

# Company taps Israeli medical technology

Jacksonville Business Journal - June 29, 2007 - by [Tony Quesada](#) Staff Writer

JACKSONVILLE -- A group of health care and business professionals formed to fund and manage commercialization of medical products has teamed with Israel to create companies here based on technology developed there.

Medical-Enterprise Development Group LLC has entered a joint venture called the Florida-Israel Biomedical Initiative. The company, known as M-EDG (pronounced "image"), has one U.S. company under its umbrella. But going forward, the FL-IBI will be its focus, M-EDG President John Perry said.

Perry, who has worked in product development and marketing for a handful of health care companies and in senior management for several others, has been interested in Israel's potential for more than two decades. He recalled a conference he attended in Chicago in 1985 at which Israeli officials pitched several technologies to U.S. business leaders. At the time, he thought there ought to be a more focused way to bring such good concepts to U.S. markets, and he believes the FL-IBI can do that.

The idea is that M-EDG will provide funding to start two companies a year based on Israeli technology. M-EDG is evaluating several technologies in advanced stages of product development.

Besides providing early-stage capital, M-EDG will hire professionals here to work on regulatory approvals and marketing. Later, the FL-IBI would put in greater capital to facilitate production and distribution. Funding would also be sought from outside investors.

Under the business model, those who develop the technology would have a 30 percent to 50 percent equity stake in the company, with M-EDG, the FL-IBI and other investors having the rest. Many Israeli companies that in the past have entered U.S. markets via licensing or royalty agreements have been discouraged by the returns such arrangements have yielded, Perry said.

M-EDG's model appeals to many in Israel on multiple levels, said Mike Cohen, founder of the Galilee Institute, a Jerusalem-based research and education center focusing on Israeli security, history, tourism and investment. He called M-EDG's model "dramatically different" from what Israeli companies have been presented previously.

"The learning curve to true commercialization is enormous," he said. "Most think it is a simply [public relations] and marketing scheme and have no concept of all the elements involved."

The aspect he likes most is that M-EDG offers capital and industry professionals. "Bringing all the elements of commercialization to bear by one company, in partnership and with a fair and honest equity split," he said, "why would any CEO who is looking to succeed not want to look seriously at this?"

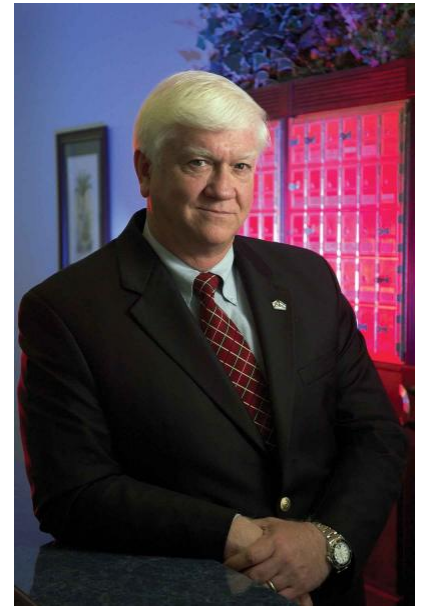
Many agree -- including John Harper, an active investor in Springboard Capital II LLC, a private equity fund in Jacksonville -- that entering U.S. markets is a daunting task for foreign technology developers.

"To bring something to the United States and get through the [Federal Drug Administration] and commercialize it, that takes people working on it 12 hours a day," said Harper, who has run medical technology-based companies and evaluates such businesses for Springboard. "There are very few people who have that expertise. They're not going to find that in a group of people in Israel."

To date, M-EDG has not gotten a lot of attention from local and state economic development leaders, although some are vaguely aware of the group and that it's involved with Israel. But they're all encouraged that M-EDG is tapping that country's technological talent pool.

The Jacksonville International Business Coalition -- a 15-member committee of city, economic development and business leaders -- is targeting health care, including medical device manufacturing, as a means for growing the area's international stature.

"To the extent that they're interested in medical devices, we'd love to see a cluster in Northeast Florida," said Art Wotiz, president of biotech company Novabone Products LLC and a JIBC member. "We're hoping we can grow that industry."



James Crichtlow

M-EDG President John Perry plans to provide funding to start two companies a year based on Israeli technology.