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# REPORT

## Ensuring Success in Health and Medicare Technologies

Dr Chris Thomas

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### Executive Summary

With three recent meetings and the opening of the Minerva building, the Babraham Research Campus demonstrated that it not only provided physical space and services to support and nurture early healthcare companies, it also looked to their future. These meetings, considered the transition from idea to first commercialisation (organised by i10), taking the next steps to raising funding and growth (Babraham) and how to develop leadership to ensure continued success (Babraham & Dale Carnegie joint event).



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## Ideas

The i10 held their own Healthcare Technology seminar on 27<sup>th</sup> June at Babraham. i10 provided four case studies, each covering a distinct technological development in the field of healthcare technology exemplifying successes in university to business collaborations. [More....](#)

## Funding Future Growth

Healthcare Market Analysis and Funding Future Growth, organised by Babraham Bioscience Technologies on the 11<sup>th</sup> July 2006, looked at two different routes to second stage funding opportunities; The factors to consider when raising capital by floating on the stock markets and how to attract a larger company to invest in you. [More....](#)

## Leadership

Management and Leadership skills are vital elements to secure the future of any company's people, performance and profits. Babraham Bioscience Technologies partnered with Dale Carnegie, an internationally renowned training company to run an entertaining and informative Leadership Workshop for Cambridgeshire companies. [More...](#)

## Ideas cont.

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One of the key insights was that the final products and markets were not necessarily the ones you initially expected them to be!

Take, for example, the presentation by Martin Battye, Chairman of Kirton Healthcare, a company providing specialised seating for hospitals and care establishments. His case study considered evolution and redesign of company knowledge and product for an innovative product in the retail market. Through the inertia of a large conservative market, their initial chair providing a more vertical spine support, designed in the 80's was still going strong. Driven by an interest in entering the retail market, Kirton conducted practical research into the alleviation of back pain with the Bioengineering Research Group of Anglia Ruskin University. To their surprise, and counter to the existing trends based on ergonomics in the work environment, they discovered that a more supportive reclining chair provided optimum comfort, pain relief and opportunity for recovery.

Symon Cotton, founder and Scientific Director of Astron Clinica considered critical factors in knowledge transfer for aspiring small companies that ensure success and profitability, exemplified by the evolution of their SIAscopy technology for the detection of early stage skin cancers. Having started in Cambridge, their greatest market growth was in Australia where there was a greater awareness and market need for their products. Symon gave some very practical advice to the audience on which areas he would recommend more support on during the early stages of company formation. These included assistance with protecting the initial concepts, support in the first meetings with potential investors, a knowledge of simple accounting and – presentation skills to create that first impact!

The two other case studies considered: what each partner in a university to business collaboration was looking for and offering and the positive consequences (Peter Laitenberger, Sphere Medical); and the importance of leadership and good project

management (Jon Holmes of Michelson Diagnostics Ltd). The last speaker (Peter Guildford of Cambridge University) focussed on how the strengths and capabilities of a large university department complemented the needs of the medical technology industry. [Back to top](#)

## **Funding Future Growth contd.**

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Julie Simmonds, Senior Research analyst at Piper Jaffray Ltd, gave a witty introduction to the vagaries of releasing equity as shares from the analyst's perspective. It was interesting to learn how Biotech was regarded as high risk and that value was predominantly news driven with little expectation of immediate return. Conversely, Medtech was seen as less of a risk, value was driven by news and results and investors did expect a return over a shorter time period. Companies would find themselves viewed by different audiences over different time scales; investors looked to quarterly figures whilst analysts took an annual approach. Key notes to remember were not to float during a major sporting event or the summer break – everyone was away or distracted and the low market activity created high volatility!

A further interesting observation was the split in funding requirements and offers into two groupings in the UK, the small at under £35m and the large at £300m and over. Several companies were used as examples to show the transition and performance after raising equity through shares. Interestingly, the UK business environment appeared to be more open to flotations and was therefore attracting businesses from abroad.

David Alderson, Market Development Manager for Cambridge Antibody Technology (CAT) considered business cycles and also the inverse relationship between company size and the cost of new product lines. In the current business cycle and regulatory environment the overall costs of new generating new products were rising in the face of a counter pressure on product prices and the push towards rapid introduction of cheap generics from the customers. This appeared to underlie the symbiotic

relationships between larger Pharma businesses and the smaller Hi Tech companies flourishing around Cambridge. The acquisition of CAT by Astra Zeneca was used as an excellent case study of where a long standing relationship led to a successful conclusion.

Most crucially, one of the key elements for investors and future partners was the management of the company. Individuals with a clear track record of success, a good business plan and foresight of routes to market were sought after. A company with a good idea or product but mediocre management would be seen as unattractive whilst a company with good management, even with an average product, would be likely of success in attracting funding. [Back to top](#)

## **Leadership cont.**

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The highly practical nature of the Leadership workshop attracted 46 delegates, predominantly managers and directors from 37 businesses and organisations in Cambridgeshire. The audience reflected the balance of biotech and other businesses in the area and provided Dr David Hardman, CEO of Babraham Bioscience Technologies an opportunity to highlight the philosophy and future of the Research Campus as a location where a world class research base and early stage healthcare were brought together.

Ed Carter of Dale Carnegie ran a two hour workshop on key leadership elements with enthusiasm and audience involvement. Elements covered included tools for time management, the importance of diversity and communication as well as stress management. Delegates came away with at least one practical tip that they could use immediately upon return to their companies. The group sessions and networking led to additional insights and useful business contacts. [Back to top](#)

**Cont...**

## Conclusion

The Babraham Research Campus and its business arm, Babraham Bioscience Technologies, provided a venue and their own events this July that not only benefited the on-site companies but also the wider business community. This role is likely to increase in the coming years.

## Useful contacts:

**Catherine Atkins, i10 – for business-university collaborations**

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**Nicola Kinsey, Babraham Bioscience Technologies**

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<http://www.babraham.co.uk/brc.html#>

**Dr Chris Thomas, Dale Carnegie Training for people, performance, profits**

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