

# ***Biotech Sweden – A Business Model Case Study in Innovation Journalism***

**Jan Sandred<sup>1</sup>**

“Journalism will kill you, but it keeps you alive while you’re at it.”

Horace Greely, 1811 – 1872, American newspaper editor, founder of the New York Tribune.

## ***Abstract***

Innovation journalism is journalism covering innovation systems. Innovations are today not only the main driving force in most markets, but also fundamental to increased economic performance. If companies like Sony Ericsson or GE Health Care stop innovating new product and service ideas, or if they don’t improve their production techniques, they will be out of business in a few years.

The innovation system is the interaction between those who are needed to turn these ideas into a product or service on the market – the commercialization of these emerging technologies. It seems natural that journalistic coverage of the different innovation systems is a very important task and a big publishing business opportunity. Yet, surprisingly few journalists and publishing houses understand what it means or realize the commercial impact.

Innovation journalism has not previously existed as a concept, although it exists in practice. Editor Jan Sandred identified in 2001 a business opportunity for a magazine covering the Swedish biotechnology innovation system. The Swedish business-to-business magazine *Biotech Sweden* was created for the biotech market in cooperation with IDG Sweden, a subsidiary of International Data Group. Although the concept of innovation journalism did not exist at that time, the magazine was modeled very much according to this concept. It became a commercial and editorial success and thus it proves the commercial validity of the concept innovation journalism.

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## **Introduction**

### **Definitions**

A “business model” is a strategy that describes how a business will make money and from whom. It is used to help decide the best way how to sell and market the products or services. Once implemented, the strategy can be adjusted as the market and its actors (in this case readers and advertisers) develop, experiences from the operations develop, and the goals become more refined.

Innovation is more than just new technology. Peter Drucker defines innovation as “the act that endows resources with a new capacity to create wealth”. That could be a new, or significantly improved, service, product, production technique, or management method.

### **Innovation journalism**

Innovation Journalism is journalism covering the innovation system, in the same way political journalism that covers the political system, or business journalism that covers the stock market and its actors.

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<sup>1</sup> Editor *Biotech Sweden*, Fellow at San Francisco Chronicle 2004.

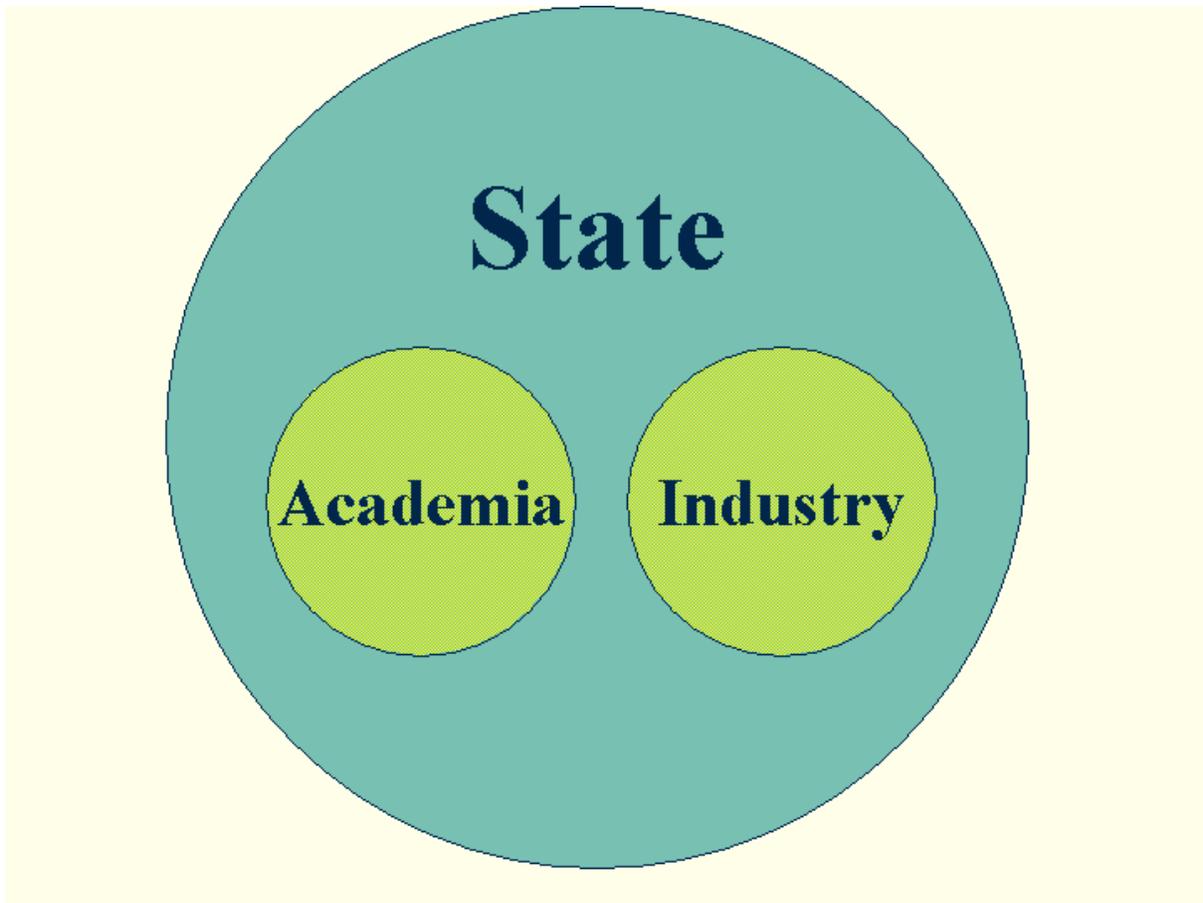
A successful innovation system depends on the interaction and shared knowledge between different professions, such as engineers, business executives, academics, and politicians.

Innovation journalism examine and scrutinize the interactions, synergies, companies, political actions and the emerging technologies within this system, which would not be visible in an analysis of individual companies, only probing the stock market, or just reviewing the technology.

The aim of this paper is to present a successful case study and to give a better understanding of the readers' information needs and how to develop a valid business model.

## **Innovation systems**

Technological knowledge drives modern economies.<sup>2</sup> The transformation of science and technology into economic goods is nothing new. What is new is the how this process has intensified in the last half-century and the increased reliance of industry on knowledge originated in academic institutions.



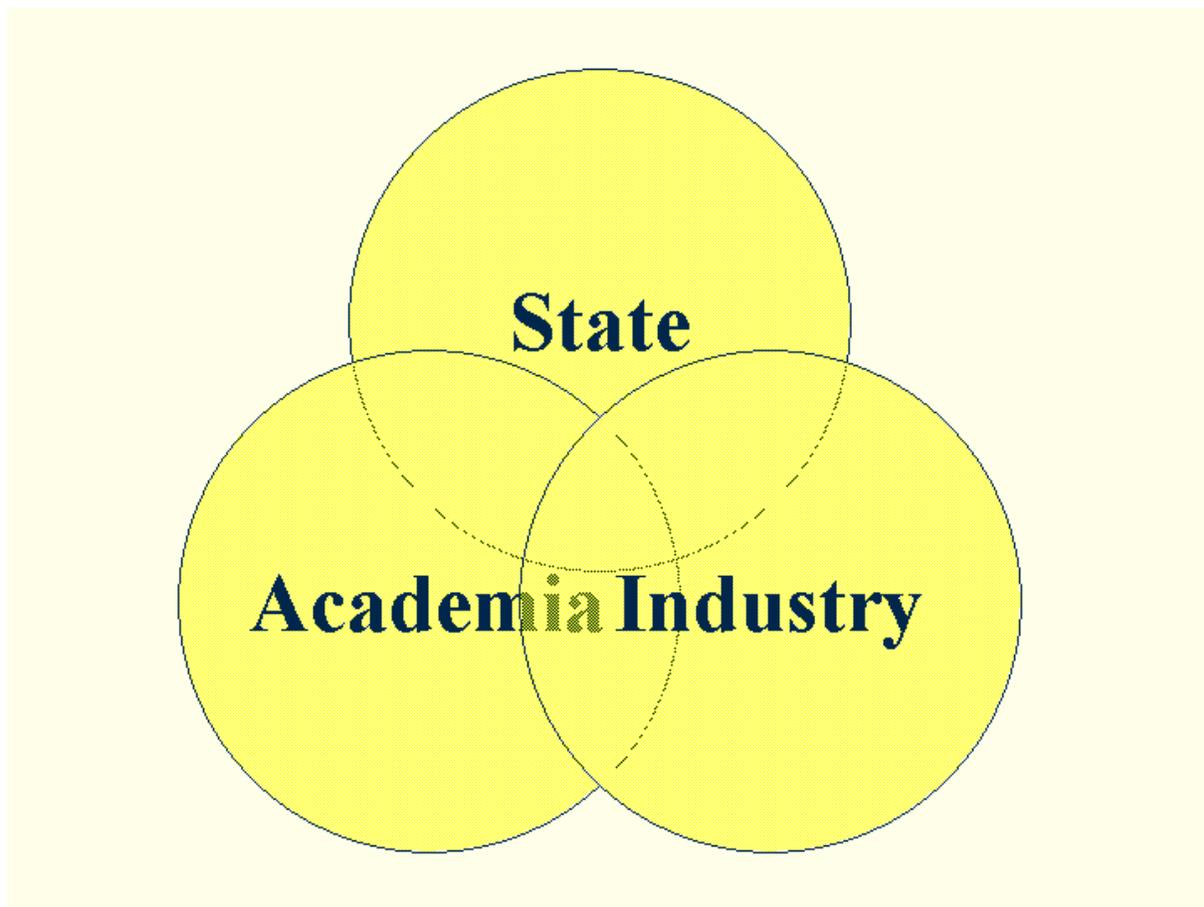
*A traditional model of the innovation system*

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<sup>2</sup> "Exploring the Black Box: Technology, economics and history", Nathan Rosenberg, Cambridge University Press, 1994.

Traditionally the state has been seen as the driving force for national economic growth. The state funds research in academia to serve the industry with highly skilled personnel. The industry receives startup funding through government programs like interest-free loans. Big governmental investments like the U.S. Apollo project created the modern IT and material industry. In Sweden the development of the fighter aircraft Jas 39 Gripen also was a political investment in growth.

But today industrial innovation is not done isolated by entrepreneurs in companies or universities. Not only scientists, technicians and business executives are needed to commercialize an innovation, but also lawyers, capitalists and marketing people. And in addition the political system is deeply involved, especially in regulated high-tech areas such as telecom, health care, biotechnology and environmental technology. Consequently the innovative process depends on economic, political, social and cultural factors, and these factors in turn depend on each other.



*A modern model of the innovation system*

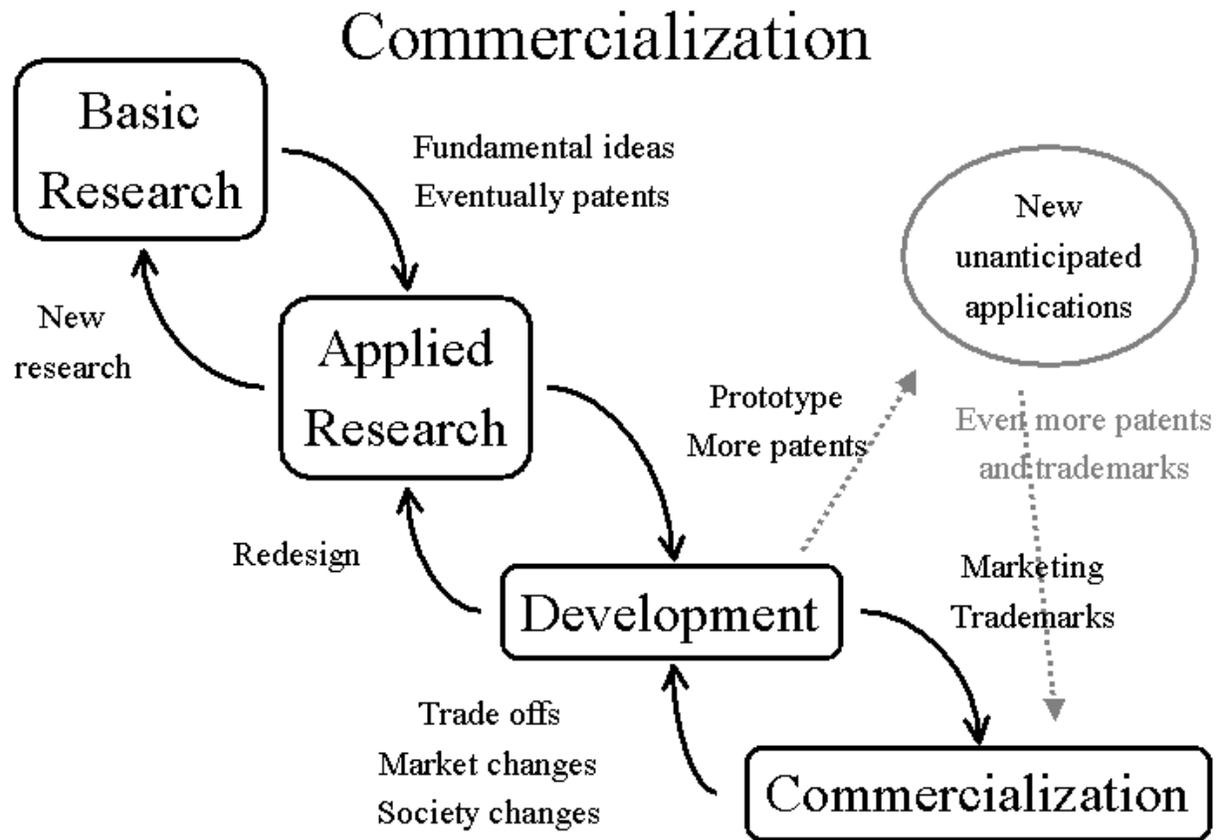
### **The myth of the linear innovation process**

Innovation is not a linear process.<sup>3</sup> The innovation process is a nested system of feedback-loops between basic research, applied research, development and commercialization. And at the end of the day, after a long tedious innovation process, the development phase often leads to the

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<sup>3</sup> “Major Trends and Mechanisms to Commercialize Research Results in the U.S.” Chuck Wessner. (from “Commercialization of Academic Research Results”, Nordfors ed. Vinnova 2003.)

conclusions that the inventions actually don't work at a reasonable cost, or there is no market for them, but someone has another idea.



This commercialization process takes time, for pharmaceutical companies up to 10, 15 years. Meanwhile the market changes, economy changes, politics changes, values changes, society changes, and strategies changes. As a result, the process often ends up with new unanticipated applications, because when the planned application does not work on the market, the innovators will try to save their project by changing the application of their technology.

After that, new businesses must deal with threats like management failure, technology obsolescence, alternative business models, debilitating legal proceedings and hostile acquisitions. And if they succeed they must deal with fierce competition on the market.

### The myth of the US innovation machine

There is a myth in Europe that the United States have is this highly well oiled innovation machine – The government put money in the universities and out pop biotech start-ups, which instantly became Amgen. It just isn't so.

Innovative regions need a favorable environment, a "habitat", of the physical, legal, and social mechanisms that is needed for fast product development and commercialization.<sup>4</sup> Silicon

<sup>4</sup> "The Silicon Valley Edge – A Habitat for Innovation and Entrepreneurship", Chong-Moon Lee, William F. Miller, Marguerite Gong Hancock, Henry S. Rowan, Stanford University Press, 2000.

Valley is the foremost example of a beneficial environment for innovation and entrepreneurship. It is a gathering place for researchers, entrepreneurs, venture capitalists, and skilled workers who turn new ideas into innovative products and services.<sup>5</sup>

Many places around the world try to copy the success of Silicon Valley by building science parks, facilitate access to capital and start technology transfer programs.

But a science park is not enough. Academia and politicians must together set the right conditions and recruit innovative companies into the park; otherwise they become only real estate developments.

Access to venture capital is not enough. Politicians and industry must together set the right regulatory regime; otherwise the venture capital companies just become banks.

A university technology transfer program is not enough. Industry and academia must together develop favorable conditions and mechanisms for co-evolution of ideas between industry and the university; otherwise the program starves to death.

The key issue is the interaction, the sharing of knowledge and experience in this environment. Given the right environment people form networks. They make business with each other; they share their experiences; they learn from each other and have constructive discussions on various research and business topics.

The success of an innovation system depends on the interaction and shared knowledge between these different players.

## **Media as an actor in the innovation system**

Today it is widely known that media is the primary source of information within politics, academics and industry. How the journalist tells the story impacts society. Thus media becomes an active component – an actor and not an observer – of the system.<sup>6, 7, 8, 9, 10</sup>

The media cannot tell you what to think, but they can affect what you think. This is known as the media's "public agenda setting role", or the media's power to define the significant issues of the day.<sup>11</sup> Media plays a crucial role in enabling different issues to become acknowledged as public issues. Media directly influences the public agenda, and that in turn affects the policy agenda.<sup>12</sup>

People follow the news, discuss the news and often act on it. And, believe it or not, they trust media.<sup>13</sup> Therefore media creates the common shared knowledge between the actors in the innovation system.

But in reality the shared knowledge is rather superficial and people have a different impression and different understanding of the same information. The reason is that different

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<sup>5</sup> Joint Venture's 2004 Index of Silicon Valley.

<sup>6</sup> "News: A Reader", Howard Tumber ed., Oxford University Press, 1999.

<sup>7</sup> "Mass Media and Society", James Curran, Michael Gourevitch eds, Oxford University Press, 2000.

<sup>8</sup> "Television and the Public Sphere, Citizenship, Democracy and the Media", Peter Dahlgren, Sage, 1995.

<sup>9</sup> "Political Communication Ethics An Oxymoron?" Robert E Denton ed. Praeger, 2000.

<sup>10</sup> "Communication for and Against Democracy", Mark Raboy, Peter A Bruck Bruck, eds. Black Rose Books, 1989.

<sup>11</sup> "Do the Media Govern? Politicians, Voters and Reporters in America", Shanto Iyengar, Richard Reeves eds. Sage 1997.

<sup>12</sup> "Agenda-Setting", James W Dearing, Everett M Rogers, Thousand Oaks, 1996.

<sup>13</sup> "Just the Facts: How "Objectivity" Came to Define American Journalism", David Mindich, 1998.

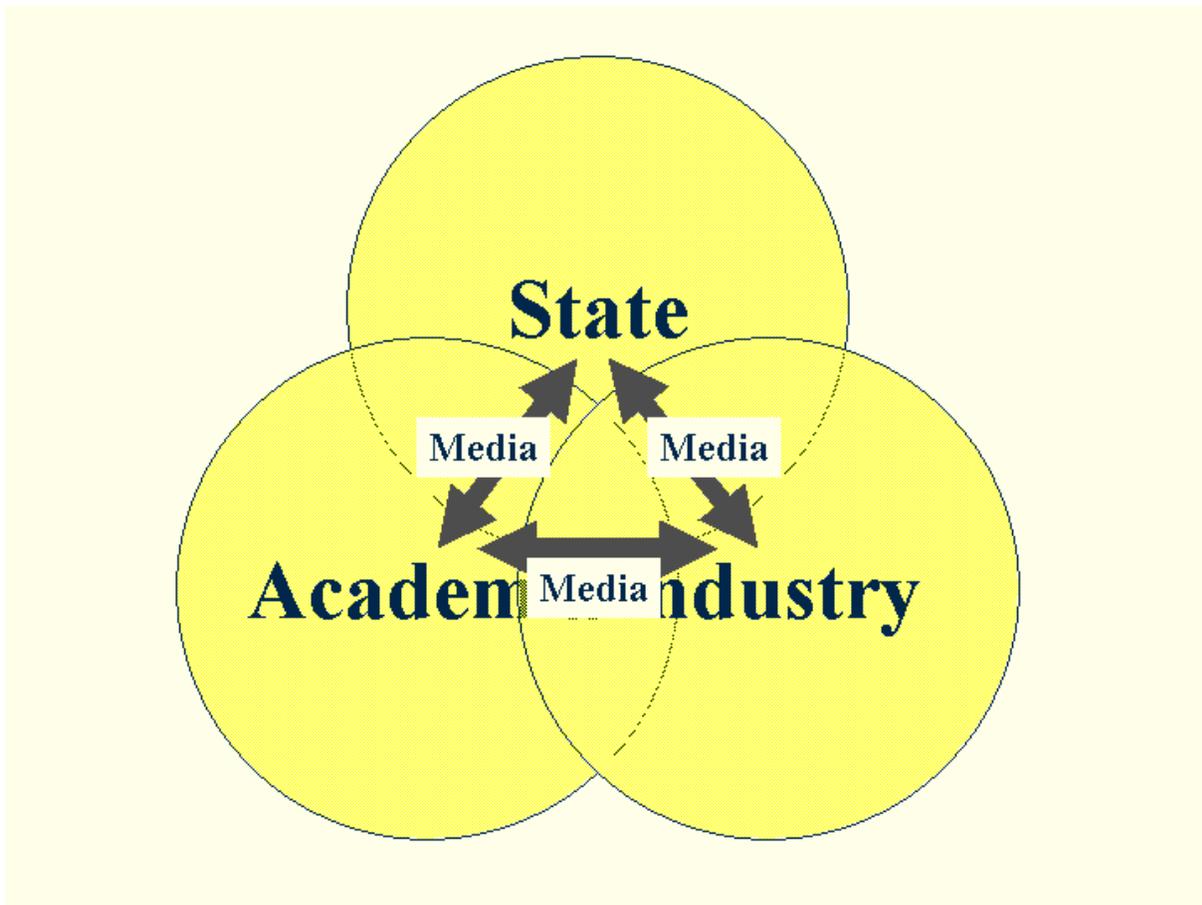
actors mostly read different media. The academics have their magazines, the politicians their, and the industry their trade publication and financial magazines.

The same news is treated differently in different media. The trade publications do their story, the business press focus on the stock market, the science magazines concentrates on the scientific issues, and so forth.

So, within a specific innovation system like biotechnology there is a lack of knowledge about what's really going on. There is a lack of good common information sources.

The largest cost for the information departments within corporations is the collection and distribution of information from different sources to inform the right persons within a company.<sup>14</sup> That is to inform the professionals within a corporation about important issues happening within different areas that affect the innovation process, for instance new policy issues that concerns the product developers or new technologies that concerns the marketing department, and so forth.

Here is a business opportunity for new media based on innovation journalism that creates a quality common knowledge within an innovation system.



*The role of media in the innovation system*

<sup>14</sup> Mark Vadasz, Executive Information Manager GE Health Care (formerly Amersham Biosciences), Gunilla Wredenber, Information Consultant CGI Rinfo, Swedish Association of Information Managers.

## ***A business opportunity for innovation journalism***

The innovation system consists of many professions. It is key to write for all actors. There is no problem writing for a wide audience.

Within explanatory journalism there exists well-developed methods and tools to write for an uninformed reader how complicated things work, for example to produce “popular science”.

The key issue is to never underestimate the reader’s intelligence. But also never overrate the reader’s knowledge.

## ***Prerequisites***

### **Find a target group**

There must be a well-defined target group. Magazines are read by people and not by companies. Even the most expensive multimillion dollar equipment or long-term outsourcing service, are bought by persons that makes non-rational and emotional decisions.

Given that the magazine is filled with brilliant editorial content, there are also a few market prerequisites:

### **Find an uninformed target-group**

There must be a need for a specific sort of information from the target group. It is easy to talk oneself into the idea that an audience needs the information they want to provide. This is not true. For example wedding magazines, magazines for people that have recently become parents or product review magazines, are by definition not interesting after the wedding is over, the baby is born, or once you have bought the product. In these cases a business model that builds on single copies or short-term subscription is preferred.

### **Find a uninformed target-group that wants to read**

In Sweden there’s a rule of thumb in making magazines that says “Half of the target group don’t read. And the other half must be convinced.” People can have a lot of excuses for not reading magazines: lack of time, unaccustomedness, or just reluctance.

It is necessary to market the magazine to the target group. Usually it takes three to five years to get a magazine profitable. It takes deep pockets and a lot of effort.

### **Find a non price sensitive uninformed target-group that wants to read**

But a potential need is not enough. The subscribers must have the money to pay for the magazine. New entrepreneurs are information-hungry, but short on cash. With the increasing number of free publications and the popularity of Internet, it is almost impossible to charge for general news or general information.

As private persons we are usually stingy when it comes to paying for information. Innovative businesses on the other hand, is very much dependant on what they learn. If they can save money or earn money based on useful information, they will pay well for compelling editorial content. A real edge is the key.

### **Find the opportunity**

Magazines are expensive and adverts are the main financial source. The market must have powerful potential advertisers interested in reaching the magazines target group. And the target

group must not easily be reachable with other market channels like direct mail; otherwise market channels most certainly have exploited the market.

### **Don't waste the opportunity**

Lap the competition. Don't let competitors exploit or take the niche. Publishing is intensely competitive.

Finding a new market is a catch 22. Once a profitable appears on market others will quickly follow.

### **Create the market – thus you own it**

New markets do not appear or lies hidden – they are created. For example Apple defined the term “user friendly interface”. At the time when the Macintosh was introduced in 1984 it was not given that “user friendly interface” meant mouse, point-and-click, windows and icons.

“Biotechnology” is a very loosely defined term. You get as many answers as people you ask. It was essential to define the term according to a suitable market.

The biotechnology market did not exist as such a few years ago. The first aim was to define “biotechnology” to suite the criteria above.

It turned out that the most important part was to define what biotechnology is not. The magazine was deliberately named “Biotech” and not “Life Science”, as the term “life science” was cumbersome and used to broadly, which made it difficult to find a well-defined and appropriate target group.

Biotechnology was also defined not to be “health care” or “medical technology”. In that case things like syringes and wheel chairs had to be included, which intuitively is not biotech. Also the health care industry already had several publications. The most important Swedish being Dagens Medicin, Läkartidningen, Incitament, Medicament, Landstingsvärlden and Pharma Industry.

Finally biotechnology was defined as “the art of biological engineering on a molecular level”, or more precise “to develop, produce, analyze, or use biological systems on a cellular or molecular level.”

### **The actors**

Traditionally a trade publication is formed by the industry, usually a trade organization, written by people who have insights in the trade and/or about the technology.

The scope of Biotech Sweden was wider. When designing the magazine all of the actors that influences and/or is entirely dependent on the biotech market, were identified.

The role of Biotech Sweden is being as a hub in the biotechnology market. The magazine should provide the market with information and news, and act as an arena for debate and opinion making.

Biotech Sweden should independently monitor and inform of what is happening in the biotech industry. The magazine should cover new findings, technology, products, finances and regulatory.

The other actors in the biotechnology innovation system was defined as

- The producers
  - The biotech companies themselves
- The researchers and developers

- Those who create the innovations
- The financiers
  - VC, funds, financial institutions, analysts
- The watchdogs
  - The law firms and patent bureaus
- The creators of public opinion
  - Politicians, organizations and prominent individuals who form and influences public opinion, and laws that follows the technology and basic research development.
- The service providers
  - Provide the companies with infrastructure, tools, equipment, and so forth.

## **Goals**

The target group was estimated to 75,000 individuals. The penetration goal was set to 25 percent within a year and the magazine should be profitable within 1 year. It is important to point out that these were not formal goals.

## **Find the finance**

A new magazine is costly and there is a need for a financially strong supporter. After several Swedish publishing houses turned down the author's prospect, Fredrik Bernsel, Editor-in-chief of Nätverk & Kommunikation at IDG Sweden, in November 2001 got interested in the idea of a Swedish magazine for the biotech industry, based on the innovation system.

IDG Sweden AB is a wholly owned subsidiary to International Data Group Inc. IDG is the world's largest publisher of IT-related information. The company was founded in Boston in 1964 and had 2003 a revenue of \$2.58 billion and more than 12,000 employees in 85 different countries. The IDG magazines have 100 million readers worldwide, every month. In total IDG publishes more than 300 IT and business magazines, has 300 web sites, produces and sells 4,000 book titles in 38 languages and more than 168 globally branded conferences and events.

IDG Sweden was founded in 1983. Today, the company has more than 200 employees; among those around 80 is editorial staff at the company's different magazines and web sites. IDG Sweden publishes 15 IT and business magazines, web sites, recruitment services for IT professionals, events, conferences and seminars, and reprints.

## **The obstacles**

### **Lack of experience**

IDG had no knowledge in biotechnology or the biotech market. The company's expertise was solely in IT and telecom. Consequently all personnel must be educated. This was done informally by the author at the office and at "publisher meetings" together with the sales people and potential advertisers.

### **Biotechnology market unfamiliar to media**

To discuss and get information on the readers' needs, and also to get credibility on the market, an editorial advisory board was formed with representatives from the industry, academia, venture capital and science parks. The board helped to create the basic content requirements for the magazine and also gave important input on the actors in the biotechnology market.

The advisory board of 2001-2003:

- Academia
  - Mathias Uhlén, PhD. Professor of Microbiology, Royal Institute of Technology KTH, Stockholm
  - Lena Kjellén, PhD. Professor in Medical Biochemistry and Microbiology, Uppsala University
- VC
  - Folke Meijer, CEO Karolinska Institutet Holding AB
  - Ingvar Wiberger, PhD. CEO SLU Holding AB, Swedish University of Agricultural Sciences
- Science Parks
  - Per Lindström, Project Manager Uppsala Science Park, Uppsala University
  - Bent Christensen, CEO Medicon Valley Academy A/S, København
- Industry
  - Lars-Eric Utterman, Executive VP Proteomics, Amersham Biosciences
  - Hans Hultberg, Director Global Discovery Alliances, Astra Zeneca
  - Håkan Englund, VP Business Development & Licensing, Pharmacia Diagnostics
  - Marianne Bäärnhielm, Communications Manager, Pharmacia Corp
  - Tomas Moks, PhD. VP Commercial Development, Biopharm, Biovitrum
  - Maris Hartmanis, PhD. CEO Gyros Microsystems
  - Björn O. Nilsson, PhD. President, KaroBio
  - Sven Andréasson, CEO Active Biotech
  - Erik Walldén, CEO Pyrosequencing

In the months before launch, however, we found that Swedish biotechnology companies were not as ad-savvy as the IT companies. We discovered that we have to educate them in the business model of a trade publication and what market opportunities it can give advertisers.

As a result, IDG Sweden hosted the first "Founders Club" dinner on April 16 as a way to attract new advertisers to new publications. Marketing staff from biotechnology or related companies met more experienced peers from other businesses to exchange ideas and ask questions. The staff presented the Biotech Sweden concept and how it serves the biotechnology market.

### **No directories or databases**

As the biotechnology market was brand new there were no mailing list or address register to buy. The commercial address registers like Micromedia and Postens Adressregister PAR, only register job titles and is crude in differencing high-tech companies.

The final register was a combination of a huge number of sources.

## The strengths

There was no international competition. A pilot study showed that the target group read various magazines like Nature, Science, Cell, The Scientist, various patent magazines or general daily papers.

Still there is no other magazine with the same concept as Biotech Sweden.

## Establish quickly

Timeline of Biotech Sweden:

- 1<sup>st</sup> December 2001, idea formalized
- 16<sup>th</sup> January 2002, officially announced
- 20<sup>th</sup> March 2002, First issue BiotechVärlden, published by E+T Förlag AB
- 21<sup>st</sup> March 2002 Kemivärlden Biotech (supplement), published by Mentorgruppen AB
- 9<sup>th</sup> April 2002, first issue of Biotech Sweden

A magazine must be established quickly. It took approximately four months from the first idea to the first issue of Biotech Sweden was on the market.

During that time two other Swedish publishing houses, E+T Förlag AB, and Mentorgruppen AB, announced competing magazines. One, BiotechVärlden from E+T Förlag AB, was already on the market as a newsletter in October 2001. Biotech Sweden was officially announced 16<sup>th</sup> January 2001. Quickly BiotechVärlden was refocused to a general business magazine in tabloid format for the biotech market and the first tabloid version was published 20<sup>th</sup> March. The day after Kemivärlden Biotech from Mentorgruppen AB was published a supplement to Kemivärlden, the major Swedish trade publication for the chemistry industry market. We new both E+T Förlag AB and Mentorgruppen AB were working on competing magazines and expected this to happen. The advantage was that more magazines gave more credibility to the biotechnology market as such. And the biotechnology market becomes aware of that there exist Swedish magazines. We tried to learn from the market's reaction to magazines and made some last minute adjustments. However we were convinced that we had the winning concept.

In August 2001 Biotech Sweden bought BiotechVärlden and formed Biotech Sweden AB, a wholly owned subsidiary to IDG Sweden AB.

## The market

The Swedish biotechnology market in 2002 consisted of slightly more than 300 companies, but the majority was very small, mostly one-man firms with a PhD and a patent. To be a part of the "market" a company must have products or services to sell, and also be interested in buying products and services.

The various niches in the Swedish biotechnology market was identified to be

- Agrobiotechnology
- BioIT
- Biomaterial
- Bioproduction
- Biotech Suppliers/Distributors
- Biotech Suppliers/Manufacturers

- CRO (Contract Research Organization)
- Diagnostics
- Functional Food/Health Products
- Pharmaceutical
- Veterinary Medicine
- Intellectual property
- Drug Design
- Service

### **Market activities**

Biotech Sweden is the official membership magazine for Swedish biotech organization SwedenBio.

Biotech Sweden also partners with Naturvetareförbundet, the Swedish Association of Scientists, where the members can get a 30 percent discount on the one-year subscription.

Biotech Sweden is the official magazine for the Scandinavian trade show trade Biotech Forum.

Biotech Sweden is also an active member in TNC Biotermgruppen.

## **Measurements**

### **A breakdown of the readers**

The subscribers of 11<sup>th</sup> November 2003 according to The Swedish Bureau of Circulation, Tidningsstatistik was:

- 14,900 audited subscribers
  - 12,900 controlled circulation
  - 2,000 paying subscribers

which gives a penetration of the target group of 19.87 percent.

Key persons in the Swedish biotech industry	45 %
Academia, universities, research institutes	20 %
Research and laboratory personnel	15 %
Key persons in industries directly associated to or dependant on the biotechnology industry	7 %
Research physicians	5 %
Finance sector, VC, Investors	3 %
Patent agencies, lawyers	2 %
Politicians, members of parliament, political ombudsmen	2 %

### **Reader survey**

One readers survey has been performed since the start of the magazine. Originally the reader survey (May 2003) was intended to check the “market value” of the readers like place of work, budget responsibility, and level of decision-making. The aim also was to check if the editorial content in the magazine corresponded to the readers’ need and special requirements.

The survey was not performed with a scientific publication in mind. The results is not claimed to be absolutely statistically accurate, but it gives a hint of how the magazine was received by the target group. And the data can be used to indicate whether the readers match the innovation system.

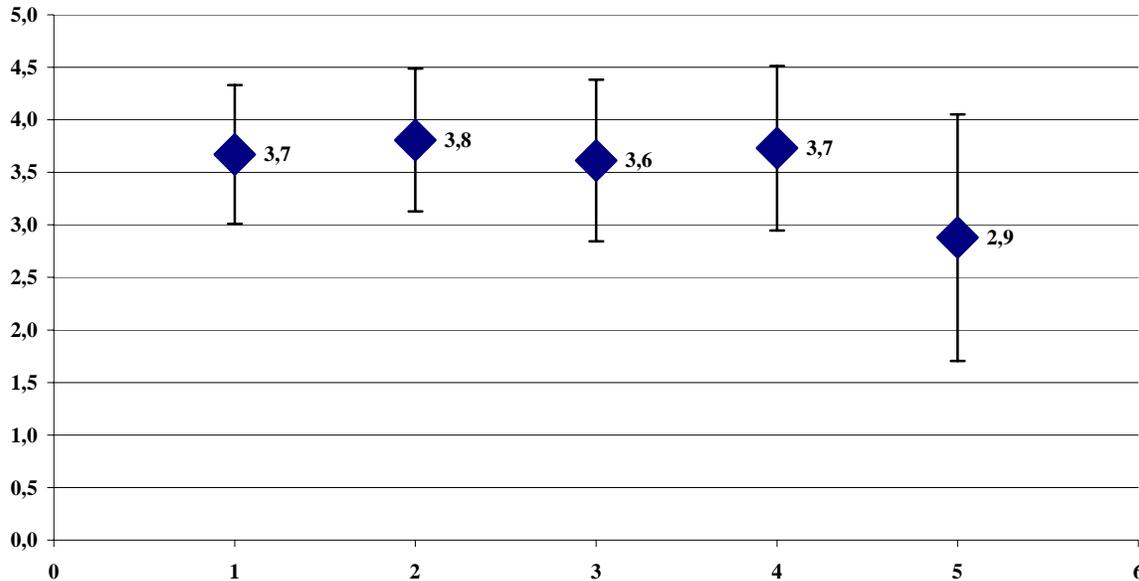
As the result of the full survey (16 questions) is a property of the Biotech Sweden all data cannot be disclosed. Here three questions are chosen: The quality of the magazine, what areas in the magazine the readers would like the see increase coverage on, and what general areas the readers are interested in. These questions indicate how well the magazine corresponds to the readers information need.

The survey was carried out as a questionnaire mailed to a number of randomly chosen readers. The survey was voluntary. No compensation was given. Number of respondents was 80

Science and research news is not surprisingly the by far the most popular section in the magazine. Science usually gets very high marks in magazines. Second most popular sections are

the general news and feature articles. But then the opinion is spreading, some rather a substantially. This is probably due to the breadth of the magazine's readership. The English news summary is the least popular section, also not a very big surprise.

### Quality of the magazine

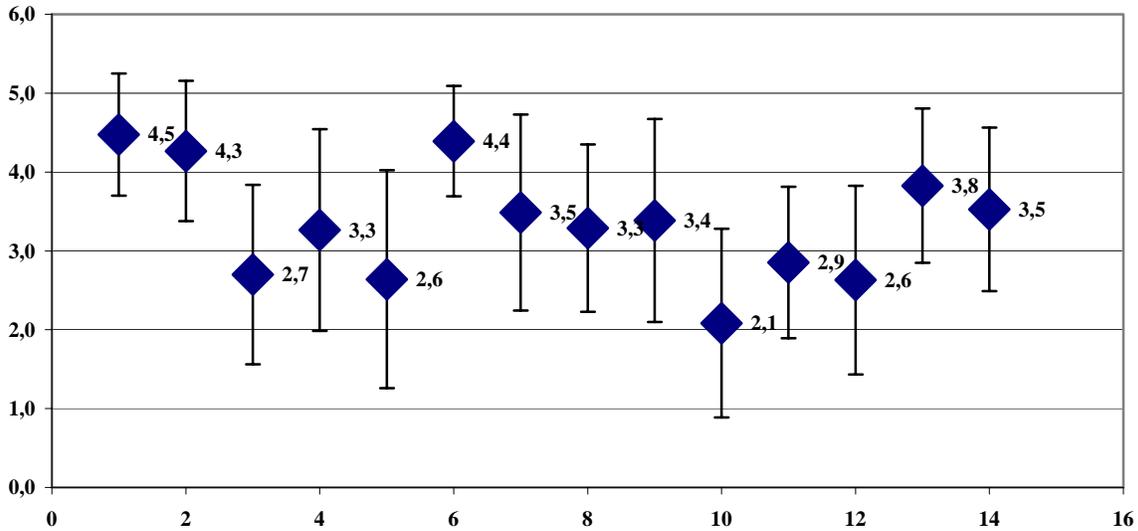


Grade the magazine from 1 (worst) to 5 (best).

1. Quality of the magazine	Average	Standard deviation	Number of respondents	No answer
1. Overall quality	3.7	0.66	77	3
2. Quality of facts and data	3.8	0.68	74	6
3. Well-written	3.6	0.77	76	4
4. Trust in writers and editors	3.7	0.78	75	5
5. Use in work	2.9	1.17	76	4

The last question "use of the magazine in my work" shows a slight greater spread than the other answers.

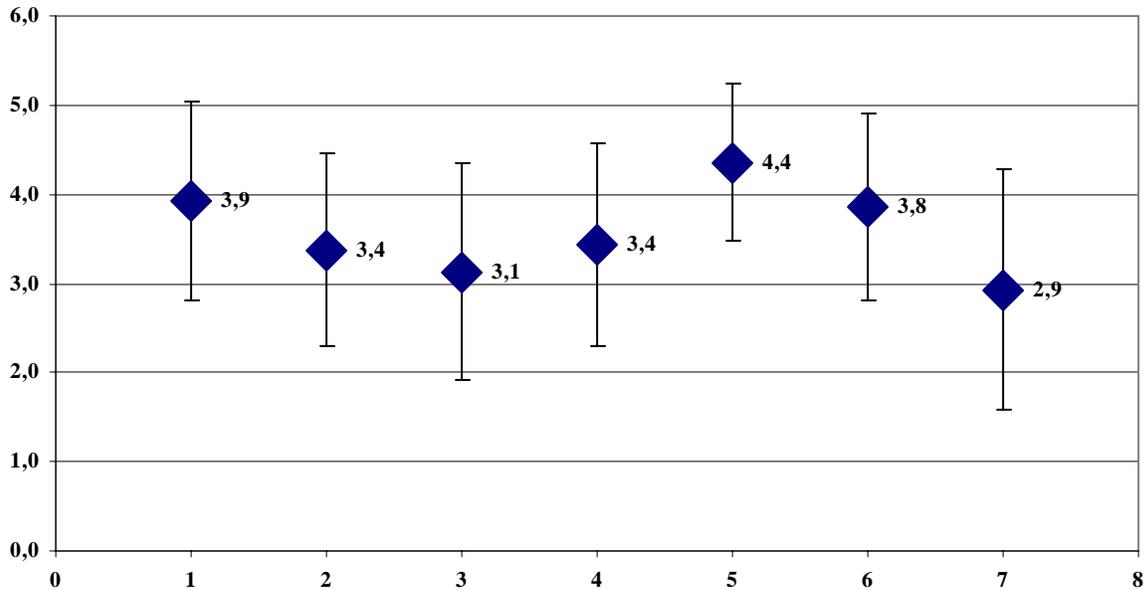
## Sections in the magazine I would like to read more about



**Grade the importance of the sections in the magazine from 1 (less important) to 5 (very important).**

<b>2. I would like to read more about</b>	<b>Average</b>	<b>Standard deviation</b>	<b>Number of respondents</b>	<b>No answer</b>
1. News – Swedish biotechnology	4.5	0.77	76	4
2. News – International biotechnology	4.3	0.89	75	5
3. Laboratory equipment	2.7	1.14	73	7
4. Economy news	3.3	1.28	76	4
5. Stock exchange list + recommendations	2.6	1.38	75	5
6. Science news	4.4	0.70	74	6
7. BioIT (bio informatics)	3.5	1.24	72	8
8. Ethics and patent	3.3	1.06	73	7
9. Trade, job and career	3.4	1.29	73	7
10. English news summary	2.1	1.20	72	8
11. Editorial, opinion and columns	2.9	0.96	74	6
12. Book reviews	2.6	1.20	73	7
13. Feature stories	3.8	0.98	75	5
14. Profiles	3.5	1.04	74	6

## Areas I would like to read more about



Grade the areas you would like to read more about from 1 (read less) to 5 (read more).

3. Areas I would like to read more about	Average	Standard deviation	Number of respondents	No answer
1. Pharmaceuticals	3.9	1.11	71	9
2. Material development	3.4	1.09	69	11
3. Forestry, food, crops	3.1	1.22	71	9
4. Environment	3.4	1.14	72	8
5. Research	4.4	0.88	74	6
6. Bio production	3.8	1.05	73	7
7. Management	2.9	1.35	73	7

The last question “management” shows greater spread than the other questions.

## **Survey results and action plan**

In summary the readers gave the magazine good marks, above average. The reader survey also showed that the readers disliked the economy section. Therefore the economy section was redesigned in 2003 to include stock-exchange quotations with annotations and grades from analysts.

The economy section was also enlarged with more indicators. The section now includes monthly table of important large deals like takeovers, joint ventures, patent agreement, milestones payments and so forth. It also has monthly tables of important clinical trials with result: new, ongoing, failed, success, FDA approved. In addition it has biotechnology stock indexes from the Stockholm Stock Exchange, Nasdaq and NYSE and general indexes.

## **More products**

### **Swedish Biotech Industry Guide**

Biotech Sweden enlarged its product family in 2003 with the Swedish Biotech Industry Guide. It is a yearly directory and reference guide on the Swedish biotechnology market. It is targeted towards venture capitalists and investors primarily outside Sweden, but also serves as a guide for the industry. It is only available to full-year subscribers, but is outside Sweden available free from the above partners at Swedish embassies and consulate-general. The Swedish Biotech Industry Guide comes with an accompanying on-line database, available free for subscribers. It is published in cooperation with Vinnova, the Swedish Trade Council, Invest in Sweden Agency, and Connect Sweden.

### **Scandinavian Biobusiness Report**

The newsletter Scandinavian Biobusiness Report will be officially launched at the Bio 2004 conference in San Francisco, in June 2004. It is a pdf-based monthly newsletter covering the Scandinavian biotechnology industry. The primary target group is venture capitalists and investors, but also the decision-makers in the industry. Scandinavian Biobusiness Report will be launched in cooperation with Swedish Trade Council in Los Angeles.

## **Economic accomplishments**

Biotech Sweden debuted in April 9, 2002, with an initial print run of 27,000 and a subsequent controlled circulation of 20,000. The first issue set an IDG Sweden record for the highest ad/edit ratio (more than 40 percent ads) of any of the company's launches.<sup>15</sup>

Biotech Sweden also increased the revenues of the first quarter of fiscal year 2004 (October – December) with 125,6 percent. The revenue growth was achieved in an otherwise slow advertisement market, driven by a strong increase in attention of new advertisers as a result of a deep penetration of the market, combined with focused editorial and insights.<sup>16</sup>

The November 2003 issue of Biotech Sweden, published in cooperation with the trade show Biotech Forum 2003 was the largest biotechnology magazine ever produced in Sweden. The November issue was divided into two parts: the main magazine of 48 pages and a separate editorial trade show supplement of an additional 48 pages. Biotech Forum is Scandinavia's

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<sup>15</sup> "First Biotech Sweden receives high praise from biotech industry; staff educates new advertisers", Patricia Smith, IDG WorldUpdate, volume 32, no 14, 22 April 2002

<sup>16</sup> "Biotech Sweden sets revenue record", Patricia Smith, IDG WorldUpdate, volume 33, no 42, 22 April 2002

largest biggest event. It covers the biotech, medical, and health care sectors. It 2003 it took place at Stockholm International Fairs<sup>in</sup> November 26<sup>th</sup> to 28<sup>th</sup>.

The ad rebate is not public. The ad/editorial ratio is usually around 35 to 43 percent.

## ***Conclusions***

The success of Biotech Sweden shows that Innovation Journalism is a valid and successful business concept. It is a better approach to news coverage in a modern high-tech market. It also in a better way supply the actors with more suitable information in an innovation system.

Innovation Journalism is a compelling and profitable way to serve the actors in the innovation system.