

Interview - Boehringer does digital health, San Francisco style



[Amy Brown](#)



Boehringer gets diggi with it.

Pictured without a tie and enjoying a game of table football with two trendy young employees, Boehringer Ingelheim's finance chief looks relaxed and perhaps a tiny bit self-conscious. But then this photo was not taken in the boardroom of the austere German pharma giant: this is the company's San Francisco start-up-styled digital lab, BI X.

BI X was set up in the summer of 2017 with a €20m (\$24m) investment, and is at the forefront of Boehringer's attempts to ride the digital health wave. Like most pharma groups Boehringer is taking these efforts very seriously – as well as a planned expansion of BI X, the company recently topped up its corporate venture fund with an extra €50m earmarked specifically for digital health investments.

This is all being overseen by Michael Schmelmer, Boehringer's board member responsible for finance – he also founded and remains managing director of BI X though the day-to-day running of the autonomous unit is left to the software developers, data scientists and “scrum masters” it employs. Getting ahead in this field is all about being agile and adaptable, Mr Schmelmer tells *EP Vantage*, and BI X has been set up to test new technologies quickly and efficiently.



Source: *Company website*

“There are so many great ideas out there. Technology isn't the blocking point any more, and implementation times are going down from years to months,” he says, in an interview on the sidelines of the company's annual press conference. Boehringer uses a system of three-month “sprints”, he says, testing out new ideas in quick runs and then assessing the results for swift go/no-go decisions.

Similarly, the company's venture arm is also taking short-term strategies with digital health opportunities – much shorter than with biotech investments, for example.

“We are talking five months rather than five, 10, 20 years. You have to be much more agile, moving in and out of companies,” he says.

Boehringer is looking for start-ups it can support with money, ideas and partnerships, and has not ruled out making acquisitions. It has also recently partnered with Startupbootcamp Digital Health Berlin, one of many initiatives to help it get in touch with young companies.

BI X, meanwhile, has been officially tasked with driving digital disruption across the company's business areas – which include animal health. From its 30 employees at the end of 2017, Mr Schmelmer says it hopes to have 50 staff by mid-2018.

Drop in the ocean?

Boehringer is far from alone in making a lot of noise about its digital health efforts, or its embrace of agile development methods and a “no fear of failure” philosophy ([Interview – Novartis goes all in on digital trials](#), March 26, 2018).

The potential for digital technologies to improve patient compliance or make clinical trials more efficient, for example, is real, and no drug developer can afford to overlook this. However it is also notable that Boehringer's digital investments barely register in the grand scheme of things: the company spent €3.1bn on R&D across its human and animal health divisions last year.

And considering that BI X is located in the grounds of Boehringer's sprawling campus in quiet and leafy Ingelheim, Germany, comparisons to a San Francisco start-up do not travel far.

All this aside, it is telling that the conservative German company, more accustomed to keeping its developments to itself, is shouting loud about taking these steps. Mr Schmelmer clearly believes that Boehringer's digital efforts will only grow, though he admits that he does not know how many programmes are currently being studied, putting the number in the hundreds.

“I don't know if last month one died – initiatives are started and stopped very quickly,” he says.

Later-stage programmes are more easily described. He points to a smart stethoscope that can help diagnose lung conditions like idiopathic pulmonary fibrosis, an artificial intelligence to help evaluate computer tomographic images of the lung, and an app called PetPro Connect being developed for its animal health unit.

He also describes problems that are still being grappled with: that development significantly slows once a project reaches patient-testing phases, owing to compliance issues; Boehringer's inability to directly access patients in certain regions, owing to local laws; and the issue of who will own the data, should these technologies reach the market. Mr Schmelmer is clear that the owner should be the patient.

And, while any financial commitment might be comparatively small, Mr Schmelmer would probably argue that the embrace of this technological shift throughout the company has been much more significant.

“We are ready to do everything which helps us to digitalise Boehringer,” he says.

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