Danny Liao – CEO, Skyla, Taiwan



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Danny Liao, CEO of Taiwanese diagnostics firm Skyla discusses the reason behind splitting from parent company Lite-On, the thinking behind a move from information technology (IT) into medical diagnostics and Skyla's partnering strategy among other areas.

Please introduce yourself, Skyla and your motivations for entering the healthcare sector?

Growing up, the majority of my generation were focused on working in the IT industry and I was no different in this respect. Subsequently, I founded a company called Lite-On IT (which in 2014 was merged into Lite-On), which was the parent company to Skyla. At one time I was the new business CEO of Lite-On tasked with working out the future of the organization, concerning current and future trends, the next business cycle or acquisitions and so on. At this time Taiwanese IT infrastructure had been squeezed tremendously, however, it was still one of the most competitive players in the world. It was because of this that I recognized an opportunity to leverage our Taiwanese infrastructure and create a new business area.

Skyla has been part of Lite-On for around six years, however, the nature of this business differs greatly from IT. This is why we decided to split Skyla from its parent organization Lite-On and spun off the company as an independent entity last year. Lite-On owns 60 percent of the shares in Skyla, and our employees own the other 40 percent. We want to enable our employees to thrive and

create a great business, therefore, I feel it is only right to give them a piece of the company they are helping to build.

How do you ensure Skyla is equipped with the right knowledge and expertise moving into the medical sector?

It is about transferring our expertise from the years of experience we have with the Lite-On Group in both technology and marketing. We are lucky to have some of the best teams in the technology and marketing field and are building a strong team of experienced industry professionals at Skyla as well.

From inception, marketing was a major concern for us, however, we have also realized that we are not trying to compete with more established companies in the sector such as Siemens or GE. This is why we have chosen to focus on the point-of-care testing niche. Furthermore, we believe that personal care could have a huge market potential within Taiwan and potentially be a field that Skyla can take advantage of in the coming years.

What is Skyla's current product offering and what opportunities do you see for diversification in the future?

We currently have two products: Skyla Hi and Skyla HB1. The Skyla HB1 Clinical Chemistry Analyzer provides clinical testing in laboratories, clinics, emergency centres and remote areas with a patient side diagnostic tool that is compact, portable and produces rapid test results. The portable design of the clinical chemistry analyzer utilizes precision photometric measurement technology, combined with the single-use disposable reagent discs. On the other hand, Skyla Hi an Immunoassay Analyzer is a user-friendly, multilingual, and intuitive portable device which provides fully automatic procedures to test fingerstick blood samples with few steps involved. Skyla Hi enables better access to testing and rapid clinical decision making, discussion, and implementation of optimized treatment.

Gradually we would like to have additional markers to create a more complete system for the market. Skyla is still a small company only operating in Taiwan, and it is our mission to work with larger partners who have innovative solutions but need help converting an idea into a finished product ready for mass production. We would like to cooperate with universities and research institutions that can provide these innovative ideas while we supply the commercialization

expertise. I believe we are a very unique company in Taiwan as the majority simply focus on IT. However, with Skyla, we have entered the biochemical space which makes us a fierce competitor in the market.

What is the strategy for Skyla on partnering, and do you believe Taiwan can develop its medical technology brand to become world-renowned?

The first step is to become fully independent as this is vital for our profitability. However, it would be great for us to eventually IPO or merge with a much larger known brand. We are approaching the break-even point in the company which is very positive as it can often take several years to achieve. Therefore, the outlook is certainly positive.

Companies have approached us to collaborate, however, we insist that we will stay loyal to our brand. For example, we have been approached by a very well-known company for co-branding but decided it was better at this point to continue building ourselves up. We have been working for many years on marketing Skyla, and have recently begun to witness the benefits of this. However, we would not rule out the possibility of collaborating with an international brand, via a co-branding strategy for further market development in the future.

We have created a strong brand image in China and when we attend exhibitions, people have already begun to remember the name Skyla, which is fantastic! China is a very interesting area for marketing as the potential is immense. However, the competition is vast while the quality and service offered by companies can be poor. Despite the challenges which may exist, we have decided to collaborate with local Chinese companies that own distribution channels and are looking to build up a long-term partnership through making them our agents in the China market.

Taiwan has many IT success stories but is now looking to find a new venture for success. Do you believe the recent government incentives for the biomedical industry have helped MedTech, or do you feel the sector has been pushed to one side in favor of biopharma?

Yes, I believe that biomedicine, including medical devices, can have a similar level of success as the IT industry. In ten years, I would not be surprised to see Skyla become famous in our area. Although the government is actively trying to promote the biopharma business from Taiwan to the international market, as a medical device company we occasionally receive incentives or support

from the government. However, it is only a small amount compared to the biotech or biopharma sectors. That being said, we can see the governments good intentions for the industry.

Having Lite-On as an internationally positioned company, to what extent does this help leverage your name recognition abroad, and how important is the 'made in Taiwan brand'.

Absolutely! For example, we often leverage Lite-On when connecting with new clients or collaborators as it is a much larger and more established brand. Once these companies understand the history of Lite-On they tend to feel more comfortable working with Skyla. This is a major advantage for us. With regards to 'made in Taiwan', there truly are no short cuts to achieve success. Taiwan medical devices stand for quality and innovation. This can only be done by taking the time to create an exceptionally designed product combined with great service.

Within the next five years, what are some of the goals you want to achieve for Skyla and what inspires you to wake up every morning to achieve these goals?

As aforementioned, my background is in tech, and I can easily say that I have found the medical device business to be a far more interesting challenge than IT. I am inspired by the process of learning, evolving and taking risks to gain the desired results!

Looking forward, I want to see the company become profitable while taking care of both my employees and shareholders. From a product perspective, I would like to see Skyla cooperating with exporters and have a new product launched on a global scale as a pioneer in Taiwanese medtech.

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