

Benchmarking Growth, the Currency of Entrepreneurs

A businesswoman's lens on Europe and healthcare

By James O. Grundvig

September 22, 2012

The euro crisis and global economic downturn of the past four years have slashed venture capital investing in Europe by 41 percent in 2012 versus the same period last year, according to the Dow Jones. In this climate, what are European entrepreneurs to do?

Take out a mortgage on their house.

Carla Kikken-Jussen, CEO and founder of MediTech Strategic Consultants, BV, did just that in 2000.

"It is very motivating, I can assure you," she said. "If someone in the U.S. has an idea and wants to start a company, they look at angels and later VCs. I do not see that structure that much here."

While the U.S. provides more funding opportunities, the one driver that remains constant is the need to measure progress or growth for a new venture. Without clear metrics, it's unlikely that the venture will launch and reach orbit, let alone stay up there. Although user traction has worked in fueling the social media boom, it has also worked against the once high-flying startups in Digg, Zynga, Groupon, and Facebook.

Women in Business

What does it take to be successful and build sustainable value? For Ms. Kikken-Jussen, who has more than 25 years of experience in the medical device industry, it takes more than motivation and domain-specific knowledge. Vision helps, fueled by perseverance. Women, in general, have this harmony encoded in their DNA.

So why aren't women more visible in business today?

"Unfortunately, I still do not see a lot of women in the business world here in Europe. When I travel, I hardly see other businesswomen in planes or hotels. A lot of times, I am the only one, which still amazes me because I know there is so much talent around," Ms. Kikken-Jussen said. "What I do see is that once women have children, there might not be sufficient support to further encourage them to keep working full-time and build further on their careers. It just seems difficult to combine in a lot of countries."

As the first woman to be awarded the Entrepreneur of the Year in 2008 by the Rabobank Demarrage and the 2010 Best Woman Entrepreneur by the Dutch Federation of Businesswomen, Carla Kikken-Jussen understands the challenges facing startup founders.

Besides covering medical device research and European Regulatory Affairs, Ms. Kikken-Jussen works with the three Technical Committees and Working Groups in the European Commission: CEN-TC-316 “Animal tissues and their derivatives utilized in the manufacture of medical devices,” CEN-BT-WG 132 “Methods for analysis of Allergens,” and NEN-301-007 “Quality Systems for Body Materials.”

Winning the Rabobank Demarrage Award has crystalized her journey as an entrepreneur. She explained in an email interview:

“Rabobank approached me when there were three candidates left. We had to present in front of a big audience, mostly telling about ourselves, some about our companies. So I led off where my career, which started in 1973 as a secretary at a law office in Heerlen, the Netherlands. The same lawyer was in the audience that night, which meant a lot to me. He has been a great mentor ever since. That starting point was probably something that a lot of women in the audience could relate to, I got so much positive feedback from them later on that they were now going to consider to start a company or make a career change.”

Creating Sustainable Value

For Ms. Kikken-Jussen, creating sustainable value requires bridging American companies to grow their businesses in European markets in the healthcare sector by helping them navigate the intricacies of the EU laws and regulatory commissions in each country.

MediTech offers a range of services, from clinical consulting and monitoring, to regulatory consulting and clinical trial device distribution and traceability that covers more than eighteen specialty therapeutic areas in medical devices and combination products (i.e. drug-eluting stents). The company recently opened an office in the world-renowned Texas Medical Center in Houston, TX.

Ms. Kikken-Jussen was also appointed as an Advisor to the Board of Directors of the New York City-based Greenhills Ventures (GHV), LLC wealth management and venture capital funds. GHV Wealth Management Holdings, LLC (est. 2002), provides an “alternate investment platform” for wealthy private clients, and GHV Fund, LP uses an Earned Value Milestone (EVM) investment approach as part of their structure in order to increase the enterprise values in those companies by building fiscal discipline, quantifiable metric driven performance, increased enterprise valuations which reward the founders, company and shareholders for the performance.

From Europe to the Greenhills of New York City

In reaching out to Greenhills Ventures, Managing Director Emanuel Martinez explained that the “EVM investment approach, which GreenHills uses, is specific to privately held companies and early stage public companies whereby the enterprise values are very difficult to price or measure. By utilizing their tranche investments into smaller sums of the total committed investment we are able to obtain a higher enterprise value in the companies we invest in and an attractive IRR (“Internal Rate of Return”) within a relatively shorter period of time compared to the harvest period experienced with traditional venture-backed companies.”

In essence, GHV Fund LP seeks to invest \$1-5 million in early stage companies, some of them in the healthcare technology and medical device companies, with perceived enterprise valuations of \$5-10 million and above.

More than a year ago, Mr. Martinez met Ms. Kikken-Jussen at a NYC medical device conference. Her keynote speech educated the audience on the “advantages for medical device companies to

explore the CE Mark route in parallel to FDA initiatives,” recalled Mr. Martinez. “In fact, we have been saying the same thing for over three years due to the often protracted and very expensive nature of the FDA regulatory process. Our discussions following her presentation made it apparent we needed to work closely together.”

Interview with Ms. Kikken-Jussen

James Grundvig (JG): With your deep experience in the medical device field, how have you seen that industry grow in Europe?

Carla Kikken-Jussen (CKJ): We mainly focus on the US market. Most of our clients are U.S. companies, medical device manufacturers, and almost all of them are startups in different phases of R&D. I see growth in Europe for sure, more in the subcontractor part though, manufacturing parts to be used in end products. There are subsidiaries of the big medical device companies here, too.

JG: With all the awards you received, what has been one of your prouder moments as an entrepreneur?

CKJ: A year after I started the company, 9/11 happens. The event definitely caused much slower growth, than what I had anticipated. Funding got much slower for at least 18 months, less companies were coming/traveling to Europe. Which in a way for us was not a bad thing after all, because I told clients that, with us being in Europe, they wouldn’t need to travel as much to Europe themselves.

JG: With your recent appointment to the Board of Advisors at Greenhills Ventures, how do you see your role as a medical device specialist to help steer the fund in making the right selections in backing emerging companies and technologies?

CKJ: I see my role as giving a realistic picture of what can be expected from an EU regulatory perspective and related timelines to market.

In asking Ms. Kikken-Jussen to peer into the future of healthcare, she replied, “What I have started to see in the last two years, and still increasingly, is a main focus on therapeutic areas where a lot of patients are from the whole baby boom (now called the silver) generation. That includes areas such as cardio and cardiovascular, ophthalmology, spine, and orthopedic. And because of that upcoming patient group, these areas are very interesting for investment.”

James O. Grundvig is a freelance writer and columnist based in New York. He is a frequent contributor for The Epoch Times. For information about MediTech Strategic Consultants B.V. visit <http://www.meditech.nl/>, and for GreenHills Ventures visit <http://www.greenhillsventures.com/>

About GreenHills Ventures

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