

Med student entrepreneurs: Does your idea have investor appeal?

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Medicine is both an art and a science, and those who pursue it are likely to have an abundance of curiosity and creativity. For some students that can lead to an interest in entrepreneurship.

The process of creating a product begins with an idea, but how do you know if your idea will have legs, and moreover, how do you know if it has appeal to a broader audience and potential for funding?

During a panel at MATTER, a Chicago-based health tech incubator with which the AMA is partnered, three panelists from across the health care entrepreneurship field offered insight on those questions. Here's a look at some of the key attributes they have seen in successful start-ups.

Passion and a like-minded team

The story and cohesion behind an idea will be a key determinant in how a pitch is received by potential investors. "When we source and review what solutions are out there that may fit the bill, the first and foremost thing we look at is the team dynamic," said Charu Mehta, Director of Strategy management at Advocate Aurora Health. "The team backing. Who are they? What is their passion? Why did they get into this space? Normally it is a really thoughtful concept, and there's a story behind every person that finds a solution, whether it's a family thing or some peer they are talking to or something they found in the field when they were practicing medicine. Passion and drive is No. 1 for us."

Learn the 5 traits displayed by effective med student-entrepreneurs.

A creative solution

Lawrence R. Kosinski, MD, is the Founder and Chief Medical Officer of Sonar MD, which recently received a significant investment from Blue Cross. This start-up is his third attempt at entrepreneurship. The others, he said, languished because of changes in technology and an inability to scale. “The first thing that happens with an entrepreneur, whether it’s a physician entrepreneur or a non-physician entrepreneur is that you’re someone who can identify a problem and not just [complain] about it,” Dr. Kosinski “But you have the approach where you say ‘that’s a problem in need of a solution. I think I can figure that out.’”

“If you are a person who is initiating a start-up, you are a problem solver and you’re not afraid to try solutions. You may fail. It took me three to make it succeed. ... You have to keep trying to solve problems and not be afraid to put yourself on the line. Learn how entrepreneurship can start in med school.

The right idea at the right time

A great idea is one thing. Finding the right moment is another—and it might be totally out of your control.

“Start-ups with a potential solution should look at two types of timing as they approach potential early-stage partners,” said Blake Marggraff, founder and CEO of Care Signal. “The first is macro timing ... the single thing most correlated with start-ups is their timing with the industry, but we don’t all have crystal balls and it’s really hard to know when the right time is.

“On a more micro level, focus on the timing of the organization. We use the term strategic imperative. If you cannot put your finger on the strategic imperative of a potential partner the chances that a deal goes through is very low.” For medical students interested in entrepreneurial pursuits, the AMA Physician Innovation Network can connect medical students and physicians at any career stage with health technology opportunities.