

## **Realising the Potential for UK - MedTech Boardroom – Genesis 2017**

The MedTech Boardroom allowed for a small group of delegates to gather around a table at Genesis in December. The small group format encouraged strategic and operational best practice debate, providing key insights, tips and advice to those executives developing their successful strategies in the MedTech field.

### **Sponsored by:**

**J A KEMP**

PATENT ATTORNEYS • TRADE MARK ATTORNEYS

### **Context**

This group was set up to address some of the questions in MedTech around translational research, access to funding, challenges faced by start-ups scaling up and the complexity of the innovation ecosystem. The Life Science Sector is worth £64 billion and the MedTech community make a significant proportion of this; 40% of people in life sciences work in MedTech. There are four times as many MedTech companies than other life science companies and more recently there has been a rise in the number of digital health companies being formed.

**Attended:** Sue Dunkerton (KTN), Simon Wright (J A Kemp), John Fisher (University of Leeds), Richard Phillips (ABHI), Mike Lewis (Cambridge Cognition), Liam Grover (University of Birmingham), Andrew Cowan (Future Care UK), Cynthia Bullock (Innovate UK), Michael Graz (Neem Biotech), Terry O'Neill (KTN), Peter Whittington (Office for Life Sciences), Morris Berrie (TTS), Tony Sedgwick (The Thought Disrupter), Victor Higgs (Applied Nano Detectors), Sorrin Popa (Stent Tek) and Nadia Shivji (One Nucleus)

### **Points for Discussion:**

1. UK assets through science and innovation audits
2. Life Science Industrial Strategy and Industrial Strategy Fund
3. UK assets through NIHR, Innovate UK, Research Councils
4. Collaboration not competition
5. Releasing our potential

#### **1. UK assets through science and innovation audits**

- The Life Science Strategy and the Science and Innovation Audit have helped understand our assets more as an the industry, the list of assets is more comprehensive than ever before.
- The Life Science sector cannot transform without investment from the Government.
- The Life Science sector is at the forefront of government's mind, especially in their 4 year plan.

## **2. Life Science Industrial Strategy and Industrial Strategy Fund**

- Unlike the East of England SIA, the Leeds City Region Science and Innovation Audit focused only on MedTech specifically. The message from this audit was that there are significant opportunities for MedTech companies globally. Companies are likely to grow where markets are strong in digital technology and in combination products.
- Even though MedTech is growing in importance, the Sector Deal focused mainly on BioPharma, there was hardly any mention of MedTech at all.
- Large companies such as Siemens, Roche and J&J have all placed emphasis on digital health in the sector deal.
- Off the back of all this, The Industrial Strategy Fund has been set up, £2.7 billion over four years to support innovation.
- The Accelerated Access Review put emphasis onto medicines, digital health and MedTech.
- The Accelerated Access Review also focused on easy access to the NHS and companies needing to engage with the NHS earlier.

## **3. UK assets through NIHR, Innovate UK, Research Councils**

- One participant had been involved in 27 commercial deals across the digital/MedTech spectrum, only two had been in the UK. More needs to be done with the NHS for people to be attracted to the UK to do business.
- £39 million has been put into AHSNs to support adoption of innovation.
- A £6 million fund has been formed for Innovate UK innovation loans.
- £35 million is being committed for the Digital Health Technology Catalyst.
- AHSNs are all now working on a regional scale, promising to have a bigger impact and contribute to where they are needed. AHSNs should be centres of innovation helping smaller companies.
- AHSNs can help to put companies on an accelerated access pathway.
- The Biomedical Catalyst now has a fund available for digital and MedTech companies. More money is being awarded to companies who are in it for the long term, as they usually have Intellectual Property. Not many MedTech companies apply for money through the Biomedical Catalyst. The more companies that apply, the higher the chance of MedTech companies being successful. It has been successful for biotechs so it is hoped that it will be profitable for MedTechs. Awareness of this new initiative is needed.
- Small companies need to be signposted to new initiatives such as NHS Test Beds and Innovate UK Innovation loans. Again more awareness is needed.

## **4. Collaboration not competition**

- Many more stakeholders are involved in MedTech compared to biotech. Digital companies and healthcare providers are coming together for the first time.
- NHS data is managed by external companies therefore not everyone can access the data and it cannot be shared easily, this needs to be resolved.

- People need to think about their role and the role of their companies and not worry about competing. It will then be easier to share information, collaborate and be successful. Barriers produce a hostile market.
- Pharma are very protective of their ideas and are not very good at collaborating with other life science and tech companies. This needs to change as there are plenty of opportunities to collaborate if they do.
- MedTech does not follow the traditional Pharma route. Support is needed to allow MedTech and Pharma to work together.

## **5. Releasing our potential**

- It is a challenge to get academics out of their usual thought processes and change their ways of working. Key Performance Indicators of universities and Key Performance Indicators for industry can be very different. This puts pressure on the system.
- The Research Excellence Framework (REF) in universities is now having impact on how they conduct research. Academics now have to show how their research is having an impact on society.
- 1 in 8 MedTech companies survive and US MedTech funds are closing.
- SMEs in MedTech need the right tools and support from early stages.
- The NHS is not yet an asset. It has the potential to generate evidence and become a hotbed of ideas.
- The NHS deters investors. When investors see “NHS” on a proposal they walk away, this attitude needs to change.
- New technology needs to be validated, the NHS is ideally placed to do this.
- The NHS is fragmented and too difficult to negotiate.
- Invasive MedTech is very hard to test in the NHS and therefore it is very hard to fund.
- It has been observed that the AHSNs have not been playing their role in MedTech and this is now changing, they have a new focus on a local level.
- Developing apps is now cheap and easy, you don't need money to do this and therefore, this is not where funding should be going.
- Google and other large tech companies are now investing in digital healthcare and medical devices.
- It needs to be recognised that different products and services need different funding strategies and funding on different timescales. Funding models for MedTech therefore need to be revised as one size does not fit all.
- Money is available easily for validating existing technologies, but it is not there to develop new technologies or test them in humans.
- There is a real opportunity to build an industry in this country around services and manufacturing of MedTech. These are our country's strengths. There is a 97% exporting potential, however, we need better signposting of our assets so companies can access them more easily.