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Hindsight 20/20: Ian Gilham

by Tina Tan

Hindsight 20/20 is a Q&A feature where medtech industry veterans share their long experience taking diverse businesses – be they start-ups or publicly-listed entities – from strength to strength and navigating through times of crises. In this instalment, Ian Gilham, the former CEO of Anglo-Nordic IVD company Axis-Shield who oversaw its acquisition by Alere, discusses what to look out for should you find yourself with an acquisition offer on the table and why the success of a business boils down to the team – not the individual – running it.

With a PhD in Biological Sciences, Ian Gilham started his career as a bench scientist but soon made the transition to commercial roles within the in vitro diagnostics sector, working for established names such as Abbott and GSK. The turn of the millennium marked a significant milestone when he joined Anglo-Nordic IVD firm, Axis-Shield, in 2001 as chief operating officer then took the helm seven years later. As CEO, he oversaw the acquisition of Axis-Shield by [Alere Inc.](#) in 2011. (Also see "[Alere finally bags Axis-Shield with slightly increased offer](#)" - Medtech Insight, 6 Oct, 2011.)

Following the acquisition, Gilham has been sharing his experience and knowledge with several diagnostics and biotech companies and is currently chairman of [Horizon Discovery Group PLC](#), BioSurfit, genedrive and Multiplicom.

Q Medtech Insight: You come from a scientific background but managed to successfully expand into senior executive roles that focus on commercial growth. What advice would you give to founders of start-ups who have more scientific/academic, rather than commercial, backgrounds to help them grow their “baby”?

A Ian Gilham: The key thing is to get a network of people who have done it properly to

give you feedback. One of the keys to a company's success is knowing when a different skill-set is needed. People are good at different phases of the business and somebody who runs a \$1bn-market cap company may not be someone who would ever sit in a garage with a computer and £5,000 and start a business. It's not very often where you have people who can transition to that later commercial stage – it's very, very rare and often that problem is recognized too late and businesses get into trouble without the correct leadership.

I think that's where the board comes in; having an independent board and a chairman who have done it before and can take the steps to renew the management team and get the right skills set in.



"The success of a company is not so much about the technology itself but the quality of people who deliver that technology."

Q You made that transition, though. Where in your career, would you say, was the turning point for you that allowed you to make the switch and take on a more commercial/operational role?

A Gilham: I started doing my PhD in immunoassays and I started at Celltech, did a few years there in the labs then went to Amersham, who, scientifically, was the world leader in diagnostics at that stage. I was a bench scientist but I really wanted to do something different, get some commercial experience and I found that quite difficult, frankly, at Amersham, because people moved in very definite career paths and it was very hard to move between them.

So I got a position in Abbott Labs, then the world leader in commercial diagnostics, in technology licensing and acquisition, which bridged the gap between science and business. In tech licensing and acquisitions, you really get into patent acquisitions, understanding the IP, the strengths and weaknesses, prior art, etc. I really got a good

grounding in IP [in that role], and it is important to understand this in a high-tech sector, as a lot of the value of the company is in the IP estate.

I really enjoyed the commercial side of technology acquisition and licensing and then moved on to a pure commercial role and ran Abbott's eastern European business. Abbott was a great business school generally; I learnt very quickly about country organization, finances, business planning, all that.

Q Financing is always an issue for companies, especially start-ups and SMEs with limited resources. In which area(s) would you advise companies absolutely not to skimp on with the budget and why?

A Gilham: As I said, IP is very important so you would want to invest in protecting it. But it's not just about owning the IP but understanding what IP you might be treading on with your product. Frankly, when you come to raising money, if you haven't done the due diligence on the IP yourself, the investors will do it and you'll find out the hard way that you have an IP problem or your competitors are ahead of that.

Invest in a strong team and a strong board. Having people who understand special areas, who you can go to and get advice is absolutely critical. You need to recognize you can't do it all yourself and that you need to get the best IP people, the best finance people, the best commercial people you can afford to bring them in or have them consulting to help you build a strong business. And it's not just advice: with those kinds of people on board, you are much more likely to get funding. Because you have a very strong business case and tested it against people who have done it before.

Q As CEO of Axis-Shield, you led the acquisition of the company by Alere and now you are chair of a number of start-ups which, in all likelihood, are hoping for a trade sale exit. What advice would you give to venture-backed start-ups or more mature publicly-listed companies who are being approached by potential acquirers? Are there any attributes to look out for in an ideal suitor – or is it all about the money?

A Gilham: The biggest thing people do not take into account when considering an acquisition proposal is the objectives of their investors. Sometimes, founders of companies fail to understand that when they bring investors in, they don't own the company anymore. And it's the investors who will decide what a good offer is. So the first thing is to be aware of who you bring in as an investor and what their objectives are.

There might be those who are thinking that if they can sell the company and get X times more money in two years, they'll be thrilled. While there are others who might think this is a 10-year project for them, that they want to invest money in the company, make acquisitions, grow the business, set up offices in the US or in China, etc. So they want to invest in a longer period of time to get an outcome.

If you get an offer from somebody who says they want to offer so much, you as the founder might have views on that but ultimately the market/investors will decide what a good price is. You are not the decision-maker.

Q If you had to put together a dream team to help you take your company's disruptive, white space-targeting technology from bench to market, what attributes/skills/expertise would you be looking to recruit?

A Gilham: One of the key things is to build that support network by hiring people who have been very successful in their area, whether its commercial or regulatory or clinical. Not just those who have had a positive experience but also who have made

3 in 30: Three quick-fire questions in 30 seconds

What do you do to help unwind from the stresses of your job?

I enjoy sport and am a member of the Great Britain age-group triathlon team.

Who, outside the medtech industry, do you see as a role model and why?

[Double Olympic champion triathlete] Alistair Brownlee – humble and dedicated with an unbelievable focus on achieving his goals and being the best athlete he can possibly be.

mistakes and learnt from it and can advise the team not to make those same mistakes.

It's critical to build as strong a team as possible and use that network.

There is a feeling that to be a CEO of a business, you need to be fiercely independent and successful and visionary; most

people aren't like that and the good news is, you don't have to be. There are plenty of good people out there with a lot of experience and you can learn from it.

In terms of which functions to focus on more than others, all the functions are important. You'd need R&D expertise to manage the product development process, a regulatory person to oversee the requirements for registering the product in different markets, a commercial person to assess how you would want to sell the product whether to go direct or through a distributor, and then there is also the reimbursement aspects, how to get your product reimbursed, whether that is a one-year project or ten-year project. You would need all of those functions filled all the time, but the balance shifts as the company goes through the different phases of growth. It's important to understand which phase you're at and thinking ahead, and getting the resources to be prepared for that phase.

We learnt this lesson when Axis-Shield was plan to launch a point-of-care blood testing instrument in the US. In the early days, we would hire people from Europe to head a US operation and then have them spend one week in the US and one week back. This didn't work out for this product launch and we got it wrong twice. The third time, we got a VP of sales who was actually based in the US; it was a very expensive hire, but what I learnt was sometimes you need to bite the bullet and spend the money, because you're learning about the market and you need their knowledge. It's the same in China. We had an office in China and at first, we were running it from Europe but when we finally got a local to oversee the business there, suddenly we got

If you weren't a medtech executive, what would have been your career Plan B?

I'd probably like to be a medical doctor. Can't think of anything more satisfying than helping to make sick people well – which is probably why I'm so passionate about the medtech industry.

product registration, suddenly we got sales, suddenly we understood the market.

So, at the appropriate phase of the business, you need to be prepared to invest properly in the right person.

Q Do you want to share with us another experience of a particular crisis that a company you were managing/or on the board of had encountered and a) if it did overcome this crisis, how was it done, and b) if it didn't succeed in overcoming it, what would you have done differently?

A Gilham: There was a point when Axis-Shield had some field performance problems with a product which required fixing. We had some serious trouble shooting to do and so it comes back to having a really good management team with the experience and who have seen this before and knew what to do. The team we had was very proactive. We promptly informed the FDA, we spoke to the customers and that, frankly saved the business, because we were able to fix the problem without losing customers and too much negative publicity.

All companies run into problems – whether it's a product problem, a manufacturing problem, or competitor problem – but it's what you do about it that matters. It's about putting your heads together during a crisis and having an experienced team that knows what to do so there is minimal impact on the business. You learn from that and you put new quality controls in place so it doesn't happen again.

Ultimately, it's about people. The success of a company is not so much about the technology itself but the quality of people who deliver that technology. It's all about the team you put in place, the support and the advice you get, recognizing when business is transforming from one phase to another and realizing the different skillsets you might need then and when you might need to refresh the team again.

From the editors of Clinica