Joakim Nelson – CEO, Innovation Skåne, Sweden



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Aiming to maintain its position as one of the most innovative countries in the world, Sweden directs many efforts and resources to innovative projects. Innovation Skåne, a publicly owned company, is a prime example of taxpayer money being invested to improve the government's services and operations. CEO Joakim Nelson reveals why Skåne is a unique place in Sweden in terms of producing innovation and explains how the company helps transform local innovative ideas into solutions and successful commercial products.

How does Innovation Skåne contribute to the region's innovative landscape?

We are an independent company owned by the local government, which entails many responsibilities. Innovation Skåne focuses on two aspects: on one hand, we work on innovation coming from the industry; on the other, we work with the region's employees to improve the healthcare and transportation systems, which are operated by Region Skåne. That means that we are in a sweet spot, a unique position where we can bring in external innovation from startups, while also working internally with the public sector to develop their ideas and challenges as well, and we have our doors open for both. That is unique because you can often find great innovative ideas within the healthcare system, but the people developing them encounter many difficulties when handling external parties. Those companies might not be aware of the procurement process and the legal aspects and Innovation Skåne can act as an independent party to offer guidance, but we also act as a mediator between the public and private sectors. The real sweet spot comes when

we find an innovative startup idea coming from the industry, that solves a problem in the public healthcare system and at the same time enables initial business, potential growth and new jobs.

Operating as an independent company means we are in a privileged position because this gives us a high degree of freedom to try new things and push innovation forward.

What are the main areas in which Innovation Skåne works?

Innovation Skåne focuses on five areas for innovation: healthcare, mobility/transportation, smart materials, public lighting and food-tech. The interesting side of this is the interaction between them; they are not isolated areas. Taking public lighting as an example, we are currently installing new lights at one of the region's hospitals that will not only save energy but also impact the patients. Studies have revealed that certain types of lighting may shorten the time that pre-born children stay at the hospital, because their eyes are not fully developed.

Another great project we have, called HealthTech Nordic, includes more than 250 companies, of which 30 % are already selling internationally, and has created one of the largest communities of health-tech companies in the world. All of them are developing innovative products and services that could transform the industry. The problem is, as with any other company, it would have taken them a long time to bring these products to the market independently. That is where we help, we can help them find customers all over the world.

You mentioned that Innovation Skåne tests and develops ideas along with commercial companies in order to launch them to market. What are some products you have helped develop?

For example, we recently sold the rights for a device that can detect infections in wounds to Mölnlycke, a Swedish world-leading provider of single-use surgical and wound care products. The idea for the device came from two healthcare employees in Region Skåne and we developed the necessary biosensor technology. The potential of the product is incredible, it could play an important role in reducing prophylactically antibiotic use in wound treatment since the wound dressing doesn't need to be removed to check for infections but can detect infections and alert caregivers that the wound needs attention.

This is one of many innovative ideas that we help develop, and the process is pretty straight-forward where we first assess the quality of the idea, then search if there already exists a solution on the market, and finally we may develop the idea together with the inventor. In this case, together with the talented employees of the region, we found a solution for a problem, developed it, filed a patent and began negotiations with several companies. It's important to know that Region Skåne employs around 35,000 people, and their ideas are sent to us to evaluate if these ideas can solve a significant problem, and if they have commercial potential. This is a win-win situation. Note that just a rather small number of the ideas comes all the way through the funnel and are commercialized.

Is the option of asking for Innovation Skåne's help limited to the local government employees?

We work with employee ideas, so yes, it must be an employee of the Region. The rationale behind it is that, first, we are owned by the region, and second, because legally any projects developed during your work belong to the employer as well, which is the standard in many countries. The way the process is set up here is that the project belongs to Region Skåne and they sign it over to us. Typically, the objective is to implement the innovations to improve the services provided by the administration. Quite many of our projects are related to a demand to change a healthcare process, for example, to improve access to maternity or mental care. In these projects, we typically act as innovation leaders and support the organization to implement the change.

In terms of economic growth, Region Skåne's Gross Regional Product increased by 43 percent between 2000-2017, compared to Denmark's 21 percent. Why do you think the region has been so successful in terms of economic development?

I have spent 30 years working in the telecom industry, so I am relatively new to the public sector, but I believe that telecom knowledge is also applicable to the life science industry. If you look at the mobile industry, not a long time ago, Nokia was by far the biggest handset manufacturer in the world, Sony Ericsson was big, and you also found Siemens and other big European players. Then, after Apple and many Asian companies entered the market, everything changed. Today, you can say that the only remaining players in the mobile handset market are located in Sweden and Finland; everything else is gone in Europe.

Why is that relevant to the local life science industry, you might ask. Well, because now everybody talks about the internet of things (IOT), 5G and the importance of connectivity. However, in order to be successful in those highly innovative areas, you need a high-skilled workforce. Keep in mind that SonyEricsson and Ericsson had close to 6,000 employees working here but several of these are now employed in other companies and industries. Moreover, Bluetooth, for example, was invented in Lund by Ericsson engineers.

That is why so many large companies like Volvo and Apple have come here, they understand that the region has incredible talent that was underused. That knowledge went to the healthcare industry, as well. So now, we have great imaging companies like Axis Communications, which has its headquarters in Lund, employing over 2,000 people. Axis is interesting because there is a strong connection between imaging and artificial intelligence. This type of knowledge combined with wireless knowhow may have unlimited potential within the healthcare industry.,

How does this talented yet available workforce translate into actual innovation?

First of all, the potential in Skåne is unique; you cannot find it anywhere else in Sweden. We are part of Medicon Valley and have a bridge that connects us to Denmark and its big pharmaceutical companies. You can find that mixture in certain places like Silicon Valley, China, Japan or South Korea, but there are very few places like this in Europe. Our workforce’s competence translates into gains in every industry. That is one of the reasons behind the innovative capabilities of Skåne, while another reason is the heavy investments in world-leading research facilities like the MAX IV Laboratory and the European Spallation Source (ESS). Their discoveries will be relevant for every single hardware related industry globally.

Sweden consistently ranks top three worldwide in innovation rankings. What is the key to that success?

There may be several aspects to that. First, the management style in Sweden allows people to work in a non-hierarchical way, which provides a high degree of freedom to propose and try different ideas. Second, we are well-equipped for new challenges thanks to our software and new technologies knowledge. A third element is the size of the home market; with just over ten million people, the need to export and go beyond our international borders has always given us an edge. Swedes are forced to think globally when they search for new products and ideas. Being open to

the world means attending to demands from many different markets, not just our own.

What are the most important things you have learned in your career and how are you implementing them in your position as CEO of Innovation Skåne?

I have learned that in order to make a real impact, you have to actually do something, show real cases, real products, not only talk about possible scenarios. Innovation Skåne is in a unique place to create real prototypes and run projects. We cannot take the final decision as to which products or projects have to be implemented, but we are the bridge between public and private innovation. Our mission is not just to be a paper organization, doing PowerPoint presentations and producing documents describing what should be done, but physically creating products that can be seen and used. Seeing is believing and that is the beauty of being an independent company.

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