

What Makes a Biotech Start-up Investable?

Investor Perspectives for Founders of Early-Stage Life Science Companies

The United Kingdom's biotech and medtech sectors continue to yield extraordinary scientific advances—but only a fraction of these breakthroughs evolve into scalable, investable businesses. At the earliest stages, where capital is most scarce, investors face the difficult task of identifying which opportunities have both scientific merit and commercial potential.

To better understand what makes a biotech start-up truly investable, I recently hosted a panel discussion with three highly experienced voices from across the sector:

- **Akshay Bhatnagar**, Head of Investment at Liva Labs
- **Mike Karim**, CEO of Medistim and founder of Oxford Endovascular
- **Joe Dupere**, biotech founder and former Managing Director at Deutsche Bank

This article distils their insights into three key themes: team dynamics, value proposition, and financial credibility.

1. The Founding Team: Leadership, Self-Awareness, and Adaptability

Led by Akshay Bhatnagar

For pre-seed and seed-stage companies, investors are fundamentally backing people. While the technology may initiate interest, it is the founding team that determines whether that interest converts into investment.

Akshay Bhatnagar, whose investment remit focuses on deep tech and life sciences in the Liverpool City Region, framed it clearly:

“We do not expect fully formed management teams at pre-seed. What we expect is self-awareness. The founder must know their limits, be open to coaching, and be willing to build a team that complements their strengths.”

This perspective was echoed across the panel. Joe Dupere, reflecting on both his investment banking and entrepreneurial experience, emphasised that coachability and openness are predictive of founder success:

“The investor wants to know: will this founder evolve? A founder who can't admit what they don't know—or who resists bringing in experience—is a risk. At the pre-seed stage, it's about identifying those who will grow into leaders, not pretending they already are.”

Mike Karim added the view from a Series A and post-A perspective:

“By the time you raise Series A, investors expect a visible leadership structure and strategic clarity. If the original founder doesn't yet have the depth to lead commercially,

they should recognise that—and bring in someone who does. Investors respect maturity in that decision.”

The panellists also noted the importance of non-executive support. “Strong NEDs with industry experience can de-risk a company enormously,” said Bhatnagar. “We often look at who’s advising the founder as a proxy for the founder’s judgement and future potential.”

Ultimately, early-stage investors back character and competence in equal measure. A founder’s ability to listen, adapt, and attract talent is more predictive of future success than their initial qualifications or experience.

2. The Value Proposition: Problem Fit, Commercial Strategy, and Regulatory Vision -Led by Mike Karim

The second essential element of investability is the clarity and credibility of the start-up’s value proposition. At all stages—but especially from seed to Series A—investors must be convinced that the technology solves a validated, urgent problem with commercial relevance.

Mike Karim led this section by drawing on his own experience spinning out Oxford Endovascular and leading it through four funding rounds:

“You need to articulate not only what the technology is, but who it helps, how it fits into existing care pathways, and why someone will pay for it. At Series A, we’re looking at this as a potential commercial success—not just a scientific idea.”

He stressed that founders must show they understand the market context. “You don’t need global sales forecasts. But you must explain your route to market, the regulatory path, and your early adopter profile. Investors want a roadmap—complete with risks and mitigations.”

Akshay Bhatnagar added the investor lens from pre-seed:

“At our stage, we look for clarity of problem-solution fit. A founder who has spoken to real clinicians, customers, or users will stand out. It’s not enough to say the market is big—you must show you understand who you’re selling to, and why they’ll care.”

Bhatnagar also highlighted how founders can use market discovery to develop hypotheses around value proposition and pricing. “If you haven’t yet built a prototype, that’s fine. But you must have a pathway to test your commercial assumptions. This tells us you understand the business journey, not just the technology.”

Joe Dupere brought in the strategic investment perspective:

“What makes an idea investable is not just that it’s clever, but that it fits into a system—clinical, regulatory, and commercial. You don’t need to have solved every issue, but you do need to demonstrate you understand them. That includes reimbursement, procurement, and health economic value.”

Karim summed up this section succinctly: “At some point, someone needs to pay for your product. If you can’t say who that is, you’re not ready to raise.”

3. Financial Modelling: Planning, Credibility, and Contingency -

Led by Joe Dupere

Financial planning is often the weakest area in early-stage pitches—yet it is among the most scrutinised elements during diligence. Joe Dupere, who has advised numerous biotech companies and evaluated hundreds of models during his banking career, offered a clear critique:

“Too many founders either over-engineer models with flawed logic, or underestimate their capital needs. Both are red flags. What investors want is a model that reflects reality: what will this money achieve, over what time, and with what risks?”

He noted that while five-year forecasts have limited value, the first 12–18 months must be watertight. “We need to see clear thinking around cash runway, hiring, clinical or technical milestones, and a plan for what happens next. It’s not just about projections—it’s about planning.”

Mike Karim, who oversaw financial strategy through multiple fundraises, expanded on this point:

“You have to plan for slippage. Regulatory timelines change. Supply chains break. Investors want to see contingency baked into your numbers—not just optimistic assumptions.”

He also recommended frequent refinement of financial models: “We reviewed ours monthly. It’s a living document, not a one-off deck slide.”

Bhatnagar brought in the pre-seed view:

“At our level, we’re often co-investing with others and funding alongside grants. We want a model that shows you can deliver specific milestones—typically technical or commercial validation—that set you up for the next round. Over-engineering the forecast can be as dangerous as under-thinking it.”

He urged founders to remain lean but realistic. “You don’t need a full-time CFO, but you do need financial competence. Whether that’s fractional, freelance, or on your board—show that you’ve got eyes on the numbers.”

Dupere concluded this section with a caution: “Financial credibility is cumulative. If you say one thing and do another—or fail to hit early milestones—future rounds become harder. A robust model is a signalling device: it shows that the founder is serious, thoughtful, and execution-minded.”

4. Common Strategic Mistakes—and How to Avoid Them

In the final part of the panel, the contributors shared observations about the most avoidable missteps they see from founders:

- **Underestimating capital needs or time to raise**
“Fundraising takes longer than people think,” said Karim. “Six months is not enough. Assume 12 to 18 months.”
- **Chasing the wrong investors**
“If your business isn’t aligned with an investor’s focus, you’re wasting your time,” noted Dupere. “Do your research—stage, sector, cheque size, geography.”
- **Over-complicating the story**
“Focus your narrative,” advised Bhatnagar. “Investors need a simple, compelling explanation of what you do and why it matters.”
- **Spreading the company too thin**
“Having too many projects dilutes focus,” said Dupere. “One compelling lead asset is stronger than five underpowered ones.”
- **Failing to validate the business case**
“It’s about more than science,” said Karim. “Show traction, partners, advisors—anything that validates your plan.”

Conclusion: Investability Is Earned, Not Assumed

There is no single formula for securing investment. However, all investors—regardless of stage—share a common framework: clarity of problem, credibility of team, and viability of execution.

Founders must go beyond scientific promise and build the foundations of a business: strategic focus, sound planning, and trusted relationships. A well-articulated vision, supported by a realistic plan and an adaptable team, remains the best predictor of capital success.

As Joe Dupere concluded:

“Investors back stories they believe in—led by people they trust. Science gets you in the room. Execution earns you the cheque.”

Panel Contributors:

- **Akshay Bhatnagar**, Head of Investment, Liva Labs
- **Mike Karim**, Chief Commercial Officer, Medistim; Founder, Oxford Endovascular
- **Joe Dupere**, Former Director, Deutsche Bank; Biotech Founder
- **Moderator: David Southern**, george james Ltd

This article is based on a panel discussion held on 7 May 2025, designed for early-stage life science entrepreneurs.