



Business acceleration support and training bridging innovative SMEs and health care organisations to strengthen BSR health economy

## The challenge

The EU health sector spending ranges from 5.5% to 11% of regional GDP, and is expected to increase. Concurrently, the demands, competencies and technologies for better treatment of a wider variety of illnesses are growing. Together with a demographic shift throughout the EU, this calls for an innovative healthcare sector.

Effective and sustainable regional healthcare innovation systems, build on cross-border and cross-sectoral collaboration (e.g. through triple-helix clusters), promote the development of high-quality healthcare services, cost-effective processes and regional development based on healthcare expenditures.

B SHR HealthPort addresses 3 key bottlenecks in the healthcare innovation system that hinders the effective adoption of innovations in the regional healthcare sector:

1. Barriers for commercial exploitation of ideas and inventions from healthcare practitioners and/or research organisations.
2. Procurement and innovation practices that detrimental to dynamic regional enterprise cultures and public-private innovation.
3. Cultural differences and lack of common competencies among the two primary target groups: healthcare sector and SMEs. Due to the different background and cultures of the target groups it is essential to strengthen competencies for innovation for both groups.

## Competence development

Mapping of courses and competence development in health innovation in the Baltic Sea Region has lead to the conclusion that the education to promote innovation in the bioscience area is largely not covered and needs additional possibilities to build competence in the different subjects.

Before a strong foundation in these knowledge areas exists, it cannot be expected to have a full bioscience innovation system in place. The competency to evaluate ideas is not present in hospitals either, why a procurement process, lacks the certain knowledge to become a constructive innovative process.

More courses should be designed to give comprehensive knowledge in this broad area. Greatest need is in hospital Procurement knowledge and in Sales and Marketing in Bioscience.

Based on the proposed knowledge need a number of courses hold together in a programme or an educational platform has been developed and vetted.

The platform of comprehensive courses is planned to start in 2014.

## **Idea to innovation**

Companies face problems during the early idea evaluation phase, a verification and financing phase as well as in the procurement phase. To find a support to companies with their market entry barriers, the BSHR HealthPort project took a role in selecting innovative cases and supporting their market entry.

The cases addressed different medical needs through varied technologies. The cases also differ in the maturity, some in the idea phase and some in ready-product phase. The full spectrum of company stages is represented, starting with selecting early stage ideas and finishing with companies ready to step into hospital procurement.

The first Innovation Competition targeted commercial utilization of early stage ideas arising from the clinical environment and healthcare research. The project proposes that further support for ideas and innovations should be facilitated through external service providers, and be measured once support is given.

Initial conclusions regarding relevant support concerns matchmaking with relevant innovation partners, support in creating business models and analyzing markets. Furthermore, cluster collaboration may prove beneficially for cooperation in the Baltic Sea Region.

## **Innovation Agenda for the BSR**

The HealthPort project has identified a number of barriers that hinder the successful transformation of ideas into products, like e.g. lack of entrepreneurial skills of stakeholders involved, long delays from research to market due to complex regulatory environment, lack of access to venture capital or any other type of early stage funding.

To overcome these obstacles and to spur macro-regional development for Health and Life Sciences in the Baltic Sea Region a framework for a sustainable innovation ecosystem should be installed.

During the HealthPort project such a model has been developed: ScanBalt International Business Innovation Support (IBIS). IBIS is an instrument for macro-regional development and is part of the EUSBSR flagship project ScanBalt Health Region (SBHR). It implements the EU innovation strategies and may be considered as an implementation guideline providing a blueprint for the concrete realization.

The implementation of the proposed Innovation Ecosystem is only possible through collaborative action of all relevant stakeholders, and the primary guidelines are:

Early Evaluation of ideas is important to filter out promising ideas and to identify any knock-out criteria in an early stage. Local mentoring is needed to support young entrepreneurs and provide them with advice and access to knowledge that is needed for the different phases of transforming an idea into a marketable product or service.

Financial resources are vital for turning ideas into successful innovations, especially for the first phase there is a lack of capital. Diversified financing measures (ranging from funds over crowd funding to venture capital) are necessary to overcome the financing gap that is currently one of the biggest barriers to

transform innovative ideas into successful products or services. Other measures like tax exemption for SMEs in early stage development should be implemented as well as general business support measures.

To bring a product from idea to market requires a lot of different skills. Most of these skills (knowledge in regulation & certification, marketing & sales etc.) are not necessarily available in an SME or are not part of the competence that health care professionals usually have. The common innovation ecosystem should therefore offer services to these stakeholders that complement their competence and provide the missing skills. This requires new forms of collaboration and business models.

The “business environment” in the health care sector is constantly changing. Continuous education is a prerequisite for successful product development. Teaching entrepreneurship skills, knowledge about clinical trials regulation and certification is essential for startups and clinical personnel interested in developing new solutions.

Public procurement holds a great potential to stimulate innovation, and policy makers should further explore ways to increase the use of public procurement of innovation in health care.

Regulation and Certification is another important field to address in an ecosystems approach. Clinical trials and verification are mandatory to prove efficacy and safety of drugs, medical interventions and devices, diagnostics and e-health applications. Due to complex regulatory, organizational and experience requirements, demanding a disproportionate operational and financial effort, many SMEs, start-ups or investigators often cannot afford clinical research to the required extent. There is therefore a need for coordination of clinical trials in the Baltic Sea Region, and provide support for SME’s in relation to health technology assessment and international certifications.

Innovation in health care is essential to address the challenges of the ageing society and rising health care costs. Health care is complex. Support for innovation to develop new products and services has to be addressed in a holistic way. An innovation ecosystem provides a good model to implement innovation support activities in a macro-regional context.

See more about BSHR HealthPort at:

[www.scanbalt.org](http://www.scanbalt.org)

The project partners are:

Göteborg University (SE), North Denmark Region (DK), Turku Science Park (FI), Culminatum Innovation OY Ltd (FI), BioCon Valley (GE), Entrepreneurship Development Centre for Biotechnology and Medicine (EE), BioBaltica (PL), Vilnius University (LT) and the coordinator is ScanBalt Bioregion (DK).