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East Coast Biotech Roundup: Vertex, Dimension, Merrimack, &

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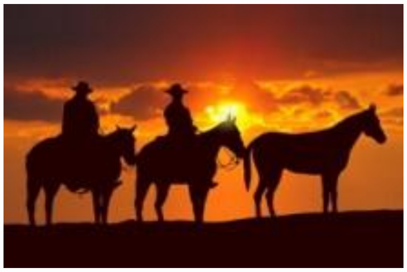
Written by Ben Fidler on Nov 01, 2013 07:58 am



Ben Fidler

The city of Boston was in baseball euphoria this week as the Red Sox claimed their third championship in nine years—a sentence many New Englanders likely thought they'd never read in their lifetime (as much as it pains this Yankee fan to say, congrats to you Sawx fans out there). That being said, all the news in Beantown wasn't confined to Yawkey Way. All the week's East Coast biotech headlines below:

—Cambridge, MA-based Vertex Pharmaceuticals' (NASDAQ: VRTX) hepatitis C drug telaprevir (Incivek) had a meteoric rise to stardom, but its fall has been just as fast. Declining sales and emerging competition have caused Vertex to cut 370 jobs, or about 15 percent of its workforce. About 175 of those jobs are in Massachusetts. Vertex expects the cuts will save it about $150 million to $200 million in operating expenses next year as it puts more of its attention on its burgeoning cystic fibrosis program. Vertex's CF drug, ivacaftor (Kalydeco), tallied $101 million in sales in the third quarter.

—Gene therapy continued its rebirth in the eyes of investors this week as Cambridge-based Dimension Therapeutics became the latest startup in the space to get significant venture backing. Fidelity Biosciences provided Dimension with an undisclosed Series A round to help start it up and pursue a plan to treat hemophilia and certain rare diseases with gene therapy. Dimension is doing so with a broad license to a gene delivery platform from Washington, D.C.-based Regenx.

—Shares of Cambridge-based Merrimack Pharmaceuticals (NASDAQ: MACK) fell more than 15 percent after it revealed that its antibody cancer drug, MM-121, missed its mark in its latest mid-stage study. Merrimack said patients taking its drug in combination with chemo agent paclitaxel fared no better than those taking paclitaxel alone. The study is one of a series of mid-stage trials Merrimack is running to find out not just if MM-121 works, but if it can accurately predict who should take it—and who shouldn't. In this sense, Merrimack has said that it doesn't expect all of its studies to hit their goals, and is hoping to find subgroups of people that respond the best so it can design a cheap, efficient late-stage trial. Still, MM-121 has now failed two separate mid-stage studies.

—Biotech entrepreneur and Dartmouth College professor Tillman Gerngross may be running Lebanon, NH-based antibody drug discovery shop Adimab, but now he's also become chairman of a new San Francisco-based startup called Alector. Gerngross' involvement is key for Alector: Adimab is helping the startup discover antibodies that it hopes to use to hit genetic-based targets for Alzheimer's disease.

—Another domino fell in the evolving saga of Cambridge-based Ariad Pharmaceuticals (NASDAQ: ARIA) this week, as the company officially pulled its troubled cancer drug, ponatinib (Iclusig) off the market. It's another big setback—albeit an expected one—for Ariad, which has now lost more than 80 percent of its market value in just a couple weeks, since halted a trial of ponatinib because of safety concerns.

—An experimental rheumatoid arthritis drug that New York-based Bristol-Myers Squibb (NYSE: BMY) licensed from Bothell, WA-based Alder Pharmaceuticals met its goal in a mid-stage study this week. Bristol grabbed rights to the drug, known as clazakizumab, for non-cancer uses in 2009 for $85 million up front and potentially $1 billion in milestones. Bristol hopes that the drug can eventually compete with rheumatoid arthritis blockbusters adalimumab (Humira) and etancercept (Enbrel).

—Just five months after graduating from the New York Digital Health Accelerator's first class, Seattle-based startup Avado found a buyer. The company, which developed a cloud-based platform that helps doctors and patients communicate and manage health information, was sold to WebMD (NYSE: WBMD) for an undisclosed sum. Avado was one of eight graduates of the health accelerator, and the second one to sell itself so far.

—Bedminster, NJ-based Aerie Pharmaceuticals (NASDAQ: AERI) got a lukewarm reception from Wall Street, cutting its IPO price to $10 per share before raising $67.2 million from public investors. Shares of the glaucoma drug developer have stayed fairly stagnant since debuting on the Nasdaq. They closed at $10.50 on Thursday.

—Mexican billionaire Carlos Slim gave a $65 million gift to The Broad Institute of MIT and Harvard in 2010, and his Carlos Slim Foundation followed that up this week by adding $74 million to advance research in genomic medicine. The two will work to create diagnostic tools for breast cancer and diabetes.

6 Secrets to Slaying the E-Mail Monster

Written by Wade Roush on Nov 01, 2013 06:30 am

Wade Roush

People have been complaining about the onslaught of e-mail almost since the day it was invented. We've all heard the statistics: Over 100 billion business e-mails are sent every day, with the average user sending and receiving about 100 messages per day. Reading and answering e-mail takes up 28 percent of the average worker's day—about 2 hours and 14 minutes—leading 57 percent of workers in one 2010 study to say they feel overwhelmed by the volume. Unnecessary interruptions, especially from e-mail, cost the U.S. economy $650 billion per year in lost productivity, according to one research firm.

Obviously, electronic mail is a huge improvement over the pre-digital version. You only have to re-watch the 1985 Terry Gilliam film *Brazil*, with its tangles of pneumatic tubes and smothering drifts of litter, to be reminded how slow, awkward, and wasteful paper-based communications used to be.

But the very things that make e-mail so convenient—its speed, its informality, and its democratic nature, allowing anyone to write to anyone else—are also what make it a nightmare.

The speed of e-mail delivery increases the social pressure to reply in a timely way. The informality means people hit "send" without thinking about whether their message is clear, polite, thorough, or necessary. The openness of e-mail—with the sender in control, rather than the recipient—enables frequent intrusions and/or spam from people you don’t know and don’t care about.

The problem is getting so bad that one French company has banned e-mail for internal use, directing employees to use tools like wikis, social media, chat, and video conferencing instead.

That’s certainly one solution to the e-mail crisis—and in an upcoming series of articles, I’m going to look at a range of emerging technologies that are, in fact, helping to divert workplace communication away from e-mail and into more appropriate and manageable channels.

But let’s assume that you work for a normal company, where e-mail is still the main medium for business, and you’re basically on your own to manage your inbox. What then?

In previous columns, I’ve offered a range of suggestions for battling e-mail overload, from gamifying your e-mail experience to (in extreme cases) declaring e-mail bankruptcy. However, I’ve never brought the whole process together in one place. So I decided to make a list of the most important steps you can take to power through your daily pile of e-mail and reclaim your time for more productive forms of work.

My guiding assumption here is that *happiness is an empty inbox*. Every unanswered e-mail takes up precious space in your consciousness and adds a small increment of stress to your life, so it’s best to act on each incoming message, and then delete it or file it away, as quickly and efficiently as you can. Of course, no empty inbox stays that way for very long. But if you zero out your e-mail once a day, as I try to do, the messages won’t pile up to unmanageable levels.

Here are six tips for dealing with e-mail overload that I’ve found useful over the years:

1. Use a filtering or prioritization service to divert unimportant e-mail.

E-mail servers and e-mail client software are blind to the content of the messages they handle. From an engineering point of view, that's probably a strength; from a usability point of view, it's a disaster. What's always at the top of your inbox? The most *recent* message, which is very unlikely to be the most urgent or important message. We're all still waiting for someone to invent an e-mail management system that would rank all of our messages by importance and let us respond to them in that order. But in the meantime, you can sign up for a filtering system such as SaneBox, which learns which messages are less important to you by watching your behavior over time, and diverts the low-priority messages into a separate folder, where you can delete them en masse after a quick review. Boxbe and Gmail's Priority Inbox system operate on the same principle, but I prefer SaneBox, which I've found to be more accurate in its sorting. It costs $5 per month but it's well worth it—it saves me many hours of e-mail processing every week.

2. Don't try to tackle your e-mail on a mobile device.

It's nice that we can check e-mail from our smartphones and tablets—it means we're less likely to miss important incoming messages. But it's a big time-waster to use your phone or tablet as your main e-mail interface. I'm a skeptic when it comes to apps like Mailbox that give you lots of fancy multitouch gestures for moving messages around. The problem is that many e-mails require actual responses, which means entering text, and we all know how much slower it is to type on a virtual keyboard (or even a tiny physical keyboard, if you still have a BlackBerry). Sure, use your smartphone to quickly review your e-mail while you're out and about, but then go back to playing Fruit Ninja. In my experience, it's far more efficient to deal with your messages when you're back at your desktop or laptop computer.

3. Learn the key commands built into your preferred e-mail client.

Keyboard shortcuts aren't just for hackers and geeks. You'll be amazed how much time you can save if you don't have to keep moving your hand back and forth between your keyboard and your mouse or touchpad. Personally, I rely on the *r* key in Gmail to quickly reply to a message, the *e* key to archive a message once I've replied, and the *o* key to take me to the next unread message in my inbox. I've also reprogrammed Gmail so that the *d* key deletes an e-mail—the default # key made no sense to me. Once you learn a few such shortcuts, you can mow through your e-mail like you're riding a John Deere. In this connection, I should mention an interesting new e-mail client called Handle that's got … Next Page »

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NW Advanced Computing Partnership Looks to Tackle Big Challenges

Written by Benjamin Romano on Oct 31, 2013 07:49 pm

Benjamin Romano

The Northwest Institute for Advanced Computing (NIAC) is taking shape, with researchers and professors from Pacific Northwest National Laboratory and the University of Washington brainstorming to identify a few large-scale strategic projects that could advance their budding partnership and the state of the art in computing.

At a coming out event Wednesday at the UW, leaders from the two institutions articulated their vision for a leading-edge computing research organization that draws on and complements the strengths of the university and national science laboratory, and educates the next generation of experts.

Doug Ray, an associate lab director at PNNL, says at maturity, the NIAC would grow to see perhaps 50 or 60 research staff on or near the UW campus, and UW faculty doing stints in Richland, WA. The NIAC has a physical presence already—a space for about 10 people in Sieg Hall on the UW campus. But it will be as much a virtual organization, with faculty from around the campus able to participate from their home departments, he says.

So what exactly is the NIAC going to work on? That question will be answered over the coming months through a series of workshops and open houses, meant to narrow down the focus from three broad starting points that share a common base in fundamental scientific computing, data management, and analysis technologies.

Those starting points are: advanced and future computing systems hardware, software, and programming models—essentially the next-generation tools for scientific discovery and simulation; scalable modeling and simulation design; and data-driven science and discovery.

On Wednesday, small-group discussion topics included high-performance computing applications at the exascale (computing systems that can handle 10^{18} floating point operations per second); graph analytics and network data analysis; urban science challenges; and systems biology.

Ray provided some example projects that could be addressed by these technologies from PNNL's current research portfolio: real-time image reconstruction and analysis at extremely high resolution (three angstroms), potentially identifying new biological structures against which therapies could be targeted; atmospheric radiation measurements that look at the interactions of aerosols in clouds with sunlight; and the hosting of a 250 petabyte backup copy of what is expected to be the largest single scientific dataset on the planet, from the Belle II high-energy particle physics experiments ramping up in Japan.

Ed Lazowska, UW computer science professor, director of the eScience Institute, and a key link between PNNL and the university, put aspirations for the NIAC—unveiled early this year—in context of the "dawn of a new era of discovery."

Data-intensive scientific discovery, he says, joins computational science as another arrow in the quiver for researchers, complementing the older methods of theory, experiment, and observation.

A proliferation of low-cost sensors and simulations is creating a torrent of data that presents enormous opportunities and huge challenges. Smart homes, smart cars, smart health, smart robots operating in unstructured environments—all are enabled by advances in areas such as machine learning, computer vision, and cloud computing.

"The big data revolution is what's putting the smarts in everything," Lazowska says. (He is leading a discussion on data-driven discovery at Xconomy's upcoming public forum: Big Insight—Making Sense of Big Data in Seattle on Nov. 19.)

Jandhyala

For data-intensive science to reach its potential, the onus is on computer scientists to build tools that can be used directly by oceanographers, biologists, geologists, and even sociologists and researchers in other fields, without having to wait for a data scientist to run reports for them. (He likened this potential bottleneck to the database administrators who sat between researchers and their data in the 1970s.)

In addition to large projects, the NIAC is aimed at fostering more one-to-one interaction between researchers at PNNL and UW. Vikram Jandhyala, UW electrical engineering chair and co-director of the institute from the UW side, says several initial collaborations have already started, or are scaling up from existing joint efforts, in areas including … Next Page »

Gotham Gal & Eric Hippeau Talk Good Money, Bad Money at Springboard

Written by João-Pierre S. Ruth on Oct 31, 2013 04:25 pm

João-Pierre S. Ruth

Springboard Enterprises let the media have a closer look last week at what its accelerator for women-led companies has been up to. The annual forum, held in New York, gave 10 startups in digital media and technology the chance to demo their ideas. A pair of high-profile players from the New York investing scene also offered advice on how, when, and whom to raise money with.

Eric Hippeau, partner and managing director with Lerer Ventures, said between the push and pull of investors and founders there can be downsides to raising money. For example, sometimes when businesses are very successful, founders may quibble about selling, though the time is right. “You should sell it because you made a pact with [investors],” he said. “It’s a contract; I’m a venture capitalist and I want my money.”

He also encouraged founders to get the most out of their investors by asking them to make introductions, help with customer acquisition, review the business plan, and use the product themselves. Investors should do more than make promises and then vanish from sight after putting in funding. “If your investors are not using the product, they’re just passive,” Hippeau said. “Just having money is not enough. It’s tough to build a business.”

Understanding how to dole out pieces of the business across funding rounds, he said, is also crucial for entrepreneurs. “Some of the greatest entrepreneurs, once they’re fully funded, if they end up with 10 percent, or if it’s a group and they end up with 20 percent, that’s a lot,” he said. Founders should keep that endgame in mind and then reverse engineer their funding plans over time, Hippeau said.

Lerer Ventures generally invests in teams, not solo founders, he said, unless she or he is a repeat entrepreneur known to the firm. It is also vital to Lerer to see at least one technologist among the founders. “The engineering part needs to be integral and in many cases needs to come first,” Hippeau said. Even media businesses such as Huffington Post and BuzzFeed began with the technology. “They are content and journalistic organizations but we first built the platform and then we added the journalism,” he said.

Angel investor Joanne Wilson, known in the blogging world as Gotham Gal, believes New York's startup scene is establishing a lasting foundation. "Tumblr being bought by Yahoo is really one of the first large companies we've seen have an amazing exit and stay in New York," she said. "We're going to see more of that going forward."

She spoke about the importance of "good" versus "bad" money, warning that companies who struggle to get funding might wind up with dead weight rather than proactive investors who help move the startup forward. "To me, when an investor puts money in your business, they work for you as much as you work for them," she said.

However the struggle to find the right kind of investors, she said, can be a litmus test for a startup's real world prospects. "If you can't get good money, you should really ask, 'Should I be in this business?'"

Wilson said founders should approach their investors for help when scaling up rather than continue to think like "scrappy entrepreneurs" struggling to fill vital roles. Discussing with investors what the startup needs to move to the next level can make a significant difference, she said.

Founders should be careful, though, about dishing out too much of the company early on, Wilson said, cautioning against selling more than 20 percent in each funding round. In one instance, she met an entrepreneur who, after taking money in her first … Next Page »

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Colorado Startups Push to Get Unmanned Aircraft Industry Airborne

Written by Michael Davidson on Oct 31, 2013 03:33 pm

Michael Davidson

The sky might be the limit for the unmanned aircraft industry, but before it takes flight, the engineers, entrepreneurs, and enthusiasts trying to build an industry that they say could soon have a $13.6 billion economic impact will have to navigate a tricky route through the offices of regulators and lawmakers—and the court of public opinion.

This is a fact of life for people like Allen Bishop, president and CEO of Reference Technologies. The three-year-old startup is designing and building unmanned aerial systems at its headquarters in Lafayette, CO, a town about 15 minutes east of Boulder.

ReferenceTek is building an autonomous system Bishop believes could revolutionize the way public safety officials respond to emergencies and how physicians deliver medicine in the developing world.

Bishop was showing off his aircraft Tuesday at a demonstration hosted by FreeWave Technologies, a Boulder-based company that makes radios. FreeWave wants to capitalize on what could be a growing industry, and for the prior two days had hosted a gathering of entrepreneurs and researchers to talk shop and show off its creations.

[A note on nomenclature: while the public and media call the vehicles drones, people in the industry shy away from the term. They prefer unmanned aerial vehicles (UAVs) for the aircraft itself and unmanned aircraft systems (UAS) for the UAVs, ground stations, and communications systems that control them. They also distinguish between military drones equipped with missiles and used in combat with civilian systems.]

The guests and FreeWave’s employees ended the day in the company’s hangar-like break area for flight demonstrations. Bishop, though, began his day in Denver, meeting state legislators to discuss potential new bills UAS advocates believe could make or break the industry in the state.

Drones are a controversial topic everywhere, but Colorado might be an extreme case. There are advocates like Bishop who talk about the potential to save lives, and entrepreneurs who have created small startups that build unmanned aerial vehicles, the software and hardware that runs them, and the components that can relay information to pilots. Colorado also has a robust aerospace industry: companies like Boeing and Lockheed Martin have facilities in the state. The Air Force also has several bases around Colorado Springs.

“There’s a local cottage industry coming out of this that could well be huge,” Bishop said, likening it to the explosive growth of the PC industry in the 1980s.

A report released this year by the Association for Unmanned Vehicle Systems International, a pro-industry advocacy group supported by the aerospace sector, has put forward some eye-catching figures. It estimates that once the FAA opens the skies to commercial UAVs, the industry would have a $13.6 billion economic impact within three years; by 2025, the impact could reach $82.1 billion. It also says the economic impact in Colorado will be $232 million by 2017.

But drone skeptics are unconvinced, and Colorado has plenty of people who are concerned about potential privacy violations or misuse by police. The most strident and extreme activists have persuaded the small rural Colorado town of Deer Trail to consider issuing “drone hunting licenses” that would allow them to shoot … Next Page »

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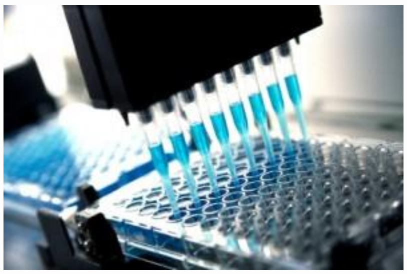
Dimension, Backed by Fidelity, Targets Hemophilia With Gene Therapy

Written by Ben Fidler on Oct 31, 2013 02:01 pm



Ben Fidler

It wasn’t too long ago that the words gene therapy would send VC investors running for cover. Clearly, times are changing, because today, a new startup named Dimension Therapeutics has become the second company in the space to come out of the woodwork with significant venture backing since July.

Cambridge, MA-based Dimension was formed today through a collaboration between Fidelity BioSciences and Washington, D.C.-based Regenx Biosciences, and an undisclosed Series A round from Fidelity Biosciences. The company’s plan is a familiar one for those who’ve heard of Cambridge-based Bluebird Bio (NASDAQ: BLUE) and San Francisco, CA-based startup Audentes Therapeutics: Much like those two companies, Dimension wants to use gene therapy to tackle rare diseases. And just like Audentes, it’s using viral vectors created by Regenx to do it. But unlike those two, Dimension’s first program will be a treatment for hemophilia.

Regenx, the creator of a gene delivery platform, is a “very significant shareholder” in the company. It’s also giving Dimension “broad access” to its viral vectors as part of the deal, according to chairman and Fidelity Biosciences partner Ben Auspitz. Dimension also has rights to several unnamed rare disease programs, but Auspitz wouldn’t disclose which ones they are.

Dimension has turned to veterans of gene therapy and rare disease research to help with the effort. Sam Wadsworth, who ran all of Genzyme’s gene therapy programs, is its chief scientific officer. James Wilson, Regenx’s scientific founder and the director of the gene therapy program at the University of Pennsylvania, will lead Dimension’s scientific and technical advisory board. Ultragenyx CEO and former Biomarin chief medical officer Emil Kakkis is also an advisor.

Gene therapy, of course, has more than a checkered past. The idea is to use a modified virus to deliver healthy genes into a cell to replace faulty or missing ones. This, in theory, is supposed to attack the root cause of a disease and cure it for the rest of a patient’s life—potentially in a single treatment. But despite the billions of dollars poured into gene therapy research and startups in the ‘90s, no gene therapy has won FDA approval for commercial use. Safety problems and difficulties with the viral vectors delivering the new genes dogged the space.

Recently, however, sentiment has begun to shift. Netherlands-based UniQure won approval of the first gene therapy in Europe in November. Others have intertwined the idea of gene therapy with rare diseases, or orphan disease types that have no approved treatment. This is part of the reason Bluebird was able to carry out a successful IPO. And Audentes used a similar model to raise a $30 million Series A. It’s going after rare diseases like X-linked myotubular myopathy and Pompe disease.

“We have an approved drug now in Europe for gene therapy, we have a number of programs that have shown benefit, and I think that's what's driving people—small companies that are starting up, as well as Big Pharmas and Big Biotechs—to really look at this area again as a place that could provide a whole plethora of important medicines," Auspitz says.

Now, Dimension is part of the mix. Fidelity Biosciences has wanted to get into gene therapy over the past few years, feeling the technology is now ready to match its scientific promise. But the investment firm preferred … Next Page »

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Austin Startup Gravitant Finds Market as "Expedia" of Cloud Services

Written by Angela Shah on Oct 31, 2013 12:29 pm

Angela Shah

Companies are increasingly turning to the cloud to manage IT systems, but executives don't necessarily know which services work best for them.

That's where Gravitant comes in. Think of the Austin startup, which recently raised $10 million in venture capital, as the Expedia of IT, says its founder and CEO Mohammed Farooq.

"What do you want to do and what are your requirements," he says. "I'm going to simplify it and tell you the choices. You don't have to do the pricing models. The system has an engine that computes all aspects of this.”

Businesses can seek to move a particular application to the cloud, for which Gravitant deploys its “tool set” to determine the cloud architecture, materials for the app, such as storage and networking, as well as managed services—monitoring, backup, or disaster recovery—needed for production. Those tools then come back with suggestions for cloud providers that best match a company’s needs by cost and service-level agreement.

Gravitant operates as a third-party broker between customers and cloud providers such as Rackspace and Amazon Web Services. “The cloud is completely changing the paradigm of how we consume IT,” Farooq adds.

The market potential for such services is growing. While a recent Gartner survey on the future of IT services found that only 38 percent of enterprise organizations use cloud services today, 80 percent said they intend to use them within the next year, including 55 percent of organizations that are not using the cloud today.

Farooq founded the 40-person company in 2004, after he left the Texas Health and Human Services Agency—where, as CTO, he supervised its $4 billion IT services network for seven years. He previously worked at Austin software company Exterprise and then at Commerce One after it acquired the local company.

The combination of public and private sector experience has been useful. In March, Gravitant signed on General Dynamics as a customer. The defense contractor will use Gravitant’s software to help with a new series of cloud computing solutions for its work with government agencies.

Proceeds from the Series B funding round raised from Corsa Ventures and S3 Ventures, both based in Austin, will be used to boost sales and marketing efforts, Farooq says.

"He has a great view of the problem that many are not going to have," says Brian Smith, S3's managing director. "He is so far ahead in terms of number of years writing software and solving these problems."

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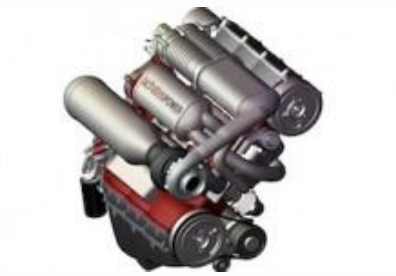
Achates Power Signs Joint Development Deal with Fairbanks Morse

Written by Bruce V. Bigelow on Oct 31, 2013 11:44 am



Bruce V. Bigelow

San Diego's Achates Power, which has been advancing a cleaner, more fuel-efficient, and easier-to-manufacture design for opposed piston engines, says it has signed a joint development and licensing agreement with Fairbanks Morse Engine, the leading U.S. maker of opposed-piston engines.

Fairbanks Morse, based in bucolic Beloit, WI, and operated by EnPro Industries (NYSE: NPO) makes opposed-piston engines for a wide range of applications, including emergency backup power generators and marine propulsion engines.

As I've reported, the two-stroke, opposed-piston engine has been used in ships and submarines, aircraft, trucks, and other vehicles for more than 100 years. The design succumbed to stricter tailpipe emission standards adopted during the 1970s, but Achates founder James Lemke, an adjunct engineering professor at UC San Diego, saw how to apply innovations in design and manufacturing to significantly increase fuel efficiency, minimize exhaust pollutants, and cut overall manufacturing costs.

Financial terms were not disclosed. But the deal signifies that Achates' innovations in advanced materials and manufacturing techniques, multi-injector technology, and other advances have been accepted and are being incorporated in engines made by the nation's biggest opposed piston maker.

Achates CEO David Johnson responded by e-mail to a few questions about the deal, which I have lightly edited.

Xconomy: What does this deal mean for Achates Power?

David Johnson: Fairbanks Morse has been making opposed-piston, two-stroke engines for nearly a century and is the market leader with an impressive track record. The fact that they find our opposed-piston, two-stroke technology compelling and have made this agreement with us speaks volumes for what we can … Next Page »

Tandem Applies Muscle to Mobile (Alternative Accelerators, Part 1)

Written by Wade Roush on Oct 31, 2013 09:30 am

Wade Roush

“College” used to mean something pretty clear: a residential experience where you paid a certain amount for tuition, room, and board and, after about four years, you got a bachelor’s degree. These days, of course, there are just as many two-year community colleges as four-year institutions; you don’t have to live on campus; there are many financing options; and fewer than a third of public-university students actually earn their BA degree in just four years.

In the startup world, similar kinds of changes are leaking into the format for accelerators. The “traditional” accelerators, with Y Combinator, Techstars, and 500 Startups as leading examples, admit large cohorts (often 30 startups or more) into an intensive product-development bootcamp that lasts about 12 weeks. They usually offer a modest amount of seed funding (around $100,000) in exchange for roughly 6 percent of each company’s founding equity. But more and more accelerators these days are fiddling with each of these dials. They’re admitting smaller or larger cohorts, making their programs longer or shorter, and offering more or less funding (and taking a corresponding amount of equity).

I’ve recently met with the founders of two accelerators that are resetting these dials dramatically. One is a brand-new program called 9+, and I’m going to write about it next week. Today I want to focus on Tandem, a more established accelerator fund that focuses on startups developing mobile software and hardware.

Tandem admits roughly six companies at a time, and they stay in residence at the company’s downtown Burlingame office for about six months. The fund invests $200,000 per startup, in exchange for 10 percent of a startup’s equity plus a convertible note (a loan repaid in the form of preferred stock once a startup has raised a Series A funding round). Tandem’s portfolio of 23 companies include a handful of fairly well-known names such as PlayHaven, PagerDuty, Bash Gaming, Flightcaster (acquired by NextJump), and ZumoDrive (acquired by Motorola).

Co-founder Doug Renert says Tandem falls somewhere in between a venture fund and an accelerator. At one end of the spectrum, a VC will put in a lot of money, “go to a board meeting once every two months, and help however they can, but it’s not heavily weighted toward working with the company,” he says. Accelerators, on the other hand, “are mostly bringing in large classes, not investing very much money, keeping them for a short time, exposing them to a network, giving them a lot of information, and then letting them go so they can grow up.”

Tandem, by contrast, is taking a third way: “investing considerable capital over time, only doing a select number of companies, and working with those companies much more deeply than the VCs will and much longer than the accelerators will.”

The program at San Francisco-based 9+ is even longer, at 9 months. In essence, both traditional and alternative accelerators are looking for the sweet spot: the right amount of seed funding and training needed to optimize their startups’ chances for success. Each accelerator has a different idea about where that spot may be for the technology sector in which they specialize.

And each one is taking a different type of financial gamble. The Y Combinator model, in Renert’s view, is to “make 100 bets and say, ‘Hey, some of these guys will probably get there, because we’re pretty good at identifying smart people.’ And some will get there.” But he says Tandem’s model is different: it makes fewer, larger bets and puts more work into help each startup, in the hope that a larger percentage will turn into high-growth companies and achieve lucrative exits.

“We are going to apply a lot of focused attention and brute force to lift the companies up into the growth curve,” Renert says. “To that extent, we should have a higher success rate, because we are being more selective in who we support and we are working very closely with them.”

The brute-force approach leads Renert to label Tandem’s approach “muscle capital,” in contrast to venture capital. “It’s more about the people and the effort we put into companies, as opposed to the cash, although we do put in a reasonable amount of cash too,” he says. There’s also a bit of a fitness angle to the muscle-capital tagline: the accelerator’s symbol is a tandem bicycle.

Renert, a veteran of Oracle and an Internet communications startup called Tello, started Tandem in early 2007 with co-founder Sunil Bhargava. They raised a $12 million fund to invest in their first few batches of startups. But they didn’t actually start out with a focus on mobile technology. “It was a very different world,” Renert says. “It was before the term ‘lean startup,’ before the iPhone had been launched, before this wave of super-angels and incubators and micro-VCs.”

Within a year, though, Apple had launched its world-changing smartphone, Google had announced its plans for Android, and Facebook had opened up its platform to outside companies. So when Tandem raised its second $32 million fund in 2011, Renert and Bhargava decided to … Next Page »