

Published on FierceBiotech (<http://www.fiercebiotech.com>)

Virtual biotechs a hit with investors and, increasingly, buyers

April 10, 2015 | By Damian Garde

Biotech venture capitalists have increasingly embraced the virtual model, seeding companies with promising assets, tiny staffs and a willingness to outsource. Now, as *Reuters* notes, a recent Big Pharma buyout signals that the idea is gaining steam among larger players. XO1, an [Index Ventures](#)-backed virtual outfit, became Johnson & Johnson's ([\\$JNJ](#)) latest takeout target last month, is further affirmation that creating a small team devoted to a single asset can be the most efficient way to deploy cash in the biotech industry, according to some VCs. The XO1 exit follows a slew of similar deals, including Shire's ([\\$SHPG](#)) \$325 million acquisition of FerroKin BioSciences, which had become a poster child for so-called backyard biotechs. [More](#)

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