

23andMe enters biopharmaceutical business with Genentech deal

A deal being announced today with Genentech points the way for 23andMe, the personal genetics company backed by Facebook billionaire Yuri Milner and Google Ventures to become a sustainable business – even if the company's discussions with the U.S. Food and Drug Administration stretch on for years.

According to sources close to the deal, 23andMe is receiving an upfront payment from Genentech of \$10 million, with further milestones of as much as \$50 million. The deal is the first of ten 23andMe says it has signed with large pharmaceutical and biotech companies.

Such deals, which make use of the database created by customers who have bought 23andMe's DNA test kits and donated their genetic and health data for research, could be a far more significant opportunity than 23andMe's primary business of selling the DNA kits to consumers. Since it was founded in 2006, 23andMe has collected data from 800,000 customers and it sells its tests for \$99 each. That means this single deal with one large drug company could generate almost as much revenue as doubling 23andMe's customer base.

"I think that this illustrates how pharma companies are interested in the fact that we have a massive amount of information," says Anne Wojcicki, 23andMe's chief executive and co-founder. "We have a very engaged consumer population, and these people want to participate in research. And we can do things much faster and more efficiently than any other research means in the world."

Read full, original article: [Surprise! With \\$60 Million Genentech Deal, 23andMe Has A Business Plan](#)