

Developing Regional Actions

to Promote SMEs in Health Sector and Stimulate Economic Growth



PROJECTPARTNERS:

- MUNICIPALITY OF DEBRECEN
- THOMAS MORE UNIVERSITY COLLEGE
- IPN INCUBATOR
- UNIVERSITY OF DEBRECEN
- CITY OF LEUVEN
- CENTRO PER L'INNOVAZIONE E LO SVILUPPO ECONOMICO
- VIDZEME PLANNING REGION
- MARIBOR DEVELOPMENT AGENCY
- MUNICIPALITY OF VARNA
- PROVINCE OF TURIN
- BRAINPORT DEVELOPMENT NV



NEWSLETTER

February 2013

About Health4Growth project

In the Health4Growth project 11 European partners joined forces to improve **the effectiveness of regional development policies** regarding the operational environment of local and regional economic players within the **health sector**.

Specific objectives of the Health4Growth project are:

- Human Capital: explore the options to improve management skills of SMEs and transfer know-how on available training programmes.
- Finance: explore options to ease the access of SMEs to finance and the design of innovative, sector-specific financial schemes.
- Regulatory framework and business infrastructure: explore and develop new models to improve the collaboration infrastructure between all players of the health sector, and find solutions for regulatory problems hindering commercialisation of new technologies.

To achieve this goal, the 11 partners will map the existing barriers, and identify and transfer good practices They will also develop new solutions that can be implemented in other European locations, in the three thematic areas mentioned above: human capital, finance and Regulatory framework and business infrastructure.

In this newsletter we introduce you to the leaders of our three expert teams:

- Judit Balogh of the University of Debrecen (Hungary), leader of the expert team for human capital;
- Anne Landstra of Brainport Development NV (The Netherlands), leader of the expert team for finance;
- Siegfried Jaecques of the KU Leuven association (Belgium), leader of the expert team for Regulatory framework and business infrastructure.



Interview with Judit Balogh,

LEADER OF EXPERT TEAM HUMAN CAPITAL



Can you tell us something about yourself and the experience you can bring into the project?

Currently I am the registrar and secretary of the University of Debrecen. This position allows me to have a global vision on the strategic operation of the organization. Previously I was the director of the Technology Transfer Office. The TTO, in a nutshell, brings back-up support to the knowledge spill-over from the university to the society.

It can take various forms from the support of university start-ups to bringing in expert legal, marketing or management knowledge. Working on such projects gave me high value experience in business development, knowledge transfer and regional strategic development. If you take a closer look at the numerous activities of the University of Debrecen, you can easily find out that one of the core competences of this university is education and research of the health related sciences. Due to the university's involvement in the several health projects, I gained experience in strategy creation within the health industry, which is crucial for the success of the H4G project.

What problems do you identify on your thematic area?

Our highest priority is linked to labour market gaps. In the near future we should not only maintain our workforce, but also develop it to reach our goal of excellence. This means reversing the brain-drain. The task is not only to raise funds for appropriate researcher salaries, but also to provide a research environment that can host mainstream scientific researches. This is the only way to keep talents home. Most European universities are facing serious budget cuts and the lack of a predictable financial supporting system from the state. Now, more than ever, we have to motivate market orientated companies to invest in education beyond capital, in human resources and equipment also. In order to be attractive to market orientated companies, we should for example implement business and management studies into life sciences. It's also a challenge that there is a lack of an umbrella organization, which means there are few communication platforms among the triple – or even quadra – helix partners. The commitment to technology transfers has been inadequate yet, but it's still a new wave of activities in the university environment. A way to



overcome these obstacles is to use strategic management tools, both on university level by bio managers, and on the level of regional partnerships. This is the future for us.

Why the H4G project?

As I have mentioned earlier, health and health related technology is a special field of science at the University of Debrecen, among many others of course. The Health4Growth-pro-

ject gives an excellent opportunity to systematically get in touch with the local triple helix participants. Throughout Europe one can find many examples of success and solutions that deserve our attention. We should find these good practices and implement them to our special environment. We have high hopes of development in our complete network in frame of H4G. The motto of our university is 'Stimulating excellence' and we can use this project exactly for that.

What results can we expect from your thematic area?

First of all we do not want to solve all the HR-related problems at once, because it would be an impossible and irresponsible task. On the contrary, we use a step-by-step method. Our team's efforts are concentrated on 2 or 3 issues. In this way, we can focus our ideas and mindsets on feasible programs, which can be built from the identification of the problem to the implementation of the solution and finally to the follow-up of the accomplished results. We are, for example, planning to organize a training course for PhD students that includes topics as Creativity, Intellectual Property Management, Marketing, Commercial issues, Strategy management and Scientific diffusion, to improve PhD students' skills in business development. Strategic management would also be a key field of knowledge for local leaders. We would like to stimulate mobility programs based on joint efforts of international partnerships. Our future success would raise the human capital capacity of universities, and hopefully the competitiveness in our turbulent higher education environment.

Interview with Anne Landstra,

LEADER OF EXPERT TEAM FINANCE



Can you tell us about yourself and the experience you can bring into the project?

After studying Economics and Political Science, I started my own ICT Company. After five years I sold this company and started working as a consultant at Ernst & Young, where I led various change projects in both the public and private sector. Next, I became executive board member of an AEX listed IT company as director of all operations in Germany. In recent years, I have been managing several projects including the implementation and integration of new systems at governmental institutions in the Netherlands. Since 2009, I am responsible for Brainport Health Innovation, where I initiated and managed a large number of projects in the field of Health and Technology. Brainport Development NV is the regional development agency for

the Eindhoven region and promotes the creation of supportive structures in the domains of labour market, technology- and business development and innovation.

Why Health4Growth?

With this program we are able to share knowledge and good practices from different regions. We can learn from each other, transfer good practices and try to solve our weaknesses. Together we try to increase the pace of innovation in regional policies and create better and more standardized solutions which can be implemented in other European locations. For example, I would like to point at an interesting program that Brainport is organizing. 'NextOEM: Call for fast growing companies' is a brand new program that searches for fast-growing high-tech companies with the potential to become an Original Equipment Manufacturer (OEM). Companies will be coached by experienced entrepreneurs and seasoned investors to help them achieve their aims. The NextOEM accelerator offers an inspiring, intensive six-month personalized program to prepare young high-tech companies for fast growth with a personalized program of master classes, workshops, company visit, professional expert quick scan, peer sessions with fellow partici-



pants and last but not least pitches for venture capitalists. For more information, please visit their website (<http://www.nextoem.com>). They are still looking for participants, so for those who are interested, we advise you to sign in!



What results can we expect from your thematic area, finance?

It is acknowledged that small and medium enterprises (SMEs) in the economy are underserved, especially in terms of finance. One of the barriers for SMEs' development are the complicated processes for applying for finance and the lack of innovative funding schemes. The economic and social importance of SMEs in the health sector is well recognized in academic and policy literature. The development costs are outstandingly high and the duration of the innovation process (from idea to the market) can be extremely long.

The goal of the expert team is to explore options to ease the access of SMEs to finance and the design of innovative, sector-specific financial schemes. Therefore, the expert team distinguishes 3 main domains:

- Finance project maturation
- Business Angels, venture capital, stock market
- Additional funding, financial schemes

Interview with Siegfried Jaecques,

LEADER OF EXPERT TEAM REGULATORY FRAMEWORK AND
BUSINESS INFRASTRUCTURE



Can you tell us about yourself and the experience you can bring into the project?

Originally trained as a chemical engineer at the University of Leuven, I immediately expanded my horizon by pursuing a PhD in biomaterials (dd. 1995) and continued as a researcher in bone-implant systems, both in orthopaedic and dental applications. My focus was always more on applying science in new devices or improved treatments, rather than in discovering new fundamental knowledge. I participated in quite a few EU framework RTD projects and had good working relationships with the tech transfer office and industrial partners. In 2009, this background made me the ideal candidate to coordinate the Leuven Medical Technology Centre (L-MTC), a thematic research centre of the KU Leuven association, bringing together scientists, engineers

and clinicians working on applications of technology in health care and reaching out to the regional and international innovation ecosystem. I am part of a recently established personnel category, “Industrial Research Managers”, that focuses on valorisation of research and works in a way somewhat similar to business developers in large companies. We participate actively in projects aimed at regional development and innovation, such as “towards Top Technology Clusters”, targeting cross-border partnerships between SMEs in the Euregion Meuse-Rhine, or Regional Care Portals, an Interreg IV B project in NWE. That must have been one of the reasons why the partner city of Leuven suggested me for ET1 on regulatory affairs and business infrastructure.

What problems do you identify on your thematic area?

The historically grown cultural diversity in Europe also comes with diversity in attitudes and expectations regarding health care and the associated costs. Some regions have a holistic vision on health care, emphasising well-being and prevention, while others focus more on curative medicine with state of the art medical technology and pharmaceuticals. In most regions people do not expect the government or their employer to reimburse expenses for wellness, but there are regions where a “wellness industry” depends to some extent on “benefits programs” that include annual wellness holidays in a resort. On the other end of the spectrum, the cost of high



tech medical devices is expected to be reimbursed completely or at least substantially by patients in most EU regions; however, the criteria for reimbursement differ greatly from country to country and sometimes even from region to region. These aspects have created a playing field that is anything but level for a company that is trying to introduce a new device or treatment on the EU market. While many large companies have the resources to deal with this complexity, it is a significant barrier for SMEs. Here we come to the second part of the thematic area, business infrastructure. We can distinguish “soft” infrastructure such as regional networks and clusters organisations and “hard” infrastructure such as incubators and business parks. The economic crisis that started in 2008 and that seems here to stay for a while longer at least, has definitely caused the delay or cancellation of many plans for hard infrastructure.

Why the H4G project?

For quite some years already, the Leuven region has been convinced that we have many assets in the medical and health fields and that we should use the expected increase in health care need as a driver for economic growth. The university and university hospitals have identified the biomedical campus as a spearhead for local development and many high-tech companies from the regional ecosystem are already active in health care or planning to diversify in this direction. A very clear indication is the recent re-focussing of the industrial cluster DSP-Valley, which originally was specialised in Digital Signal Processing but is now rebranding itself towards “Designing Smart Products”; they have launched a special interest group on Medical Devices. As we fully support the idea of fostering economic growth by establishing health valleys, the health 4 growth project aligned very well with our vision and we were eager to join in and contribute our best practices, hoping to exchange know-how with the other partner regions.

What results can we expect from your thematic area?

As the challenges are many and the economic climate seems unlikely to improve significantly in the near future, ET1 will have to focus on “softer” aspects of supporting business infrastructure, e.g. optimising the work flow in TTOs and bio-incubators, or improving the models for match-making of business partners and brokerage of innovative project ideas in cluster organisations. Regarding regulatory affairs, we hope to make policy recommendations at the most relevant levels, either nationally/regionally or at EU level. Regarding reimbursement, we will probably have to accept that EU-wide harmonisation is not going to happen in the near future. However, as an expert from a Belgian university, I hope to emphasise evidence-based criteria for reimbursement as I believe that public money should be used in the most effective way possible.



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