

Interview: Jan Pelle & Mariëtte van der Velden-Roesink • Managing Director & Senior Investment Manager, Brabant Development Agency (BOM), The Netherlands



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Jan Pelle (JP) and Mariëtte van der Velden-Roesink (MDR) of the Brabant Development Agency (BOM) explain how they strive to offer a "red-carpet treatment" to foreign investors and local companies to ultimately strengthen a life sciences eco-system based on open innovation and interdisciplinarity.

Jan Pelle



Mariëtte van der Velden-Roesink

As an introduction to our international readers, could you please give us a brief outline of the Brabant Development Agency: the territory you cover, your missions and main mandates?

JP: As a regional development agency, we are obviously particularly focused on fostering a sustainable economic development for the Brabant region. Our competencies revolve around four key pillars: venture capital, business development, foreign investments, industrial site operations and energy-related investments. This broad range of expertise allows us to be extremely helpful on very

precise matters and disciplines, but our overall objective remains to propose an integrated offer to companies that would like to settle or deepen their activities in the province. As a matter of fact, partnering with BOM doesn't imply only dealing with a specific department, but truly cooperating with a fully integrated partner that strives to offer a "red-carpet treatment" to investors.

At any industrial level in general and for the medtech and chemicals sectors particularly, the Brabant region historically stands as the most important manufacturing hub in the Netherlands. This tradition is also increasingly reflected in the pharmaceutical industry, with both big pharmaceutical companies like MSD and their manufacturing plant for biotech products, and local CMOs, like ChemConnection.

Our main goal is to achieve sustainable development, meaning that we also strongly focus on the most innovative industries as a leverage to create jobs in the region. Brabant is one of the European hubs for smart solutions, and, for instance, BOM particularly looks to favor the interplay between the life sciences and the high-technology industries, which are among our main strategic pillars for the region's development towards Brabant's region of Smart Health

How precisely are you fostering this collaboration between the life sciences and the high-technology industries?

MDR: For instance, at the High-Tech Campus in Eindhoven, the Holst Institute gathers within its walls cutting-edge high-tech expertise and know-how, and we extensively collaborate with them to see if companies could benefit from their proprietary technologies (such as wearable sensors) as external parties. We really are the middleman that could ease cooperation between companies and research institutes to partner in order to address company's needs more quickly. Furthermore, e-health and data management – meeting the trend for personalised medicine with specialised SMEs – are among the most promising areas of development for the future, and we want to ensure the region will become one of the top European players in these fields by optimizing the cooperation between the different stakeholders that are already present in the area.

JP: As a development agency, we concentrate our efforts on two main objectives. Firstly, at a broader level, we want to strengthen the whole Brabant eco-system and the collaboration between different activity sectors, such as the life sciences and high-technology industries. Secondly, we strive to strengthen companies at their core by directly supporting them with our integrated offering, which relies upon a whole team of specialists that are fully dedicated to this mission.

In 2014, Brabant was declared the favorite base for foreign companies which invested €-154.2 million in the province and created 1,624 new jobs. BOM also directly invests as a Venture Capitalist in companies. What is the significance of the healthcare industry among these investments?

MDR: Our investment portfolio really reflects the strategic importance of the healthcare industry for the region, as more than 30% of our investment portfolio is related to healthcare!

MDR: This industry requires very important early-stage investments to develop medicines and medtech products. Perhaps more than other high-value industries, healthcare companies need significant funding to really reach the critical size that will allow the company to bring their products to the market, and, at the end of the day, to create jobs, either on the research or manufacturing side. In this vein, we are particularly engaged in pre-site and site investment to help these companies with facilities required to realize their ambition.

Even if it can appear quite risky to invest in early-stage healthcare companies, we reduce this uncertainty by associating public funding with private investments from strategic private VC. Finally, we can also rely on a very strong network of key opinion leaders (KOL), who help us to review the

companies we would consider to invest in. Our extensive business network directly supports and accompanies our local entrepreneurs by providing them with decisive guidance, particularly in the very beginning of the company's life.

JP: We are a public development agency, so our objectives are obviously of public interest. Nevertheless, as we want to foster regional development, we thus have to be ready to take some risks, which can be partly mitigated thanks to the incredible knowledge of our in-house specialists.

Even if funding issues represent a large share of our support activities to companies and foreign investors, we also consider many other aspects in our efforts to help our partners. We really adopt a challenge-centered approach, by firstly identifying hand-in-hand with the companies what specific issues they are facing. Then, our job is to ensure this issue can be solved; whatever the concerns that arise! We are here to address the challenges that prevent our entrepreneurs from sleeping at night!

Offering concrete investment opportunities is probably what differentiates us from many other regional development agencies, but, on the other hand, offering a broad range of services that goes far beyond the investment side is what truly makes the difference between a "basic" investment agency and a true "development agency", as BOM is.

MDR: Companies that call on us don't only request funding, and we strive to offer them the smart capital that will help them to thrive.

What initiatives are you engaged in to promote both the Brabant area and BOM's activities at international level?

JP: Our main partner on this side is obviously the Netherlands Foreign Investment Agency, which is basically the eyes and the ears of BOM abroad. We are constantly working hand-in-hand with this agency, and they have developed a very dense network in some strategic geographies, like in the United States or China. Secondly, we can also rely on our own sector specific network to find new investment opportunities, while our own specialists and investment managers are also particularly geography-oriented in their prospecting activities.

Nevertheless, Dutch development agencies still need to strengthen their collaboration. We currently see for instance a great momentum in the Leiden and Nijmegen areas for the healthcare industry, but all Dutch development agencies should offer a common value proposition to all companies and investors, to first ensure they will settle their activities in the country. Prior to highlighting the local specificities of Eindhoven, Leiden or Amsterdam, we should unify our efforts to showcase that the Netherlands displays one of the highest rankings in the world in scientific and clinical publications, and offers high quality clinical trials by key opinion leaders and the human capital they are actively looking for.

From our interviews, many of the Dutch seem quite despondent about the loss of the national pharma champion with the acquisition of Organon by Schering Plough (after 2012 MSD). However, when we spoke with Mirjam Mol, Director of Pivot Park (a campus for open innovation in the life sciences industry, targeting start-ups and existing companies), she highlighted the fact that, from this acquisition there have been many success stories including Pivot Park itself, BioNovion and Acerta Pharma among many other examples. What is your assessment of the true impact of this acquisition?

MDR: A couple of years ago, MSD indeed acquired Organon, and notably decided to divest their Research and Development facility in Oss, a city in the Brabant area. Nevertheless, we decided to quickly accept this new reality instead of wasting energy in a losing battle, and we concentrated our

efforts on the necessary investments that would build up a brighter future, based on a brand new entrepreneurial culture. We have been able, as a region, to organize resilience, even if this divestment decision was clearly a disaster at both local and national levels.

MDR: Finally, what is particularly unique in our recent local history is that this entrepreneurial culture, which is now our main growth driver, originally came from the corporate side and spread from Organon's walls.

Looking forward, what are some of the key milestones that you would like to have achieved in the region in terms of the life sciences sector?

JP: We are obviously considering and actively screening new investments that would further enrich our community. With more than 35 companies launched and 350 jobs created in recent years, we can already be proud of our recent achievements at Pivot Park. The next step will be to develop and to expand an open life-sciences community in relationship with initiatives at the High Tech Campus and the TU/e in Eindhoven, based on new cutting-edge facilities and innovative business development initiatives. We have a very large and skilled human capital available in the Brabant region, and I think it will be our main asset to achieve further growth in the upcoming years.

MDR: Our primary target also obviously remains to strengthen our local healthcare eco-system and to ensure that our local population can benefit from these investments both at the health and economic levels.

JP: We are building a world-class and thriving healthcare eco-system in our region, and we can help any company from anywhere in the world to find its place within it through a win-win partnership, which will both enrich the region and offer game-changing opportunities to the concerned companies. Companies that are ready to go further than the old innovation pathway should knock on our door: in Brabant, we are building a life sciences family based on open innovation and knowledge sharing!

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