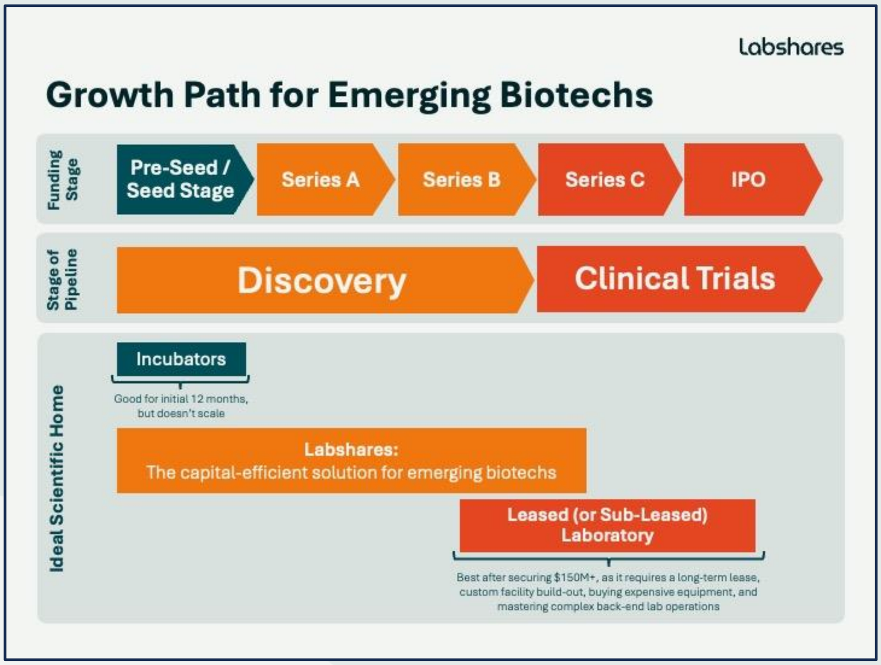
Shared Labs: A Guide for CFOs

The Capital-Efficient Path for Emerging Biotechs

Helping CFOs optimize resources, manage costs, and drive scientific productivity

The Challenge: Cost-Effective Lab Operations for Emerging Companies

Emerging biotech and life science companies face significant financial hurdles in establishing laboratory operations. **Incubators** can be a solution for a company's first 12 months, but incubators don't allow companies to seamlessly scale from Seed through Series A, B, and C funding. Alternatively, **traditional laboratory leases** (or sub-leases) demand long-term commitments, significant capital investment, and specialized operational expertise—costly distractions from scientific progress.



For CFOs, managing these challenges while preserving precious capital is a critical task. Time wasted on operational hurdles directly impacts burn rate and delays scientific progress.

The Solution: Why Shared Labs Are the Smart Choice for CFOs

Shared laboratories provide a cost-effective and scalable solution for emerging biotechs, allowing CFOs to maximize financial resources while freeing scientists to be productive.

- **Capital Efficiency:**
  - Shared labs provide access to expensive lab equipment, obviating the need to purchase or lease this equipment independently.
  - Bundled pricing includes lab space, equipment, and operational services, significantly reducing hidden costs like taxes, utilities, and maintenance fees.
  - Eliminates the need to hire a dedicated lab manager, saving approximately $200,000 annually.
- **True Cost Perspective:**
  - Don't be fooled by the "dollars per square foot" fallacy: While traditional leases (or sub-leases) might appear cheaper, shared labs also cover the true operational costs—equipment, services, and management—that make a lab functional.

- **Scalability and Flexibility:**
  - Start with a single bench and scale seamlessly as the company grows. Typical growth-stage biotechs incur hard costs of more than $10k for a move, not including the larger costs of employee downtime and scientific disruption.
  - Shared labs offer the option of shorter contract terms, preserving and maximizing financial flexibility.
- **Faster Scientist Onboarding:**
  - Scientists can be up and running within days, reducing delays that waste valuable time and resources.
  - Eliminates distractions and costs associated with permitting, medical waste management, and other non-core activities.

Labshares: Designed for Finance Professionals

Labshares' approach to shared laboratories aligns with the priorities of CFOs, emphasizing cost transparency, operational efficiency, risk mitigation, and capital preservation.

- **Flexible & Transparent Pricing:**
  - Availability of shorter contract terms—as short as 6 months—mitigates risk
  - Flexibility to support both short-term needs and long-term growth.
  - Shorter contract terms lower risks
  - Some shared labs impose hidden, layered fees: one fee for lab space, another for team members, and a third for desk usage. Labshares' pricing is straightforward, with one, all-inclusive rate.
- **Operational Efficiency:**
  - Access to more than $7 million in cutting-edge lab equipment.
  - Labshares handles safety, maintenance, and equipment calibration, reducing the need for internal operational hires.
- **Online Purchasing System:**
  - Labshares' purchasing system offers access to vendor discounts with net 60 payment terms, saving costs on supplies and startup overhead.
- **Convenient Location and Savings:**
  - Labshares' parking is always free and abundant for members and their guests. Parking in Kendall Square. and the Seaport is at least $40 per day.
  - Public transportation and biking options available.

Trusted by CFOs

Labshares has supported over 90 innovative biotech companies with a cost-effective, scalable model. Shared laboratories allow CFOs to mitigate overall risk, drive financial efficiency, and enable their scientists to focus on hitting scientific milestones.

Visit Labshares.com or contact us to learn more.

Appendix A: Cost Comparison

To understand the true cost of operating a lab, below is a cost analysis that compares (A) the total cost for a laboratory sublease, including rent, equipment and lab services, and (B) the total cost for a shared laboratory.

	All-In Cost for a Biotech with 2-4 FTEs		All-In Cost for a Biotech with 10-15 FTEs	
	Sublease (Micro)	Labshares Benches	Sublease (Small)	Labshares Private Suite
1. Lab space rental				
Square footage (1)	2,000	Included	6,500	Included
Rent per sq. ft	$80.00	Included	$80.00	Included
Taxes + Utilities + CAM fees	$25.00	Included	$25.00	Included
Annual rent expense (2)	$210,000	Included	$682,500	Included
2. Laboratory Equipment				
Lab Equipment (total price)	$510,800	Included	$792,400	Included
Annual cost of 3-year equipment lease (3)	$187,293	Included	$290,547	Included
3. Back-End Laboratory Services				
Annual cost of lab services and personnel	$269,700	Included	$593,250	Included
Total Annual All-In Cost	**$666,993**	**$153,000**	**$1,566,297**	**$570,000**

(1) Finding attractive sublease space under 10k sq. ft. is challenging.
(2) No build-out costs assumed for sublease option.
(3) Includes 7% annual financing for lab equipment lease.

Labshares' all-inclusive model saves 60–70% vs. subleases. You know exactly what you'll pay, no surprises.

The Fallacy of "Dollars Per Square Foot"

Labs are sometimes evaluated by one simple metric: "What's my dollars per square foot?"

However, for shared labs, "dollars per square foot" is a deeply deceiving metric.

First, the lab space reserved exclusively for your company – whether a single bench, a group of benches, or a private suite – represents only a tiny fraction of the space to which your team has access. High-quality shared labs offer unfettered access to entire shared rooms dedicated to tissue culture, chemistry, bacteria / viral work, and microscopy. Shared labs also provide office and open desk seating, conference rooms space, kitchens, and more.

Second, lab equipment, lab services, and the cost of a lab manager are not included in a traditional lease or sublease "dollars per square foot". But what emerging biotechs need is a fully functioning laboratory to advance their science. Lab rent only accounts for 40%-55% of the total cost.

In short, lab equipment and lab services are the "hidden costs" you hadn't thought about!