Tim Scott – CEO & President, Biocom California

We’re committed to making sure California remains not just a US leader, but a global hub for life sciences innovation.

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Tim Scott, President and CEO of Biocom California, leads the state’s largest and most influential life sciences association at a pivotal moment for the industry. With more than 1,800 members across biotech, pharma, medtech, diagnostics, and research institutions, Biocom California represents the full breadth of the ecosystem. In this interview, Scott reflects on his entrepreneurial background, the unique strengths of California’s regional clusters, the challenges posed by today’s investment climate, and the opportunities ahead as Biocom tackles global collaboration and continued advocacy.

Could you share a bit about your professional journey and what led you to take on the role of President and CEO at Biocom California?

I came to this role from the industry side rather than from the policy side, which is where many of my counterparts at other life science trade organisations start. My career efforts have historically focused on entrepreneurship within the industry.I have co-founded a number of life science companies, including Pharmatek Laboratories and Tega Therapeutics. In addition to my leadership roles in my companies, I’ve been fortunate to serve on the boards of several innovative start-ups in California, and all of these roles have given me a front-row seat to the challenges that companies face in the life science ecosystem.

In addition, before I was appointed CEO, I served as a member of Biocom California's board of directors for more than a decade and, more recently, as chairman. During the pandemic, I deepened my involvement with Biocom, leading a COVID-19 back-to-work task force, which I had thought would be a short-term commitment. Of course, it evolved into a much greater effort, but it was one of the most fulfilling experiences of my career. The task force allowed me to partner with other leaders in the life science industry to create a playbook that helped our members navigate an incredibly difficult environment and return to work safely.

When my predecessor, Joe Panetta, retired after 25 years of outstanding leadership, my name was put forward, and I was encouraged to step into the role. Having spent so many years building companies myself, I felt I could bring a unique perspective to the position and an appreciation for how an industry organisation like Biocom can support the growth of life science companies, from advocacy to workforce development, building global connections, and even expanding small companies' purchasing power. That's really what excites me about leading Biocom California today.

How would you describe Biocom California's mission and role within the life sciences ecosystem?

Biocom California today represents more than 1,800 members, ranging from the very smallest start-ups to the largest global companies. What's unique is that about three-quarters of our members are small biotech companies. For them, we act as a real operational partner. By pooling the size of our membership, we're able to negotiate purchasing programs, sourcing of lab supplies, and even employee benefits like insurance, so that a five-person start-up can access the kinds of advantages normally reserved for much larger organisations.

But our work goes far beyond that. We create a strong community for our members, offering networking, programming, and opportunities to build expertise and share experience. We also work to connect companies with capital, which remains one of the biggest challenges for young biotech firms.

Importantly, at the centre of what we do is advocacy. We are the voice of California's life sciences sector at the municipal, state and federal levels. That means ensuring fair regulatory landscapes so that patients can access much-needed medicines, advocating for strong IP protections, supporting research funding and infrastructure, and making sure California remains a business-friendly environment for innovation.

What started as a small association in San Diego has grown statewide and increasingly globally. Today we represent not just biotech, but also pharma, medical devices, diagnostics, genomics, academic research, CROs, investors, and service providers. Our mission is really to create an ecosystem where all of these players can thrive, and where the discoveries made in California can ultimately reach patients around the world.

California has long been seen as the world's leading biotech hub. How would you describe the ecosystem today, and what makes it unique?

California's life sciences industry is absolutely central to the state's innovation economy. In 2024 alone, the sector generated close to USD 400 billion in total economic output, directly employed more than 450,000 people, and attracted over USD 63 billion in private capital. California also attracts the most NIH and NSF funding of any state. In just the last year, California institutions received over 10,600 awards worth about USD 5.7 billion. That scale makes California not only the largest life sciences cluster in the US, but a global leader. If the state were its own country, it would be the world's fourth-largest economy, ahead of Japan.

What's remarkable is the breadth and diversity of activity here. In a single state, we have three large life science hubs: San Diego, the Bay Area, and Los Angeles. Additionally, Orange County is one of the leading clusters in the world for medical device development and manufacturing. Each of these centres has its own character and strengths that add to the strength of the state's overall ecosystem.

San Diego is where Biocom California started, and it remains a place where early-stage innovation thrives. Thanks to UCSD, the Sanford Burnham Prebys Institute, the Salk Institute, Scripps Research, La Jolla Institute and other world-class research institutions, San Diego is an incubator for new ideas and young companies.

The Bay Area, by contrast, has evolved into five or six distinct mini-clusters, each contributing something different. It's a highly diversified region with a deep pool of capital and talent, as well as long-established commercial biotech companies such as Gilead and Genentech.

Los Angeles is the youngest of the big hubs. It is an international city with global reach, home to institutions like UCLA and Cedars-Sinai with a great deal of promise and entrepreneurial energy. We began working formally in the county less than ten years ago to help nurture its life sciences cluster, and the progress in such a short time has been impressive. Just recently, the local

government committed to allocating USD six million as part of the Los Angeles County Life Sciences Industry Cluster Strategy and Action Plan. This plan aims to establish the region as a global leader in bio-innovation and create 10,000 industry jobs by 2030. This is a clear signal of the county's ambitions to support this sector's growth.

And then there's Orange County, which has emerged as one of the state's true manufacturing engines, especially with respect to medical devices. Roughly half of all its life sciences payroll jobs are tied to manufacturing, making it one of the most important medtech hubs in the world.

What may be surprising to some, 31% of the life science workforce in California are manufacturing jobs. That manufacturing strength, combined with top-tier research institutions, a critical mass of companies, investors, and several biotech success stories, gives us an ecosystem that's unlike anywhere else in the world.

Looking back over the past five years, what macro trends and shifts in the funding and investment environment have most shaped California's life sciences sector?

If you think back to 2020 through mid-2022, we were in a true biotech boom. Investment and valuations were at record highs, fuelled in large part by the urgency of the pandemic. Capital flowed very freely into the sector, and investors had a much greater appetite for risk, which enabled many young companies to get started. However, markets corrected, and by late 2022, the Federal Reserve began raising interest rates. Within months, we saw a nationwide decline in life science growth as indicated by industry employment. This is something that has persisted for nearly two years now, as biotech is particularly interest-rate sensitive because these are long-horizon, high-risk projects that require steady financing.

In this environment, venture firms shifted their priorities. Much of 2023 was about portfolio triage rather than new deal-making. Although new activity had resumed by 2024, investors have become far more selective. There's been a clear pivot towards later-stage operations and companies with stronger clinical data. Seed and early-stage rounds are much harder to come by today. Investors are writing bigger cheques and bringing in more syndicate partners who can support a follow-on round if necessary. This trend is clearly reflected in the transaction data. The number of venture deals in California has fallen below pre-pandemic levels, but the average deal size has increased. Last year, the top 10 percent of US deals accounted for USD 24.7 billion — 54% of all venture healthcare dollars.

At the same time, corporate buyers have stepped in, and that's created a significant opportunity on the M&A side. In 2024, California-based life science companies led the nation by attracting over USD 63 billion in private capital, and about two-thirds of that was tied to corporate M&A deals. Licensing activity has also remained relatively steady, even while IPOs have slowed dramatically.

While the IPO window is essentially closed and early-stage funding is more constrained, there are still important sources of capital flowing into the sector. It's important to remember that biotech is cyclical. We're in the third year of what people call the "biotech winter", but history tells us it will swing back. The fundamentals here in California remain as strong as ever, and that gives us confidence in the long-term outlook.

Beyond capital, what other challenges or concerns are most pressing for your members today?

There are several headwinds that our members are watching closely. On the policy side, pricing and reimbursement are, of course, top of mind. The Inflation Reduction Act (IRA) and the potential for Most Favored Nation (MFN) pricing models create a lot of uncertainty, particularly for companies that are trying to map out long-term R&D strategies. Our members want to know that if they invest hundreds of millions into developing a therapy, there will be a fair and predictable environment for bringing it to patients.

At the same time, there are questions around federal research support. NIH and SBIR grants have historically been catalysts for early-stage science, but uncertainty around budgets and appropriations is making planning more difficult. Combine that with concerns about restrictions on collaborations with China and other global partners, and you see a more cautious investment climate.

Operationally, companies are also dealing with potential bottlenecks at the FDA. Staffing shortages and resource constraints can slow down reviews and approvals, which in turn affects the pace at which innovation reaches patients.

And then there are the broader industry dynamics. Upcoming patent cliffs for major products, tariffs, and inflation are all pressures that create additional strain. Taken together, these factors are contributing to a "wait-and-see" attitude in the capital markets. Investors and companies alike are holding back to understand how the landscape will evolve. Again, the good news is that these are cyclical pressures. We've seen periods of uncertainty before, and biotech has always bounced

back. Biotech entrepreneurs are a resilient bunch.

How do you see the future outlook for California's life sciences industry, both in terms of opportunities and risks?

I think the future will be defined by both incredible opportunities and some very real challenges. On the opportunity side, digital transformations, especially regarding generative AI, are moving from exploratory pilot projects into real impact. We're seeing AI being applied not only in operations but increasingly in R&D. Companies are experimenting with automation, digital twins, and other technologies to shorten development timelines and test drug candidates earlier in the process. Given the high attrition rates in drug development, being able to identify the most promising candidates more quickly could be transformative for the trajectory of life sciences.

At the same time, we can't ignore some situational uncertainties. It is estimated that by 2030, nearly 70 major blockbuster products will lose patent protection, which represents over USD 300 billion in sales revenue at risk. That patent cliff is absolutely going to reshape pipelines and business models. We're already seeing more companies look at contract manufacturing, platform licensing, and other collaborative models as ways to diversify revenue and sustain investment in innovation. I also expect to see an uptick in M&A activities coming from the larger pharma players as they simultaneously try to reinforce their pipelines for long-term sustainability.

There's also a big push to build resilience. The pandemic exposed vulnerabilities in supply chains, and in the face of today's uncertainties, companies are rethinking how to ensure continuity. That can be anything from reshoring critical manufacturing, strengthening logistics, or even testing direct-to-consumer models in certain areas.

Today's industry outlook is mixed. While there are real risks, there are also tremendous opportunities if companies can adapt.

From an international perspective, how does Biocom California support foreign companies seeking to establish a presence in the state?

One of the things that really differentiates California is its global outlook. We're home to some of the world's most innovative companies and research institutions, and that naturally attracts interest from partners around the world. At Biocom California, we see it as part of our mission to

build those bridges.

For example, we have an office in Tokyo to support our members in Japan and to help Japanese companies looking to engage with California’s ecosystem. We’ve also signed memoranda of understanding with counterpart organisations in strategic markets like Korea, Germany, and Australia, and beyond. These agreements help create tangible opportunities for our members to collaborate with international innovators, access to funding prospects, or navigate regulatory frameworks in different markets.

Moreover, every year we host our Global Partnering & Investor Conference, which has become one of the premier events for international collaboration. It brings together companies, investors, and institutions from around the world who are looking to connect with California’s life sciences community.

All these efforts mean that whether you’re a California company looking outward or an international company looking to enter our market, Biocom California can help open doors and create mutually beneficial opportunities. Whether it’s through formal partnerships, direct support for international companies entering the market, or bringing together global stakeholders here locally, we’re committed to making sure California remains not just a US leader, but a global hub for life sciences innovation.

What final message would you like to share with our global readership on behalf of Biocom California?

California’s life sciences industry remains a cornerstone of our state’s economy and a global leader in health innovation. Even in a period of economic tightening and political uncertainty, the sector continues to deliver life-changing treatments and innovations that improve lives around the world. Our role at Biocom California is to make sure that continues. That means strengthening relationships not only with our member companies, but also with the policymakers who need to understand the value this industry brings to patients and to society.

From an international perspective, I would like to say that we are open for business. If you are a company looking to expand your global footprint, California is an unparalleled place to do it. We welcome innovators from around the world to come here, connect with our ecosystem, and be part of this community.

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