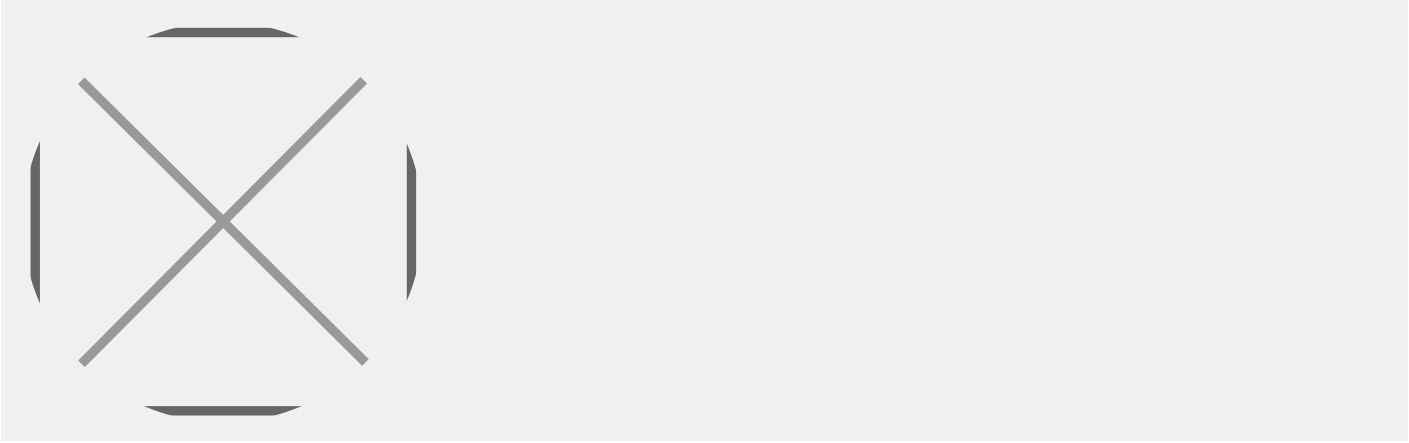
Interview with Philippe Archinard, President, Lyonbiopôle



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As a majority of our readers are American that may be used to a different model of clusters can you explain the unique characteristics of the pôles de compétitivité?

The biggest differentiating point is that the clusters have been founded on government initiative to create competitive zones across multiple industries. Of course, this is contrary to the US model which has relied mainly on the natural development of a critical mass of companies and universities that yields the de facto result of a cluster.

There has also been a lot of funding coming from the state dedicated to the success of the clusters, not only for ensuring there is operational teams but also supporting public private partnerships, which was our original mandate as a pôle de compétitivité. Now, after over four years of this process our scope has broadened to include international development as well as supporting the financing chain for SME's. We also work to ensure that the education in the region is in tune with the future need of the industry here.

Structurally, there is no mandate from the state as to how to govern each pole so everything has been left open to the local actors to organize allowing for greater flexibility. Therefore, each cluster has its own differences derived from the very beginning. Lyon has the historical specificity of being driven by industry, so the majority of our board comes from mid- to large size enterprises as opposed to academics.

Lyon has always been a center of industrial biology, due in large part to the Mérieux family's influence in this sector for over 100 years. We have the opportunity to be a leader in human and veterinary vaccines in addition to in vitro diagnostics among other segments.

I think this influence of industry is one of the reasons why Lyonbiopôle has been able to achieve so much in a short period. We have a limited board that shares the same vision as the city of Lyon and the surrounding region so the number of people you need to reach in order to make a decision is much lower than in other locations such as Paris. Thanks to the organizing and pushing of Christophe Mérieux, Lyonbiopôle has held these attractive qualities from inception.

A big part of our philosophy is utilizing innovation for economic development rather than research for research sake. This means we should be able to measure the results of our actions by benchmarking levels of investment, employment and other traditional industry metrics. Not every cluster has this similar vision.

The history of the health industry is very rich in Lyon while the biopole is very new. What has the organization contributed to the region in the years since inception and how has it changed the dynamic?

Historically, industry whether big or small was neighboring academic institutions without working together. You may wonder why one has to invent a pole to promote collaboration but financial incentive can be a strong motivating factor. If money was not put up by the state, regions and cities to stimulate partnerships, of which 40% are financed by government funds, then we would be in the same position as before.

As a pole we work to define the needs of the industry 10 to 20 years down the road in terms of technology and challenges by doing so we create a roadmap for each segment. This process initially involved a lot of roundtable discussions with industry that has led to the development of a lot of projects. We have continued this process annually with at least one big convention involving the industry and the academic actors where we spend half of the time reviewing existing projects while using the other half to prepare for future ones. The process appears to be working and there is a lot of interest across the board, for instance, big industry doesn't really need these subsidies to survive but they have continued to participate indicating they see a benefit.

I'm not aware of other clusters in France that have used such a process and I feel that Lyon is unique in its development model. Although I am likely quite biased, I believe we have been very active and involved in development. Today, the wheels are already in motion so we may not be as needed as before but that is okay in the end as we were the catalyst to the process.

The French government decided to organize competitive clusters to promote centers of excellence throughout the country and in doing so may have been overly zealous in its

allocation of over 70 clusters with more than a handful in the health field. Do you feel it's possible for France to specialize in so many different fields?

No but at the same time there is a general understanding that each of the 70 plus poles is not of the same magnitude or carrying the same ambitions for development. In regard to financing, there is a clear employment of the 80/20 rule with 10 – 15 of the clusters receiving the vast majority of funding. The political decision was not to discourage efforts of some regions that may have created a niche focus but at the same time, not to spread the money too thinly which was feared by many. Ideally, irrespective of size, if there is a critical mass of companies in a specific industry and region the government wants to ensure the system doesn't bar them from doing so. These may not be clusters as we think of them in the sense of San Diego or Boston but synergies can still be made. As long as the vast majority of the money remains focused on key clusters and top projects the system should be a success.

Concerning the recent initiatives like the Grand Emprunt and CSIS meeting in October, one can see that they are very focused on a few universities and institutes through France. The country has understood it is impossible to have 30 big universities in France all in the top 100 Shanghai Ranking. Therefore, I wouldn't say focus is a big issue to the composition of government funding initiatives.

You've mentioned that one of the first mandates of the pole was to improve public private partnership which has clearly faired well. As the scope broadens to include support of SMEs, how do you continue to foster an environment where all actors are interested?

I believe the interests of big and small industry are not divergent as big players will continue to remain invested locally as long as they find enough innovation within the region from startups and SMEs. It's like a food chain: the big guy eats whatever comes up from below nearly 100% of the time.

Prior to 2005, France was lacking coherency to the system but since this point there have been many initiatives to change the environment such as the young company status, reform of the research tax credit, creation of competitive clusters as well as the Agence Nationale de la Recherche to ensure funding is appropriately allocated. Additionally, several research foundations were started with the objective to bring fluidity and opportunities in the academic world while attracting top notch researchers. The universities have also been reformed and while still being far from structures like the US or the UK it is a big step in the right direction. All together these reforms have created an environment which fosters innovation, partnership and excellence.

Having said this, healthcare is not an industry that changes overnight and it will take several years to see the impact of these reforms. However, in terms of inputs the measures in place are pointed in the right direction. Up until 2005 I was very hard on France but today it is true to say that it is one

of the best places to do research both in terms of finance and science.

Part of being an international Biopole is bringing in international companies to take part in the region. While there is a storied history of French players in Lyon what is being done to bring in more international laboratories? What makes this region attractive for these labs?

It’s important to ensure that the labs that are here already continue to stay here which is something we have been able to do thus far. This isn’t a trivial feat because when a multinational group is looking a new investment, whether it’s R&D or manufacturing they look at the global possibilities. The fact that labs like BioMérieux, Sanofi Aventis and Becton Dickinson are further investing in the region is in itself a positive thing. Genzyme, who previously entered Lyon through acquisition, has made the decision to stay here with significant investment.

While it is still too early to say what impact we may have but in order to attract people you have to appeal to the very long list of criteria laboratories look at when making these decisions. This is a broad range from logistics to workforce to finances to even weather eventually. We need to focus on our traditions in bio manufacturing and capitalize on our several thousand scientists and even more general employees in the healthcare business that the region has to offer. In this regard, Lyon and Grenoble are very attractive for companies looking to grow as they know they will not be starved of talent.

Fiscally, there is little difference between Lyon and anywhere else in France but the number of research activities and academic centers offered is clearly a distinguishing quality. Between these offerings and the companies already here there is a critical mass of companies which certainly factors into the investment process.

I wouldn’t say it is completely unique on the global level but there is the additional aspect of market importance for companies to consider. Obviously, there is some relationship between the size of a market and the need a company has to be present in the territory. As France is the third largest pharmaceutical market, people have to consider it in their investment decisions.

Lyonbiopôle spends a lot of its time supporting the regions SMEs abroad as they cannot realistically spend their time or money going to international trade shows. We act on their behalf, specifically with first contact and lead generation, once we develop a qualified lead we then hand it over to companies to follow up on.

Attracting the attention of these international companies is largely done by investment agencies who we work in collaboration with, especially when they need to showcase the biopharmaceutical capacities of the region. All together, Lyon offers not only the hard capacities but all the soft capabilities as well to ensure that investment will continue to come in the future.

Concerning the promotion of SMEs internationally, is this mainly geared at attracting acquisitions and investments into local innovators or promoting them in international markets?

Its both really, we help some companies penetrate markets abroad and meeting local partners for their operations but the pole also searches for development partners that could end up as something more down the line. However, it's not up to us to determine what is either good or bad for SMEs and while we may garner interest for them abroad it's the CEOs decision in the end.

As you mentioned previously, the healthcare industry doesn't change overnight and it's too early to tell what the impact is for all of Lyonbiopôle's actions since inception. If we look a few years into the future, what characteristics would you need to see in the biopole to say that it has been a success?

Already, we have started to see a change in behavior toward collaboration in the community and materialization of our efforts with the Center for Infectiology which is nearly 18 months old. Of course this is only the beginning.We are also benchmarking our efforts against other centerslike the ones for systemic biology in Europe. There are a lot of worldwide initiatives in this field, such as Seattle, Shanghai & Stockholm but we really want to develop something significant here in Lyon. This means taking advantage of measures like the Grand Emprunt to develop a very ambitious project in the areas of personalized and preventative medicine.

There was a political decision to transform the southern portion of Lyon, Gerland, which is already the headquarters of Merial, Sanofi Pasteur and universities, into a biocampus named after Charles Mérieux. My hope is that in five years this campus will be highly visible at the global level and recognized for excellence and as a major platform for developing innovation in healthcare. This will require several hundred million Euros in investments which we hope to receive through the Grand Emprunt initiative.

A big part of developing a world recognized cluster is having the critical mass to attract people as the process is a bit like the chicken and the egg; if you ask people to come without anything to see then it really isn't worth the time. Grenoble is really well known in nanotechnology and today is becoming known as one of the top five centers in the world for this industry. When you arrive in the city you can physically see the impact of the sector where there is a huge, new campus. My hope is that Lyon will eventually be an equivalent in biotechnology.

If you had 30 seconds to pitch Lyonbiopôle; what differentiates this location and why should people be interested?

Lyonbiopôle is here to help SMEs grow, develop and invest by fostering innovation in the Lyon region. This means CEOs of these companies need to spend their time on leadership and

development while the biopole can help facilitate everything else. Today, these leaders are doing twenty jobs at the same time so the more we can do to help them focus on the long-term the better it will be for the region. This means financial support, raising awareness and accessing academic labs for further opportunities.

Just because we are local doesn’t mean we are foreign to everyone else, on the contrary, because we are exposed to so many others through our travels we are acutely aware of the worldwide competitions. It is our job to make sure we transfer this awareness back to the public bodies of Lyon and maintain the forward momentum for the biopharmaceutical industry.

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