like is safe in humans.. And even if that's on some tiny disease that maybe wouldn't be very commercially profitable, that could be huge in terms of like funding the company for the long term and like getting partners excited about targets you do care about and for technical reasons that small market might be way easier to achieve those technical milestones with.. So I don't like people sometimes see that as like a dirty word, like oh like it's not the right market size or something..

But I think that's something I've definitely come to appreciate is that there's many other factors that just because it's not

like business school like oh like the right market or something doesn't mean that it's not the right thing to go after.. And you have to just really understand like the market dynamics of like the industry you're in, what are investors looking for? If you're trying to build a long-term company, you're gonna need to raise a lot of money so you'd need to understand like who your customer- what your customers want and one of your huge customers or seats.. Cause otherwise like yeah you might have chosen the right huge market but you just die cause you don't reach the right proof points, and you know, unfortunately the technology doesn't reach its full potential...