

Healthcare industry BW

Innovendia: Keeping the focus on client requirements

The biotechnology sector is growing and new companies have excellent opportunities to successfully establish themselves on the market. Dr. Michael Steinwand explains what companies have to beware of and why it is not only start-up companies that require competent advice. Steinwand is a chemist who works as an innovation and management consultant in the life science area. The journalist Martina Keller-Ullrich, who works within the BIOPRO network on behalf of BioLAGO, talked with Dr. Steinwand.

Dr. Steinwand, where do you see the greatest opportunities for new life science companies?



Dr. Michael Steinwand offers consulting services to life science companies.
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The entire field of analytics has huge potential. Bioanalytics is a cross-sector science. Measurement devices and methods are required in many areas. Insights gained in genomics and proteomics have provided us with many possibilities for defining so-called marker molecules. You can imagine such molecules as “flying reporters” which, for example, provide information about the metabolism of a diseased organism and hence enable the diagnosis of the underlying disease. In addition, such

markers or groups of markers can also tell us whether and how a certain drug works, whether it leads to unwanted side effects and how its effect differs from the effects of other drugs. This kind of information is used by the pharmaceutical industry as well as by the regulatory authorities when assessing new drugs.

These reporter molecules are used in the field of green biotechnology when genetically characterising the particular properties of crops. They are also used in white biotechnology. Therefore, analytical concepts, devices, reagents and methods that read the “stenography” of these reports and translate it are of huge importance. Small companies can also be very successful in this area.

What are the areas where small companies might have the greatest opportunities and fewest containable risks?

So-called platform companies are excellently placed. Such companies offer certain technologies that can be used for many different applications. These might be technical platforms, for example portable analysis devices. But they might also be biotechnological methods that can be used to specifically create and make available the aforementioned complex markers.

Such platforms can be used to establish new applications and tap into additional business areas. However, this advantage is also associated with difficulties, because companies that want to be successful in this area constantly have to deal with new clients and the expectations of one client and another differ considerably.

What are the typical problems faced by new biotech companies?

In this case, it is necessary to differentiate. On the one hand, newly established companies face difficulties that are typical of the start-up phase: How to write an effective business plan, how to establish a profitable company from an idea and existing knowledge. In the field of biotechnology, many companies find it difficult to persuade their bank of the feasibility of their plan – often for no reason other than the person in charge lacks the expertise required to assess the business concept. Biotech founders often hear: “If you wanted to open a butcher’s we would not have had a problem providing you with the necessary financing because we know the city well and are able to clearly assess whether a butcher’s would be profitable.”

On the other hand, other typical difficulties arise after the company has already been financially successful for a certain period of time.

So it is not only company founders who need advice?

No, not at all. It is very important to think about one’s business and prepare new developments well. For example, one should ask oneself: What is our know-how? Which patents do we possess? How have our competitors developed? How can we stand out from the crowd? In order to decide what the next ten years should look like, it is necessary to carry out a SWOT analysis, including opportunities and threats of one’s own company as well as of other companies on the market. Market requirements have to be used as the basis for any strategy. Models will have to be developed, for example as to whether a successful product can be advanced in the growth phase by issuing licences or whether it is better to establish in-house capacities and skills. Of course, compromises might also be an option and for example may involve working in cooperation with industrial partners.

Marketing and sales are other areas that have to be assessed. Cooperation might be an effective way

of entering additional markets. And here I am not only thinking of collaboration with other biotech companies. The cooperation partners might also be marketing or sales partners that have access to new clients. Those who have gone through several theoretical models are well prepared for any situation. Such companies can react flexibly and quickly if a large order arrives and if a potential new client contacts them.

Many biotech company founders are scientists who have become business managers. How much do they have to know about company management?



Dr. Michael Steinwand is always at the forefront of new developments.
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There are many different types of company founders. In my experience those founders who are particularly successful are totally dedicated engineers or scientists who are also able to listen to their clients and understand their requirements. Others are overwhelmed by the technology and tend to forget to look for suitable clients. I am aware of a case in which an entrepreneur had a promising product in the development pipeline, but instead of looking for potential clients, he invested in a new production plant and went bankrupt.

What are the biggest mistakes that can be made?

Despite the high level of complexity of products that is typical of the biotech sector, hardly any major technical or scientific mistakes are made. The majority of mistakes are made at the client interface. And here, the most frequent mistake is that the company managers have a false picture of the specific benefits of the product to the client. The clients are interested in products that have certain advantages for them. The entrepreneur has to be aware of the properties of a product that the clients are most interested in. Taking the aforementioned marker molecules as an example again – it is useless to offer a client a highly sensitive or very rapid analytical platform if one is unable to provide the markers required for the application or if one is unable to provide the marker in the required quantity.

Another danger is adopting a kind of “mother hen” behaviour. Companies with an excellent product will do their best to protect this product. Although this is certainly important, it is always equally important to have continuous further development in mind. If necessary, it might also be worth abandoning established concepts in favour of new ones. Otherwise it might happen that an established product is overtaken by a new technology that has a greater benefit to clients. Since the clients are there, it would actually be logical to further develop the new technology, apply it and sell it. However, this step is hardly ever taken because biotech entrepreneurs often concentrate too much on what they have rather than focusing on potential innovations. Then big companies will buy the new technology and leave the small companies behind.

Innovendia Consulting Services

Innovendia Consulting provides consulting services to life science companies in research and development, strategic marketing and helps find cooperation partners. The consultancy is active in a network of national and international companies and research institutions. The founder of Innovendia, Dr. Michael Steinwand, has spent 25 years in the analytical and life science industry. Most recently he was involved in innovation and technology management at Applied Biosystems. Dr. Steinwand is currently heading up a working group for chemo- and biosensors within the German Chemical Society and acts as a reviewer for scientific journals as well as being a member of appointment committees of a number of German and international universities.

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Further information

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