

# Interview with Johannes Sarx, Managing Director, LISAvienna

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LISAvienna celebrated its tenth anniversary in September. Could you briefly describe the core activities and organizational structure that has developed over the last decade?

Austria has historically been quite strong in medicine and medical research. Pharmaceutical companies like Boehringer and Baxter invested substantially into research in the 1980s and 1990s. In terms of biotech companies however, Austria was rather a late starter. The United States already had a number of biotech companies in full swing in the 1980s, when the government of Austria became interested in supporting this industry as a future and key area for the Austrian economy. Considering the complexity of biotechnology and pharmaceutical product development, the philosophy was to really support startup companies continually throughout their development. That is why in the late 1990s the Austrian government created a program called Life Science Austria (LISA), out of which many regional initiatives also started. LISAvienna was created in 2002 as a joint partnership between the city of Vienna and the Austrian federal government. The cluster was created to complement the substantial funding that is given from the Austrian government and Vienna city government. Our core activities are committed to five pillars. First, consulting of companies, mainly to help them find public funds available but also assist them in finding additional private funding, lab space or human resources. The second pillar is marketing and PR. On a local basis LISA provides newsletters for the life science community to create awareness of what is going on in the industry. We also go to international trade fairs to promote Vienna as a life

science location and to provide a platform for our companies, especially the young startups to present themselves at large trade fairs such as BioEurope. The third pillar is qualification. LISAvienna provides business seminars mainly to startups in medical technology, biotechnology, and pharma on business-related subjects. We do not provide scientific seminars, but rather how to obtain venture capital or overcome the challenges of FDA regulations. The fourth area is networking. We organize large networking events – two or three per year – where the entire life science community comes together. Usually 500 people attend these events and it really helps foster a network between people. The last area is knowledge. We consider ourselves as the prime information gatherer and also analyze for the life sciences in Vienna. We compile reports such as those but also provide strategic consulting to the local and federal government.

One of LISAvienna's goals for 2020 is to become one of the leading life science clusters in all of Europe. What does Vienna have to offer in order to achieve this goal?

Vienna has a very diverse biotech industry. We have one of the largest research hospitals in Europe. Many of our other hospitals and universities are also of high standard, such as the University of Veterinary Medicine, the University of Vienna, the Medical University of Vienna or BOKU University. We have a lot of private and public research institutes, such as IMP or the Austrian Academy of Sciences. We have a lot of researchers coming out of these institutes with many publications. We also have a very rigorous startup scene here which is mainly stimulated by government funding. Compared to other European countries, there are not a lot of venture capital and early stage financing opportunities. That is why the government is stepping in and providing substantial funds from an organization, up to €1 million in seed financing. Then you have a couple large companies that use Vienna as a hub. If you put these four components together – research, small startups, large companies, and government funding, this is our recipe for success for the coming years. There needs to be a lot of investment made into future technologies, be it personalized medicine or how to improve the interaction between universities and industry.

Do you have any milestone plans in place to improve that interaction?

It is more organic in process. That means that we listen to what is done elsewhere. We do not believe in five or ten year plans because the industry is constantly changing and therefore a certain area may become less popular or relevant in a few years' time. The complexity of the biological system makes it very difficult to determine whether you should pursue a particular route. We do not provide topics as a government, but we want to provide funding and know-how to people so that they can create and develop their own ideas. For us that is the best method of further developing the location. We have a focus in Vienna on infectious disease and vaccines but

we also see companies in neurology and also regenerative medicine. It is quite diverse and would probably not be a good idea to focus ourselves on a specific area. Additionally, we are trying to support translational research, meaning bringing ideas from universities and research institutes into business. We are working on initiatives to promote that.

As you said, infectious diseases, vaccine, regenerative, oncology, these are all areas that are very strong in Vienna. What area do you see as having the greatest potential in Vienna and why?

I think it will remain vaccines and antibodies. Vienna is still one of the best places to start an antibody company because there are so many specialists here. Immunology is the area that is getting stronger every year. New areas get more important as well, such as respiratory diseases for example. We also have a lot of startups coming from abroad that settle and stay here because of the funding.

Healthcare systems across Europe have experienced increasing financial pressure - cuts to healthcare budgets, which affects not only the industry but the institutional and association bodies. As head of LISAvienna, how have you overcome this challenge in terms of marketing Vienna as an international research destination, but also ensuring that small biotech companies do not go unfunded?

Luckily, the Austrian government has understood that although we do need to put austerity measures in place like other countries to balance the budget, cuts are not being made in innovation and startup support. We have not seen any cuts in this area since the crisis started in 2008. Basically, the situation has been getting easier and we have a lot of commitment to support the life science industry. With the current government in place there is strong support. It would not make sense to make cuts. In other countries our partner clusters had to cut down. I do not think that this is the right time to reduce the budget in the area of innovation. In an economic recession you need to invest into innovation. We need to cut other parts of the system that are not efficient and the jobs of the future.

Perhaps Austria can serve as a role model for the rest of Europe.

I think that in terms of startup support and in terms of supporting ventures, Austria is definitely one of the models to look at because you get services and funding from the government. It is not a role model for providing private financing. We have new venture capital and business angel initiatives funded by Austria Wirtschaftsservice, intending to mitigate these problems. However, in comparison to countries like the US or UK, Austria still has a long way to go; we have virtually no venture capital funds to finance life science companies.

How much of an impact does the tax break have on companies being attracted to Austria?

I think it has a lot of impact. Most of the large companies chose Vienna as a hub not only for the location but because it is close to Eastern Europe and the tax breaks for research and development. It is an important tool for attracting large companies who can thereby reduce their tax payments.

Despite all the attractions in Vienna for life science, many companies still struggle to find the very best talent for the jobs required. What is the strategy behind continually recruiting the best talent for Vienna?

It is very important in Vienna to create an environment where international experts feel comfortable living here. They can make careers here even if they do not speak German. I think the network of international experts is improving. We see many international people coming to Vienna for the biotech scene. They start companies without understanding any German, and still LISA provides them with funding. The economy and Austrian society benefits by everyone who is starting up these companies and investing into innovation, and LISA provides funding for everyone who wants to live here and contribute to the Austrian economy. We direct people we meet at international trade fairs to various institutions that help them start up a company here. The Austrian Business Agency and Wirtschaftsagentur of the City of Vienna provides information for expatriates for finding apartments, schools for children, etc. Our function is to help them find the right people for their issues.

What is your personal vision for LISAVienna in the next three to four years, and what partnerships would you like to strengthen?

Our goal is not only to develop biotech pharma but also to increasingly strengthen medical technology. We see a much closer interaction between medical technology and pharmaceuticals here in Vienna, particularly in the area of diagnostics. Diagnostics in theory is medical technology and those people need to find the right biomarkers in order to help pharmaceutical companies to assess and develop the right products. Nobody accepts black box medications anymore, especially the regulatory authorities. That is why you need good biomarkers and it is one of the areas we want to strengthen here in Vienna. We also want to increase the knowhow and capacity about the regulatory process in both biotech and pharmaceuticals. We still have too many researchers that have no clue about the development process. It is very important that anyone who wants to develop a product knows the challenge ahead in terms of experience and funding. That is why we continuously create awareness about these topics. These researchers have access to an area that they never get in touch with. People who have a good network and are inspiring to their employees

make a big difference as well. Serial entrepreneurs in particular are always starting up new biotech companies everywhere, and sometimes they do not succeed. It is important not to judge people if they fail. It is not about names or brands; in biotech it is about the people and the talent. Our task is to keep these people and talent in Vienna because as long as these talents are here, they will create jobs, innovation.

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