

# FINANCE & COMMERCE

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## Q&A with Robert Ziebol, president, CEO and co-founder of Pursuit Medical

By Suzy Frisch Special to Finance & Commerce



Robert Ziebol demonstrates a device that reduces infection for dialysis patients with catheters. (Staff photo: Bill Klotz)

During nearly 25 years in product development, Robert Ziebol has had a hand in the creation of numerous medical devices and helped nine companies bring their products to market. Now it's his turn to take one of his ideas and run with it. He started Pursuit Medical three years ago to analyze device ideas, and his own invention quickly rose to the top. Now Ziebol is focusing on Minneapolis-based Pursuit Vascular, which won the 2009 Minnesota Cup competition biosciences division.

**Q:** What is Pursuit Vascular working on?

**A:** We make a device that reduces infection for dialysis patients with catheters. These infections cost more than \$1 billion a year and cause the deaths of 22 percent of dialysis patients. There's just an absolutely huge demand for this type of product, and it's a product that will not only save lives but also save our health care system money. It's not often that you can find a product that does both. We determined that every dollar a hospital spends on our product would save three dollars for not having to treat an infection. We could save 17,000-18,000 lives a year and \$700 million annually for

Medicare. And that's just one application for the technology.

**Q:** What else made this product appealing?

**A:** The technology also works for other catheter applications like central venous catheters, which are used in ICUs. If an ICU patient with a catheter becomes infected they have a 90 percent chance of dying from that infection. It's also a relatively simple device, so it doesn't have a lot of regulatory issues that other products have.

**Q:** What challenges are you facing to bring the device to market?

**A:** Getting capital into the company — a lot of small companies are struggling with that today. There are fewer investors and they are much more conservative in where they invest. There are fewer investments being made in early-stage companies. We're still managing to make good progress, but it's slowed down our rate of development.

**Q:** Why did you gravitate toward medical devices?

**A:** Medical devices are very unique compared to other products in that you can have a relatively simple device and it has huge commercial potential and impact on society. It's very rewarding when you make a product that can save somebody's life.

**Q:** How do you judge the potential of a device?

**A:** You need to look at the product very broad-based, first to see if there really is an unmet need. Are you going to help somebody? Will the physicians want to use it? Then you look at whether it would be financially viable. Can you get funding for the company or payback for the investors? Will it be difficult to turn it from a concept to a real product? What about the regulatory path? How long will it be and what are the risks? More and more, reimbursement is an issue. How are the hospitals or physicians going to be paid back for using the device? These days you need more and more clinical evidence. What kinds of studies are necessary to prove that this product is going to work?

**Q:** How is the health of the Twin Cities medical device market?

**A:** Right now the medical device industry is doing well, but I do worry about the future. I've seen a number of start-ups that are really struggling because the financing is so difficult. The future of Minnesota devices relies on start-ups. More and more the larger medical device companies purchase their new product technology from emerging companies. If there aren't small companies developing the technology and the large companies aren't developing as much technology, then the future doesn't look as bright. It's very important that we keep the small medical device companies going strong.

**Q:** What advice do you offer medical device entrepreneurs?

**A:** You have to have good controls over your costs and be conservative when you're doing your financial projections to allow extra time for getting financing. Spend money wisely. Work with good, smart people who have the ability to get things done and done right. Start with a good product and understand the risks on moving it forward. Focus on addressing those risks and on the big things that are going to make a difference.