

## Endomagnetics

*We just assumed that the hard-disk industry would warmly embrace us, but they didn't*

– Eric Mayes CEO, Endomagnetics

### Introduction

It was May 2011 and Eric Mayes stood at his office window, glumly watching the drizzle fall from a grey East Anglian sky on the wide, flat expanse of Cambridge Science Park. He was the CEO of Endomagnetics, a company set up to commercialise the SentiMag, a highly sensitive magnetometer (a device that measures the strength of magnetic fields). Eric had joined a scant 11 months previously, flush with optimism; this was a platform technology, its founders and investors believed, that had the potential to revolutionise cancer treatment and there was – so it had appeared back then – cash in the bank sufficient to take the company through the regulatory approval obstacle course and perhaps even to the brink of market readiness.

That sunny picture had changed when, in late 2010, Eric learnt that a key supplier was about to discontinue production of a component, a magnetised tracer, without which Endomagnetics' device was useless. After a rapid global search, Eric found a supplier for a new magnetised tracer, but the medical use of the tracer was not approved outside Japan. This meant a further round of regulatory tests in Europe and the US, a longer time before the device was market-ready than Endomagnetics' investors had expected, and above all, a need for further investment. Hence the task on which Eric was now engaged: drafting an information memorandum which would convince current and new investors to commit cash to the business at a fair price. Eric turned his back on the wide expanse of the fens, returned to his desk and began writing.

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