



Home

(/)

My Account (/openid-connect/sams-sigma/login-redirect?prompt=login&openid_connect_destination=/content/ijjpriveq/15/1/56&custom_message=You%27ll%20ne

Find topics, articles or authors...

Selected Topic: All topics

The Practice of the Life Science Venture Capital Industry: *Compensation, Deal Flow, and Contracts*

Hisanori Fujiwara, Hiromichi Kimura

The Journal of Private Equity Winter 2011, 15 (1) 56 - 66

DOI: 10.3905/jpe.2011.15.1.056

- Download PDF
- Add to Favorites
- Share
- Labels
- Cite
- Alerts



The Journal of Private Equity Vol 15 Issue 1

(/content/ijjpriveq/15/1)

Volume 15, Issue 1

Winter 2011 (/content/ijjpriveq/15/1)

(/content/ijjpriveq/15/1)

Log in (/openid-connect/sams-sigma/login-redirect?prompt=login&openid_connect_destination=/content/ijjpriveq/15/1/56) to access this content or Request a Demo (/Request-Demo)



Log in (/openid-connect/sams-sigma/login-redirect?prompt=login&openid_connect_destination=/content/ijjpriveq/15/1/56)

Request a Demo (/Request-Demo)

Focus (/highwire_display/entity_view/node/115420/content_tabs)

- Article
- Authors

Abstract

This study examines 32 independent and corporate venture capital firms investing in biotechnology and medical device companies. When investing funds in entrepreneurial companies, life science venture capitalists prefer direct involvement over involvement through a third-party fund. Early stage and seed stage are the most and least popular stages, respectively, at which venture capitalists prefer to invest. In our sample, 80% of all firms almost

Cookies Settings

Reject All

Accept All Cookies

always or frequently use carried interest in portfolio businesses and about 20% never use it. The preferences of the venture capital firms that award low- and high-powered incentives in the sourcing of deal flows and designing contracts are significantly different. The incentive system of venture capital firms is shown to play an important role in promoting an active investment behavior.

TOPICS: [Private equity](https://www.pm-research.com/topic/private-equity) (<https://www.pm-research.com/topic/private-equity>), [portfolio construction](https://www.pm-research.com/topic/portfolio-construction) (<https://www.pm-research.com/topic/portfolio-construction>), [quantitative methods](https://www.pm-research.com/topic/quantitative-methods-0) (<https://www.pm-research.com/topic/quantitative-methods-0>), [real assets/alternative investments/private equity](https://www.pm-research.com/topic/real-assetsalternative-investmentsprivate-equity-0) (<https://www.pm-research.com/topic/real-assetsalternative-investmentsprivate-equity-0>).

Download PDF

Add to Favorites

Share


Labels

Cite

Alerts

Previous (<https://www.pm-research.com/content/ijpriveq/15/1/48>)

Next

Back to top 

Related Topics

Portfolio Management in Theory and Practice

Portfolio Construction

Quantitative Finance

Statistical Methods

Regulation, Taxation, Governance, and Compliance

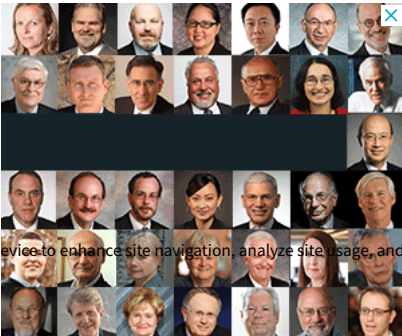
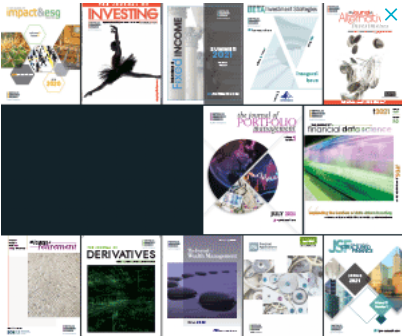
Economics and Financial History

Asset Classes

Alternative Investments

Venture Capital

Private Equity

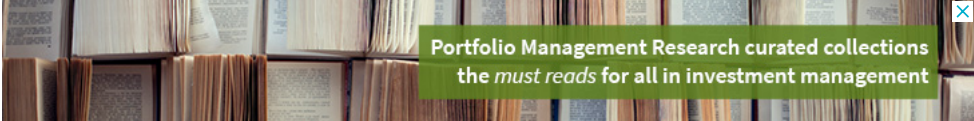


By clicking "Accept All Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

[Cookies Settings](#)

Reject All

Accept All Cookies



Part of the With Intelligence Group

About (/about-us)

Contact (/contact-us)

Portfolio Management Research is a company of With Intelligence Group

Locations

New York

41 Madison Avenue
20th Floor
New York, NY 10010
646 931 9045

London

One London Wall
London, EC2Y 5EA
0207 139 1600

Hong Kong

21/F Cityplaza Three,
14 Taikoo Wan Road,
Taikoo

Explore our Research

By Topic

Portfolio Management in Theory and Practice (/topic/portfolio-management-theory-and-practice)

Quantitative Finance (/topic/quantitative-finance)

Economics and Financial History (/topic/economics-and-financial-history)

Risk Management in Theory and Practice (/topic/risk-management-theory-and-practice)

Asset Classes (/topic/asset-classes)
By clicking "Accept All Cookies" you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

Regulation, Taxation, Governance, and Compliance (/topic/regulation-taxation-governance-and-compliance)

By Journal

Cookies Settings

Reject All

Accept All Cookies

[Portfolio Management \(/content/iijpormgmt\)](/content/iijpormgmt)

[Financial Data Science \(/content/iijjfds\)](/content/iijjfds)

[Impact & ESG Investing \(/content/pmrjesg\)](/content/pmrjesg)

[Fixed Income \(/content/iijfixinc\)](/content/iijfixinc)

[Investing \(/content/iijinvest\)](/content/iijinvest)

[Derivatives \(/content/iijderiv\)](/content/iijderiv)

[Alternative Investments \(/content/iijaltinv\)](/content/iijaltinv)

[Retirement \(/content/iijretire\)](/content/iijretire)

[Wealth Management \(/content/iijwealthmgmt\)](/content/iijwealthmgmt)

[Beta Investment Strategies \(/content/iijindinv\)](/content/iijindinv)

[Structured Finance \(/content/iijstrfin\)](/content/iijstrfin)

[Trading \(/content/iijtrade\)](/content/iijtrade)

[Private Equity \(/content/iijpriveq\)](/content/iijpriveq)

[Practical Applications \(/pa-reports\)](/pa-reports)

© 2023 With Intelligence Ltd (<https://withintelligence.com/>) | All material subject to strictly enforced copyright laws.

[Cookies \(https://www.pageantmedia.com/cookies/\)](https://www.pageantmedia.com/cookies/)

[Code of ethics \(/code-of-ethics\)](/code-of-ethics)

[Terms & conditions \(https://www.pageantmedia.com/terms/\)](https://www.pageantmedia.com/terms/)

[Privacy policy \(https://withintelligence.com/privacy/\)](https://withintelligence.com/privacy/)

By clicking “Accept All Cookies”, you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts.

[Cookies Settings](#)

Reject All

Accept All Cookies