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EDITORIAL ADVISORY BOARD

Business Savvy

Newly appointed members of the MX editorial advisory board offer guidance on achieving strategic and financial success in the medtech industry.

In the realm of medical technologies, growing a business often requires a lot more than just a good product idea and a ready marketplace. With resources stretched thin, company leaders are often pressed to develop detailed business plans that project their market potential as well as their regulatory and reimbursement strategies, management team growth, marketing plan, and more.

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In turn, such detailed business planning makes it possible for emerging medtech companies to attract the attention of the financial community—including investors ranging from angels to large commercial banks. Such investors are increasingly specialized in the area of medical technology, and they can be a hard group to impress.

In both of these areas, getting expert advice is as important for *MX* as it is for the magazine's readers. In this issue, *MX* is pleased to present the newly appointed members of the advisory councils for two areas of critical importance to medtech executives: business planning and finance

Finance

Richard S. Cohen is president of the Walden Group Inc. (Tarrytown, NY), a strategic investment-banking firm specializing in the healthcare industry. He has provided strategic, operating, financial, legal, and tax expertise in more than 70 mergers, acquisitions, and other healthcare transactions. Cohen is a specialist in helping to design synergistic growth programs for acquisitive companies. His clients have included Becton Dickinson and Co. (Franklin Lakes, NJ), Mölnlycke Health Care (Göteborg, Sweden), and a unit of the Pennsylvania Medical Society (Harrisburg, PA).



Cohen

Over the coming 12 months, Cohen expects the medtech market will continue to experience a high level of acquisition activity. "Continued consolidation can be expected in the cardiovascular, orthopedics, and minimally invasive surgery markets as the baby boomer generation's hearts and joints start to deteriorate," he says. "Boston Scientific's aggressive bidding for Guidant and its purchase of multiple niche players—including TriVascular Inc., Rubicon Medical, Biophan Technologies, Advanced Stent Technologies Inc., and CryoVascular Systems—reflect the drive to offer more cardiovascular treatments through common call points and sales channels.

"Likewise, the large orthopedic manufacturers are extending their product offerings by buying lower-volume, specialized

players," he adds. "Examples of this activity include DePuy's recent acquisition of Hand Innovations and Kyphon's purchase of InnoSpine."

Cohen began his career as a corporate and securities attorney at Wachtell, Lipton, Rosen & Katz (New York City), a law firm specializing in mergers and acquisitions. He later served as a senior officer at a private equity firm, where he made significant contributions to its portfolio companies. Subsequently, he was president and majority owner of a manufacturer of security products. Cohen has been associated with several medical-supply companies for more than 20 years.

Cohen is a firm believer in investment banker specialization within the medtech realm. "Deals are now more fitted, and synergies need to be proven, not just in one meeting, but throughout the marathon stretch of time that a large device company applies to an acquisition," Cohen says. "Deals need to pass muster from an integration as well as a perceived return-on-investment point of view. In order to properly represent a company as an investment banker, it is necessary to understand not just the bullet points, but to make a compelling case based on the nuances and particulars of the buyer, as well as the seller. Credibility is vital, and that requires industry and clinical knowledge and experience."

Cohen says that the medtech industry currently faces no lack of funding sources. "The problem," he says, "is identifying meritorious investments and applying a disciplined risk-reward formula that balances oversight with entrepreneurial latitude. Prerevenue milestones—such as clinical trials, regulatory approvals, clinician buy-in, reimbursement, and entry barriers—must be carefully monitored. The same is true with revenue-producing companies; product installations, top-line growth, and margins need to be carefully weighed."

Cohen has a BA from Cornell University, as well as a JD from the New York University School of Law, where he was an editor of the law review. He also attended the Leonard M. Stern Graduate School of Business at New York University. Cohen is also a member of the Licensing Executive Society, serves on the boards of several philanthropic institutions, and has been a guest lecturer at Columbia University's Graduate School of Business.