

PERSPECTIVE



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The world of academic health centers has rapidly expanded from the relatively isolated ivory towers of the 1950s to robust institutions with strong external foci. As 21st century medicine evolves, it is clear that entrepreneurship and relations with the private sector will

play an increasingly important role. The reasons for this are obvious: excitement around the nexus of science, technology, artificial intelligence, and healthcare; the growing role of venture capital in the healthcare field; and the potential for significant rewards for successful products, both in financial return and improved health.

An important perspective to consider in this regard has been the opening up of the “guild of medicine” to outside forces. By this, I mean that what was once the exclusive domain of those in the health professions is now accessible to entrepreneurs in other fields. Some decry this trend as a “loss of control,” while others see it as an inevitable accompaniment of scientific, technologic, and economic changes. Regardless, academic health centers must increasingly position themselves to take advantage of this trend—or risk being bypassed to some extent by the private sector.

This issue of *Leadership Perspectives* is timely in that it focuses on the importance of the growing relationship between the private sector and the academic health center. Michael F. Collins, MD of the University of Massachusetts Medical School offers several important caveats: the critical need to have experts on staff in the area of entrepreneurial activities, the willingness to take some risk, and to work at the pace of the entrepreneurship that one chooses to create. Paul B. Rothman, MD describes a broad array of institution-based initiatives at The Johns Hopkins University. He makes several important points, including the need to focus on the people at the institution and to be sure that each entity is at the level of the institutional brand and fulfills the institution’s mission. A. Eugene Washington, MD at Duke University notes the importance of a focus on people, the nurturing of the institutional environment, and the need for entrepreneurship education. He puts forth the compelling rationale that entrepreneurship advances science and research and encourages people to excel.

For those steeped in traditional academe, working with the private sector may not be well understood or appreciated. Rather than view entrepreneurial activities as mainly efforts to capture additional financial resources, they are better viewed as appropriate responses to the world of 21st century medicine: good for faculty, good for patients, and ultimately good for society. In this context, academic health centers need to take advantage of the synergy arising from their unique positions as the best organizations with the ability to align academics and patient care.

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LEADERSHIP PERSPECTIVES

The Role of Entrepreneurship and the Private Sector in Academic Health Centers



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Today, it is incumbent upon academic health centers to find new ways to generate revenue. Given the innovative ideology, if you will, of the faculty and staff who populate our institutions, it seems natural to turn to entrepreneurial activity as a channel for those additional revenue streams.

One such entrepreneurial activity is Commonwealth Medicine, the healthcare consulting division of UMass Medical School. Using academic research and collaborative practice to make evidence-based recommendations, Commonwealth Medicine helps government agencies, nonprofits, and managed care organizations meet today's healthcare challenges. Tapping our staff's technical expertise, the activities of Commonwealth Medicine produce a modest margin that serves as an additional source of revenue for the medical school.

Our talented colleagues are making leading-edge discoveries and creating intellectual property. To help leverage their expertise—and, more broadly, to promote the entrepreneurial spirit that exists on our campus—we created a new office focused on innovation and business development. To lead this strategic area, we recruited a PhD-trained and highly experienced life sciences venture capitalist, who, in short order, has begun to transform our partnering ecosystem. One of his primary responsibilities is collaborating with faculty and staff to package their ideas in ways that will attract interest among potential partners.

One key lesson from our experience is that it is critical to have experts on staff for whom entrepreneurial activities are a full-time focus. We have worked intentionally to create that level of expertise within our top management to recruit top talent and to integrate what they do with the rest of the university. Equally important is working at the same pace as entrepreneurship. A university's traditional policies and procedures often do not move fast enough. Accordingly, we have had to learn how to be more nimble and to educate the university constituency and leadership about what we're doing and why.

The nature of entrepreneurs is to take risks. If seven or eight of the ten activities we undertake work out, that's fantastic. If two or three of them don't work out, we fix them or move on. But, we are no longer wondering whether we could have succeeded. Instead, we are moving forward to find out for ourselves.

We have such outstanding folks on our faculty and staff. Enabling them to take their ideas and innovations to fruition and helping them understand how true entrepreneurship can work—that's really at the leading edge.



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While many people conceptualize entrepreneurship in a financial or transactional sense, we take a broader view. For us, it refers to a spirit of solution-seeking, and we spend a lot of time thinking about how we can assist with entrepreneurial ambitions. Many of our faculty and students hope to translate their discoveries into therapeutics or diagnostics that can provide solutions for medical needs and benefit human health, and our role is to consider how best we can facilitate that activity.

Several years ago, I collaborated with Ronald Daniels, the president of The Johns Hopkins University, to create a task force to explore how we could best accelerate entrepreneurial activity on our campuses. One category of initiatives focuses on supporting individual inventors. For example, we created FastForward, an accelerator, or innovation hub, which serves as a catalyst for the advancement and commercialization of innovations. Our goal was to create a one-stop shop where the entrepreneurs among our students, residents, and faculty can get the support they need to move their ideas forward.

We also have a broad array of institutional partnerships and business initiatives aimed at finding innovative solutions to health-related problems around the globe. We have a large international division through which we either run, manage, or consult on international health systems in more than 20 countries. Through an agreement with Imec, a Belgian government-sponsored company, we are consulting in the development of healthcare-related IT platforms, such as early diagnostics. We also have a large initiative that works with companies, such as PepsiCo, in the area of occupational health.

These experiences have been instructive. For example, rather than undertake projects primarily for their potential monetary return, we have found it more productive to focus on ventures that help us fulfill our mission to improve the health of the global community.

Another lesson is to vet potential partners thoroughly. We have found that not doing this can lead to a mismatch in goals.

Given that many people want to work with our institution, we take pains to ensure that new collaborations will not overtax our already extremely busy upper management team. And of course, we need to guarantee that the level of quality of every entity that associates with us is on par with the Hopkins brand.



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The Johns Hopkins University

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Based on my experience as a leader at three institutions where entrepreneurial activity has been vitally important, I believe that several factors are both common and essential to successful entrepreneurial ventures.

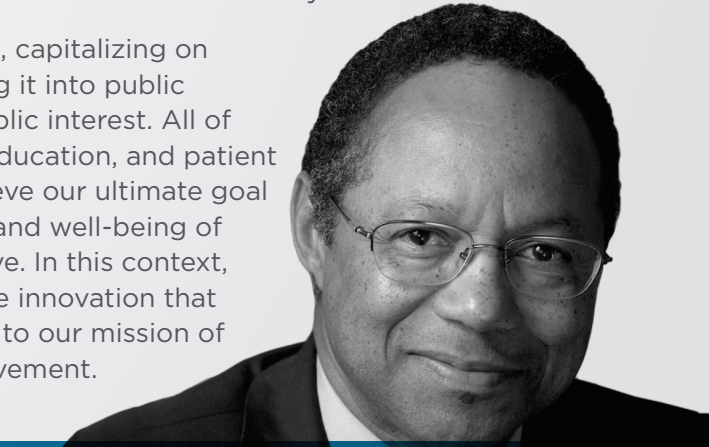
The first is a focus on people. Successful entrepreneurship needs to be driven by creative and, at times, unconventional thinkers who have the insight to solve problems and create solutions in new and different ways. Institutional leaders need to recruit and retain individuals with these qualities and skills.

The second requisite is that the institutional environment and culture must support entrepreneurship. Entrepreneurship is successful at institutions that have an entrepreneurial ecosystem. Their infrastructure supports and nurtures entrepreneurship. Their policies, procedures, and governance structures facilitate (and do not hinder) entrepreneurial ventures. Innovative organizations break down barriers to creativity by linking those with vision and energy to the resources necessary to expeditiously move ideas from discovery to applicability and, eventually, to public benefit.

A third necessity is entrepreneurship education—for faculty and staff at all levels. For example, many faculty members are superb investigators in terms of scientific discovery, but they may not view their work as a primer for invention or innovation. We need to intentionally augment their innate talents with the knowledge and skills necessary to be successful entrepreneurs.

Institutions may enter into entrepreneurial activities with an expectation that they will produce significant new revenues. While monetary gain is a valid consideration—as many entrepreneurial ventures do reap financial awards—it should not be the only objective. A more compelling reason to nurture entrepreneurship is that it advances the research that takes place at our institutions. The entrepreneurial drive provides an impetus that helps us develop our talent and encourage people to excel, which in turn strengthens the overall scientific community.

By cultivating excellence, capitalizing on discovery, and translating it into public benefit, we serve the public interest. All of what we do—research, education, and patient care—are means to achieve our ultimate goal of improving the health and well-being of the communities we serve. In this context, entrepreneurship and the innovation that arises from it are central to our mission of population health improvement.



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