

FOR IMMEDIATE RELEASE (12-20-05)

Small start for biotech company PanVera leads to big business

By Laurel Norris and Christine Lepple

MADISON -- Most companies are founded to solve a problem, to meet a need, or to snag a market opportunity. For the founders of PanVera, things happened a little bit differently. The process paid off, because PanVera has become a great model for a small business gone big. Following a merger and a purchase, PanVera is now part of the international giant Invitrogen.

Founders Terry Sivisend, Tom Burke and Ralph Kauten began PanVera in 1992 from an insider's point of view. Having worked for Madison-based Promega during the formative years, Sivisend and Kauten were familiar with growing a company but seeking a smaller environment as Promega's environment expanded.

"Small companies tend to be more creative. More flexible, and more willing to take risks," Sivesend said. Biochemist Burke brought research and development skills to the trio, and so they began the search for a problem.

"We starting calling around to see what people needed," recalls Sivisend. They found what they were looking for in proteins. "We decided to make proteins as targets for drug discovery," he said. "Our main forte was in marketing and selling proteins and protein assays."

In the beginning, PanVera was self-financed, but at the start of the second year angel financing was secured. At the time, no angel investment groups existed in region, but the founders knew some investors to approach.

"It would have been easier if there were established angel investment groups around. Things are much different now," Sivisend said.

One of the biggest challenges with starting the new business was hiring the right people, according to the Sivisend. A great management team can be hard to find, but will pay off big later. The payoff comes not only in the mechanics of running a business, but also in terms of securing angel money. Sivisend believes a good management team is a huge factor when investors are looking at companies.

Years after the sale of PanVera, Sivisend is still involved in the bioscience community and is looking forward to a bright future.

"University Research Park used to be one small building, the Innovation Center. It's now a huge park surrounded by (109) companies and businesses. The industry benefits from a large number of small companies, who rarely compete with each other," Sivisend said.

He should know. Sivisend is now an angel investor himself, serving as co-manager and co-founder of Wisconsin Investment Partners in Madison. In addition to the PanVera start-up, Sivisend has been a part of launching or managing other companies, such as Takara-Mirus and Metabiologics. He also serves on the board of directors for Renovar.

Wisconsin's investment landscape lacked organized angel groups in the early 1990s, but today includes 11 active angel networks with prospects for more, according to the Wisconsin Angel Network. The rise in angel activity is due in no small part to the success of start-up tech companies such as PanVera.

Norris and Lepple are students in the UW-Madison Department of Life Sciences Communication. They are part of an instructional project led by Wisconsin Technology Council President Tom Still.

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