



### Commercializing Science and Technology for Entrepreneurs in the Bio Health Space



**Richard Bendis**  
President & CEO

#### **About BioHealth Innovation, Inc.**

BioHealth Innovation, Inc. (BHI) connects market relevant research assets to appropriate funding, management and global markets to facilitate the development of commercially viable biohealth products and companies.

BHI accomplishes its mission by building an entrepreneurial ecosystem. The organization works directly with federal and academic technology transfer offices, making various types of risk capital readily available to promising biohealth startups, strengthening and connecting the local supply of industry talent, developing a regional brand and reputation, and advocating for improved business and regulatory conditions in the industry.

**Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine**

#### **CEOCFO: Mr. Bendis, what is the concept at BioHealth Innovation?**

**Mr. Bendis:** The basic concept is to identify and assist emerging entrepreneurs in the bio health space to commercialize their science and technology. BHI also works to identify appropriate investors and corporate or strategic partners to help entrepreneurs advance their companies.

#### **CEOCFO: There are many entrepreneurs. How do you identify what has good potential before you get to the part of providing services?**

**Mr. Bendis:** We have a very experienced team of full time Entrepreneurs In Residence (EIR's) that have significant entrepreneurial, venture capital and portfolio management experience. The EIR's are working with the NIH Office of Technology Transfer, individual NIH institutes, industry partners, universities and global organizations. We utilize our EIR's to scout and identify commercially relevant companies, technologies or opportunities that we believe we can add value to. The key term there is commercially relevant where there is a significant market opportunity, it is scalable and likely profitable.

#### **CEOCFO: How do you combine experience and gut feeling with what might not seem on the surface to be appropriate?**

**Mr. Bendis:** The first thing is that there are analytical things you can do to evaluate whether something is commercially relevant. First, you have to validate the science. You have to validate the individuals or the entrepreneur's ability to progress an asset. You also have to identify whether there is anything competitive or comparable in the marketplace that exists today. There is a need to determine if there is something unique, proprietary and protectable or if it is meeting some type of unmet need. Much of that can be done remotely, but then you really have to get into personal interaction with the individual, the team and the company, and also talk to people who might be potential customers in the marketplace that have been identified as a potential purchaser or user of their product or technology. Once you go through some type of an analytical and personal evaluation, you also have to identify which people and opportunities you believe you can work with, where there is compatibility and they are willing to listen. At the end of the day, can we really add value to this to make it a commercial success? That is where the gut feel comes in. Once you have reviewed objectively and analytically, your gut ultimately has to come in and make one of the final decisions on this process.

#### **CEOCFO: Different areas in health seem to flow in and out of favor. How important is the current climate or what you might see as the potential climate?**

**Mr. Bendis:** It is something that has to be monitored on a regular basis because the trends in the industry change dynamically. In the pharmaceutical and the biotechnology industries right now, there is a great deal of merger and acquisition activity. There is a lot of outsourcing and collaborating going on where they are developing partnerships with smaller firms to do some of the research and development, and they are not growing massive teams because some of this work can be done more efficiently externally than it can be done internally in large firms. The other thing that I see as a major dynamic within the health care industry right now is the convergence of technology, information, e-Health, mobile health and analytics with the traditional bio, pharma and medical device industries. All of these elements need to be working together and cannot be isolated, so that is another one of the major trends BHI is tracking right now. How do

people who have great technology link in the analytics and the information that really relate to a product or a therapeutic that is going to affect patient care? More importantly, is there a player out there that is going to be willing to pay for this or reimburse for this product or service based on what is happening with the Affordable Care Act?

**CEOCFO: *With so many moving parts, what is the key to getting it right more often than not?***

**Mr. Bendis:** When you say getting it right, if you look at the traditional venture capital portfolio or investor, or business development portfolio, you have to take a lot of swings before you are actually going to hit the ball out of the park. At the end of the day, you do as much homework and research as you can to make quality and objective decisions, recognizing that everything is not going to result in success. At the same time, you need to focus your resources that are limited, whether they are human or financial, on those things that you feel have the greatest potential and where you can add the greatest value in the future. At the end of the day, you are hoping you get that one out of 100 that is a grand slam. In the investment world today or in the entrepreneurial world, having a single or a double is not that bad. We would be glad to accept things that are marginally successful because they are still making a difference. They may be helping patients, and we hope that they are stimulating the economy in some way until we identify that blockbuster company or entrepreneur that may evolve.

**“BHI has built a unique, lean organization with very competent professionals to serve as an innovation intermediary within the Central Maryland innovation and biohealth ecosystem. This serves as a new model for economy building led by industry in a collaborative private, public partnership.” - Richard Bendis**

**CEOCFO: *Do you try to achieve a mix between technology, electronic programs, devices and maybe drugs, or is each project evaluated on its own merits?***

**Mr. Bendis:** The key is that each project is evaluated on its own merit, but we have a diverse portfolio of technologies based on the stage they are at as well as the industry sector they are in. We are looking at both small and large molecule therapeutic opportunities in the biotechnology or pharmaceutical world, and we have some medical devices. One of the hottest areas within the life science and health care field right now is the electronic health and mobile health applications that can be utilized to monitor patients on a remote setting, and they are very complimentary to some of the existing devices or health information systems that exist today. The key is that it is wise to have a diversified portfolio of companies and technologies that are at different stages of their evolution and represent different industry sectors as long as they are in the broad sector that we are focusing on.

**CEOCFO: *What are the projects you are working with now that you see as the most promising or that are exciting to you personally?***

**Mr. Bendis:** To be honest with you, we are involved in some oncology therapeutic areas that we find very exciting right now. We are located in Rockville, Maryland, where one of the most exciting things for us is within our back yard; we have 6,000 scientists at 27 different institutes at the National Institute of Health, as well as the FDA in close proximity. We have also developed a formal Partnership Intermediary Agreement with NIH. We have over 500 emerging biotechnology companies in the region, and we have one of the largest research institutions in the world from an academic standpoint, which is Johns Hopkins University as well as the three research institutions within the University System of Maryland. We really have a plethora of opportunities to mine. When I talk about the oncology space, there is a federally funded National Cancer Center for research in our backyard. Our entrepreneurs in residence have the opportunity to look at some of the very exciting cutting edge science that is going on and will hopefully find a way to ease the pain or look for some major cures in that terrible disease. I think some of the areas that are most exciting to watch are really in the communication, connectivity and information space. The reason I say that is that, pharmaceuticals, therapeutics and biologics take 10 to 15 years and might take one billion to one billion and a half dollars to get them to be commercially successful, whereas, with some things happening in information and communications in the technology space now you can evaluate whether there is a market opportunity relatively quickly. It does not take as much money to get it into the marketplace. They can impact people's lives and the marketplace in a much more timely fashion. We just completed an exciting accelerator project in Health Information Technology in Baltimore, in partnership primarily with DreamIt Health and Johns Hopkins University where we recruited nine companies from around the world to co locate for 16 weeks. We selected the best, and they received access to venture capitalists, potential customers and mentors. They were exposed to some very innovative entrepreneurs working in the e-health and m-health space, which is a very hot area within the investment community as well. One outcome for the program was that all nine companies established a physical presence in our region after completing the program.

**CEOCFO: *When you are evaluating a company in a hot area, how do you cut through the noise and make sure the concept itself is valid rather than just the fact that it is in a hot area?***

**Mr. Bendis:** When we look at commercial relevance, I always make a comparison against proof of concept. Proof of concept means that you have demonstrated that something actually works on the bench or in a laboratory, but you have

not demonstrated there is a market for the science or technology, that someone will buy it, that it is scalable and that you can be profitable with it. When we determine there is something that we believe is commercially relevant, it has to pass that sniff test. Is there a customer that has already identified they would be willing to purchase it? Is there a beta site or an early adopter for this product that actually has it within their company, laboratory or hospital? Is it something that has a proprietary feature that can be defended in some way in the marketplace? Is there a large, strategic partner that has identified an interest in potentially funding the advancement, the commercialization or the market launch for this product? We are more interested in things at that phase than just bench science that has proven that has worked in a lab, but there has not been a market identified that is willing to purchase it, pay for it or scale it up on a major basis.

**CEOCFO: *Recognizing the depth of your organization, do you almost always get a hearing with the right people who might be interested as far as funding?***

**Mr. Bendis:** We are very fortunate because of the makeup of our company. We have a very prominent board of directors, and on our board we have large pharma and biotechnology companies. We have some leading venture capitalists, and we have the presidents and chancellors of major academic institutions. We have direct access to entities who are our financial partners in our organization who will take an initial look at something or open a door for us in other organizations that we may be interested in. While we have a local focus in the Maryland area, we actually have national and global partnerships that we can network with and take advantage of. The key is that we do not work in isolation as we make our decisions. We believe that we have extremely qualified and experienced people whom we have access to that are not on our staff and are part of our network. We try to use as much of that knowledge as possible as we make the decisions that we have to make in determining which clients or companies we would like to work with.

**CEOCFO: *What have you learned over time that has perhaps tweaked or changed your approach in general?***

**Mr. Bendis:** First, surround yourself with the most confident people that you can. Over 40 years ago, I had a class I attended on team building, and they said you are only going to be as effective as far as your shadow will reach. If you cannot extend yourself and compliment yourself with many talented people around you, you are going to have limited success. I also had a great mentor in one respect; I used to work with Ewing Marion Kauffman the founder of Marion Laboratories, and he had a philosophy that those who produce should share in the rewards. We design compensation and incentive programs for all of our people, which is tied to our corporate mission, but the employees have individual goals and objectives that are achievable but measureable and can share in our corporation's success. The other thing might be that if you have learned you have made a hiring mistake, I think it is best that you address it quickly rather than letting it have a negative impact on the rest of your organization. Some believe in a philosophy to hire slowly and fire fast. Make certain you reward and protect your stars but if you have made a hiring mistake correct them as quickly as possible. Do not let them linger and do not think that you are going to be able to transform people into what they need to be if they cannot make that transition. Lastly I believe in developing a team from within as much as possible and have had success converting interns into full time associates as they become very dedicated to the organization.

**CEOCFO: *Put it all together for our readers. Why pay attention to BioHealth Innovation?***

**Mr. Bendis:** We have a unique business model that is not being utilized in many areas of the United States or the world at this time, with a very focused mission. It is one that you would classify as a non-profit mission to help entrepreneurs and grow the economy within the region, but it also has a for profit operational style that generates a positive return on investment with our portfolio of client companies. BHI has built a unique, lean organization with very competent professionals to serve as an innovation intermediary within the Central Maryland innovation and biohealth ecosystem. This serves as a new model for economy building led by industry in a collaborative private, public partnership.

**CEOCFO: *Final thoughts?***

**Mr. Bendis:** I think that leadership today is very interesting. I think we have younger people who have different beliefs and philosophies, and we have an economy that makes it a little more challenging for some of the emerging people to grow their careers as rapidly because we have many people who have had to work a lot longer for financial reasons. I think leaders today have to balance the existing experience that they have within the organization plus nurturing and mentoring the younger people who are going to be the future leaders within corporations. How do you attract and retain these millennials who have different goals and objectives than those which we grew up with in our early careers? I would just say it takes a great deal of patience and persistence today to be effective in running global and dynamic organizations.

**BIO:** Mr. Bendis is an entrepreneur, corporate executive, venture capitalist, investment banker, innovation and technology-based economic development leader, international speaker and consultant in the technology and healthcare industries. He currently serves as the founding President and CEO of BioHealth Innovation, Inc., a Central Maryland innovation intermediary focused on accelerating the growth of commercially relevant research from universities, Federal Labs and entrepreneurs focused in the biohealth industry. Mr. Bendis also serves as the founding President and CEO of Innovation America (IA), a national public-private partnership focused on accelerating the growth of innovation economy in America. He also publishes the innovationDaily newsletter focused on best practices on innovation and entrepreneurship around the world.

As one of the most recognized experts in the field of innovation economy, Mr. Bendis has served on numerous distinguished boards and task forces including the White House U.S. Innovation Partnership Advisory Task Force, the Small Business Innovation Research Committee, the National Association of State Venture Funds board; State Science and Technology Institute, and was an Ernst and Young Entrepreneur of the Year winner as well as a national/regional judge.

Mr. Bendis has provided global consulting services to over 16 countries and 22 states, several cities and regions, along with international organizations including the United Nations, NATO, UK Trade and Industry, European Commission, French Embassy, the German Marshall Fund, The Canadian Consulate, METI, AKEA, the International Science Parks and Innovation Expert Group and other global entities. He was voted one of the Top 5 Speakers on innovation in 2014.

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