

## Island Son Returns to Lead Emerging Bio-tech Company

**Lisa LaBonte**, Hawaii Venture Journal

As a function of PBF's recently launched HI-TECC (Hawaii's Technology & Emerging Companies' CEO) Roundtable, this will be a first in a series of interviews with Hawaii's leading "tech" CEOs. Recently HVJ's Lisa LaBonte caught up with Anton Krucky, CEO of Tissue Genesis.

**HVJ:** Anton, you joined Tissue Genesis in the summer of 2002. What was your motivation to return to Hawaii and what do you see on the horizon for technology companies here locally?

**AK:** Originally, I met what was to become the Tissue Genesis team as a consultant for HSM Concepts, Inc. which is my firm. My firm both consulted and invested in business development ventures as one of its activities. HSM was focused on creating successful deployment of strategic plans, rather than the creation of them, becoming 'actionable', as we like to phrase it. At the same time, HSM looks to support key individuals that it believes are keys to success and also has a distinct focus on creating success in Hawaii. Personally being a Hawaiian and having been a business executive in the State for many years and now living on the mainland, I was looking to leverage my working knowledge of the Hawaiian business environment with people or events on the mainland that could eventually be brought to the islands. We already has a couple of consulting assignment in the islands, and as it turned out, I decided to join the Tissue Genesis team officially as an employee (CEO).

To answer your question about what I see on the horizon for technology companies is a most difficult one. To do something that would have some potential to succeed, there are key components that need to be in place. Just a good idea is not enough. In addition, I do see that our business events do not get the preview that we wished they might on the mainland, making the development challenge even more difficult. Having support from abroad, particularly Asia, could be an advantage, but I haven't seen that work yet in a coordinated fashion. So it takes investment support, good management, good technical skills, good business discipline and execution. Also, for us to prosper in the environment that I eluded, also finding a niche that has momentum can be important. Unfortunately, there are more models of failure to look at than success, so although the above fundamentals sound easy or obvious, when reviewing the success of failure of a firm, usually one of those aspects is or is not present. The greatest potential and reason for technology development as a business in Hawaii, is that those basic aspects are present, the market demand doesn't need to be limited to our island technology, thereby giving the fundamentals

a greater chance to achieve. This also comes with it a distinction that the field of market battle is increased as well.

I do think the Bio-tech industry has some key components that work in favor. First, is that because of intellectual property rights, we rarely are competing in relation to our work. Second, is the focus that the University of Hawaii Medical School is bringing to the industry has the potential to create momentum. Where we do compete is for investment dollars. In Hawaii that has been the show stopper. I do believe that if we can gain recognition for what we do, we have the potential to attract new dollars, basically 'raising that water level' of investment, having all prosper in a more prosperous financial environment, rather than being inwardly focused and have to deal with the spiral that it creates.

**HVJ:** Tell us a little bit about TGI - perhaps an elevator pitch.

**AK:** TGI is a bio-technology company primarily in the medical field. Our clinical technologies include vascular and connective tissue research. We are developing hardware technology, a bio-reactor, for cell growth and cellular maintenance. We plan to grow our research activity, building our asset base and creating increased value. The potential for any of activities is extremely large and are not limited by the Hawaii market, further increasing their potential exponentially. The competitive stage is worldwide, also shedding a light on the business risk factors as well.

**HVJ:** What really are the greatest assets or incentives in basing Tissue Genesis operations in Hawaii?

**AK:** Tissue Genesis, Inc. has located its main business and research activity in Hawaii for a multiple set of reasons. Our key scientists have been in collaboration with both Tripler Hospital and The University of Hawaii Medical School. At the same time, key individuals in the company want our success to be in Hawaii, so we have brought it here.

**HVJ:** What types of strategies did you employ early on to help ease market entry for your products?

**AK:** Some of our research activity needs to go through the Federal Drug & Administration approval process, so their market entry has a regulated timeline. On our hardware product side, marketing and distribution is a big business. It was not in our best interest to think that we could succeed in that aspect of the technical medical field. We have signed a development agreement with a large cap company, Becton Dickinson to assist in that area and we are confident that our strategy here will be a differentiator. As our research activity value increases, each may have its particular strategic deployment plan. We also have secured federal funding for one of our key applications, giving us the time and investment needed to develop it.

**HVJ:** What do you see as the biggest challenges for TG basing operations in Hawaii? How do you plan to overcome these things - or have you already?

**AK:** At this point in our development, we have world class researchers and

developers working on our projects. However, over time, recruiting key individuals will be important to us. This is one of the things that we believe that we can bring to Hawaii. We already brought an individual that was doing research in Hawaii that left and we now brought back. We are collaborating with universities on the mainland that have people that are from the islands that didn't have a place to do this type of research in the islands, whether trained here or on the mainland to be considering coming to work with us. Most importantly, the University of Hawaii Medical School has been very collaborative in ways that will be helpful to us, to them and to their students.

**HVJ:** What about competitors? Who are they and will you be able to compete efficiently from Hawaii - does that have any bearing on your business - your location in this regard?

**AK:** We are really on a worldwide stage and the race to solutions in this arena include companies with competing technologies vying to win FDA approval and procedural approval in the medical community. At the same time we compete with 'leap-frog' technologies that could change the potential effectiveness or usefulness of our technologies. And of course, since we are doing development work, 'Time' is so very important. So anything that slows us down will have an impact, whether it be research oriented or business oriented.

**HVJ:** What is your vision for TG as it moves forward?

**AK:** To create a portfolio of research activities, that with their synergies create increased value. At the same time rigorously apply that same standard to each of our research activities. Do this with a careful eye on the real benefits available in enhancing the health of people and enhance the community that we affords us the landscape and environment to do business.

**HVJ:** What are your top priorities moving forward?

**AK:** Key to our success is to continually understand that we are a business, not a research event and all that that implies. Our team plans to have solid research development and solid business acumen to bring them along. Survive, develop business discipline, deliver to our stakeholders and make a difference, in the health field and in Hawaii.

**HVJ:** Thank you Anton!