

NEIBC Overview: October 18-19: Mark Dallmeyer

Nobel Prize Laureate, Aaron Ciechonover, was the highlight of the New England-Israeli Business Council (NEIBC) and the 2010 Life Sciences Summit at Brandeis University this year. Brandeis has a historic focus on Israeli-American relations and is, no doubt, the ideal location in New England for the first meeting of people involved with American success and Israeli innovation. Israel is the world's economic Miracle as highlighted in the book "Start Up Nation" by authors Dan Senor and Saul Singer. The Israeli miracle is also a well known fact in Jewish-American communities around the world. Israel produces innovation research and development beyond any other economic environment. In 2010, the NEIBC invited a powerful 12 member group from Israel to present their most amazing medical discoveries, including the trials and tribulations of investment criteria in America today. One major difficulty still remains. It is the uphill battle faced by most international companies looking to do business in America today. It is the American trend for short term investment in a long-term economy. International investment in a short-term economy have begun to take its toll in the pharmaceutical and medical device field. This point was well taken by Fred Frank, an investor at Peter J. Solomon, and the powerhouse investor, places the idea of short-term investment squarely in the way of international success. In today's globally funded outlook, it is rather clear that Israel represents the "Research", and America represents the "Development" in the field of medical investments. On the other hand, Ido Schoenberg, of American Well Corporation, clearly points to other areas in Israel innovation that is both R and D, but there needs to be a solid economic structure to work with. Jami Rubin, of Goldman Sachs, resented her investment overview with fairness. Her view included the focus on later stage life science investment for companies in America that need a long-term adjustment and are holding back on a huge flow of R&D capital waiting for the right economic conditions.

Guests included Michal Preminger of Harvard. Yuval Weiss of BIRD, the Israel-US Binational Industrial Research and Development Foundation. Allan Kleinman, The Jackson Laboratory. Bruce Magid, dean at Brandeis, school of financial markets and institutions. Barbara Osband, Cambridge Biomedical. Oded Ben-Joseph, of Boston Equity Advisors. Robert Grossman, of GreenTraurig. Mitch Benus, an investment advisor for the Life Science Industry. Roberta Packer, Management Search group for Life Science Practice.

Further presenters included; Stephen Weiner from Mintz Levin, who's views highlighted the need for a secure legal structure. David Bates of Brigham and Women's (B&W) hospital sees the need for cyber security of data and in some cases pointed to the evidence that CPOE's (computer entry data) may contribute to increasing or decreasing the danger of mortality within hospitals. Tom Hawkins, of Blue Cross Blue Shield confirms that our system of health government must include payment reform and alternative quality care levels. Additional comments by Eyal Zimlichman of B&W, suggests "less is best" as it applies to medical practices of the future. Dr. Berlowitz of Psyer referred to his buddy, Charlie Petrie, often regarding the need to improve pricing, safety, and tracking within the pharma side of the business. It is the "court of Value" that will determine the tools of the future, he said.

Further Questions highlighted the need for reform. Price reduction, cost effectiveness, and consulting with customers worldwide, seems to be the next level of change necessary. Some "friendly fire" will occur as changes are made, however, betting on education, science and medical innovation is necessary for the overall leadership in Israeli-Boston based innovation. Definitions of a global America vs. an international America were discussed by individuals such as Fred Frank and Jami Rubin.

David Goodtree of the NEIBC presented the mid-point gathering of ideals. David was on target with detail of why Boston and New England have the right business mix for Israel innovation. His comments pointed to the ability to link the R with the D and to blend superiority in education, biotechnology, and historic values of this region with investment in Israel now. Physics, lasers, and innovation are part of the joint ventures already established with both countries. David Barone is an ideal example of how these

international investments have paid off in bringing successful business together. David, is chair of the Life Science committee and active on the front lines of companies that thrive with proper combination leadership such as that of Paul Valentine. Medical innovations with Israel can help fight illnesses created by sleep deprivation, obesity, tumors, and Alzheimer's that can bring change to America's health overnight.

Susan Windham-Bannister, Life Sciences President and CEO was the special highlight in the biotechnology field. It was a pleasure to sit and chat with Susan and realize her passion for Life Science and the successful events taking place already in Massachusetts. She also spoke with Ted Carr, the international development leader for Massachusetts, on future inspirations for new investment in Israel. They also gave a great plug for western Massachusetts and the geographic connection point to New York expansion through the Berkshires.

A short highlight of the 12 featured Israeli based companies that I would like to quickly point to were, GalMed CFO, Allan Baharaff, who presented what he called the cure for the American soft drink. Galmed produces an orally taken pill that removes fat in the liver. These "NAFLD / NASH" i.e.: non-alcohol fatty liver disease and its progressive form non-alcohol steatohepatitis, also enable further cures addressing GI (gastrointestinal) issues.

Next is Protalix biotherapeutics, presented by Sandra Lauterbach. Protalix has taken an innovative concept of producing batches of carrot enzymes that are being used for the genetic disorders of Gaucher disease and Fabry disease. They have linked with larger pharma companies to drive these unique drugs to the US market faster because of shortages in this specific sector. Sandra is quick to point out that the innovations of Israeli technologies include a system made of carrot juice hanging in plastic sacks from the ceiling. The carrot bag solution flies in the face of conventional drug manufacturing which typically builds systems using metallic tanks that would cost up to 7 times as much.

Medical device companies included Mazor Robotics, with their Smart Assist platform, which is a spine surgery system positions necessary for laser surgery in specific locations in the spine. Then we see a number of companies addressing brain disorders and internal cancer through electronic stimulation devices. Another system addresses Alzheimer's by testing the patient with questions while sitting in a chair designed with a magnetic pulse device pointing to top of the head. These companies are already moving to phase 2 and 3 success, indicates there are innovative improvements being developed right now.

Addressing cures is one highlight of the NEIBC to generate interest in Israeli medical innovation quickly. The best example of the contribution to cures to date, including cancer, new diseases, and the rise of fat in our bodies, was made possible by the famous, Dr. Aaron Ciechanover, from Israel. His discovery of the protein ubiquitin to accelerate the immune system was taken to the Millenium / Takeda pharmaceutical group for a chance at success. Their risk became reality through the story of Massachusetts State Trooper, Matt Murray, who survived the most amazing series of events involving cancer and a call to duty in America.

Dr. Aaron Ciechanover gave a summary of his own upbringing in life prior to how he stumbled upon the Protein Ubiquitin and its effects upon the human immune system. These discoveries were handled with Harvard professor of cell biology, Fred Goldberg. At this point, we experienced a personal connection to Aaron as the man who enabled a series of events in cancer cures in areas of proteins that had been overlooked. As I listened closely, with the Millenium / Takeda employees at my table, I realized a personal connection point to Dr. Ciechover and his discoveries. In the meantime, Trooper Murray's story of greatness moved us all. His tragedy started well before he was recognized by the Red Sox this year and given the opportunity to throw out the first ball of the season. To earn this honor, Matt Murray had to recover from a broken back, multiple myeloma (cancer), another broken back while leaning over his sink in front of his son, 2 major work related traffic accidents, family struggles for child adoption, and a broken collar bone while playing hockey. With tears in our eyes, we bid Matt Murray goodbye, but at that moment we quickly realized how well he actually recovered from Cancer. Matt Murray was

rushing back to his car to leave the presentation by 930 to make it over to his hockey game starting at 10pm that evening.

Dr. Ciechover was instrumental in the cure of Matt Murray, but he did not take the full credit at all. His friend Fred and the people of Millenium / Takeda, and an industry of believers were proud to be honored as well. Protein Ubiquitin lives on today and we see much more development based upon the people of this field. Dr. Ciechover's relationship to Boston and Israel also played a part in the story for the basis of this cure for cancer. He did not overlook the fact that he came to Israel as a child from Poland with his parents. Then his path led to Boston and a personal commitment to Fred Goldberg in their studies at Harvard. Dr. Ciechanover revealed that all of this could have ended when his professor in Israel spelled his name wrong. If he couldn't get recognized or travel back on his visa, we may never have had the collaboration of these great men.

When I met Dr. Ciechover after dinner, I mentioned that I went to the University of Justus-Liebig in Germany. To my surprise, we heard that it was not the Nobel prize in medicine that he received but rather in chemistry because of the nature of the discovery. Now my link at Justus Liebig became important to me in that Justus von Liebig also won the Nobel Prize for Chemistry in 1874.

Rounding out the rest of the NEIBC, it is important to note that each presenter had their own amazing connection to the pharmaceutical or medical device field of innovation. These 12 companies attempted to bring their discoveries into the American business environment. Israeli innovation, however, can stand strong on its own additional advantages in ways that can bring stability, including necessary issues often overlooked, such as sustaining life or "end of life" values for the patient.

Israeli business leaders, however, need to learn more about how to present their innovations to American investors. Three main aspects at stake are the values of compliance, implementation of MBA viewpoints, and innovative investments such as the aspect of Corporate Asset Barter. What seemed to fail for the NEIBC is that the Israeli government sent their spokesperson who should have been more prepared. Most of us had difficulty understanding the broken English and could not grasp the benefit of their point. Someone asked, "Who would be responsible for being the spokesperson on a regular basis in America?" We were then presented with the economic minister to the US, Yair Shiran, who was very nice but truly out of place in his capacity to present Israel in a dynamic American marketing environment. One suggestion may be to hire someone dynamic such as Pulitzer prize winner, Ron Suskind and allow him to present Israel to America and get the message across the floor.

Massachusetts is the brainpower connection to Israel. Education, direct connection points to Logan, and innovation to create the best partnership. Boston and Israel have a great partner in David Goodtree of the NEIB council who is the right leader for success. Additionally, Stuart Altman, of Brandeis, and Paul Levy, of Beth Israel and "How to run a hospital" blog, agree that Massachusetts needs to focus on a system that can bring quality of life and focus on long-term investment.

It will take more than trade investments, as pointed out by Ted Carr, to make Massachusetts fully international vs. global. It will take open eyes and economic revival in six sigma research based upon people like Jami Rubin, and leadership through companies such as Pfizer, the American Well Corporation and Sleep Health Centers, to bring further Israel business links. Innovation can start with Home School Entrepreneurs and a new innovative understanding for combining long-term needs with short-term investments to motivate our economy to higher levels. Preparing and tracking Leadership in areas that require guidance and structure will be the link that binds Israel development with the New England research region. The terrain is similar, especially from above, rather than the ground level we see today.

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