

Truly, a battle-tested leader

By THOMAS LEE, Star Tribune

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The 19-year-old kid, known to family members as "The Doctor," led his squad of Lebanese Red Cross volunteers out of the Palestinian camp in Beirut in 1986, their ambulances loaded with wounded.

They didn't get far.

Fighting had been raging for days between Hezbollah and Palestinian fighters, but Hezbollah allowed the Red Cross team to exit the camp. Along the way, however, a rival militia stopped the convoy and executed the wounded.

Few corporate executives could say they have honed their leadership skills in the same manner as Nadim Yared, the CEO of Brooklyn Park-based CVRx Inc. As a Red Cross volunteer, Yared dodged car bombs, raced into war zones and negotiated with armed militia groups, each suspicious of the Red Cross' neutrality.

"You stay calm," said Yared, 41, ticking off the skills he learned in the Red Cross. "Negotiate. Renegotiate. Do it again. Try from a different angle. ... [You learn] when to take the risk, when to not take risk, when to say yes, when to say no."

Yared's thoughtful, measured approach to leadership has enabled the French-educated engineer to deftly manage a situation that has vexed many a start-up: how to assume control of a growing company from its founder who invented the core technology. Such transitions can be tricky. Successful start-ups often reach a point where the size and complexity of the business require management gravitas beyond the grasp of the original entrepreneur.

Investors in CVRx credit Yared, a former top executive with General Electric Co. and Medtronic Inc., with forming a strong partnership with Robert Kieval, the company's founder and a scientist who developed CVRx's core product: a device that uses electricity to treat hypertension or high blood pressure.

"Oftentimes you bring in a CEO and the CEO and founder don't get along," said Jim Shapiro, general partner with Kearny Venture Partners, a San Francisco venture capital firm and a major investor in CVRx. "Rob and Nadim have gotten along fabulously. It takes the right people to realize what they bring to the party and what they don't and be willing to take advantage of what the other brings to the table. Nadim has benefited from what Rob has to offer."

Yared's ability to think fast and collaborate carefully was forged on the battle-scarred streets of Beirut, where he learned to value teamwork as a Red Cross rescue worker.

"It's not about you anymore, it's about the team," Yared said. "On your own, you can't help any single wounded. You might be able to delay the damage. But you can't take them to safety on your own. It's all about the team that's around you. Can you be under fire and move the wounded across obstacles to get to the ambulance and then to the hospital without even talking, just by looking at people and understanding what's your role, what you need to do right now?"

Born in Beirut to a physician father and a mother who volunteered with the Red Cross, Yared and his three siblings grew up during Lebanese civil war in the 1970s and 1980s. The Yareds lived close to the Green Line, a frequent battlefield that divided Muslim forces in the western part of the city from the Christian-controlled eastern half.

Family members describe a bright child who read French science journals at night to escape the realities of war.

"His favorite pastime was reading Science et Vie and Geo magazines, which were quite advanced for his age and demonstrate an insatiable scientific curiosity," said sister Nada Boulos, now a management consultant in London. "During the war and despite the endless electricity cuts, he would continue reading at night at the light of the candles and would not go to sleep before finishing [what] he was reading."

Said Yared: "It was a dream for me to be able to one day compare myself to those who live a normal life. Anytime I was able to do something that no one else could do, like solve a mathematical problem or find a theorem, it was this immense satisfaction that I was able to do it from Lebanon. You have this inferiority complex to make you want to fight in life to become better than others."

Yared's nickname was "The Doctor," but mostly because people expected him to follow in his father's footsteps. When he was 11, patients sought medical advice from him. (He politely told them to ask his dad.)

But Yared preferred engineering, reasoning that he could save more lives inventing a device than a doctor who could only treat one person at a time.

He joined the Red Cross at age 15. Three years later, he became a team leader, often sitting close to the window during university classes, where he could watch for explosions that might require a Red Cross response.

"We were always worried for him, but we all knew that nothing would stop him," Boulos said.

After Syria invaded Lebanon in 1990, Yared left Beirut and worked in Cyprus for a year. He eventually moved to Paris, where he earned an electrical engineering degree and

later a master's of business administration from the INSEAD business school. In 1993, he joined General Electric's medical systems operations in Europe. There, he developed software called Advantage Windows that allowed doctors to analyze data from CT scanners and MRI machines using desktop computers.

In 2002, Medtronic recruited Yared to run its troubled navigation business, which specialized in using global positioning system technology to assist doctors during complex surgeries.

"I felt Nadim had the right management expertise and technical expertise to take a complicated business and run it," former Medtronic Chief Operating Officer Michael DeMane said. "He's a pretty thoughtful guy. He listens well. When you recruit someone for an executive position, you try to get as many [desirable] attributes as you can. With Nadim, I got most of them."

In 2006, CVRx went looking for a new CEO. Kieval had previously led the company, but CVRx needed someone who knew how to commercialize technology, said John Nehra, a partner with New Enterprise Associates, a venture capital firm based in Chevy Chase, Md. New Enterprise is a major investor in CVRx.

The start-up required an experienced manager who could guide its Rheos system through clinical trials, raise money from investors and market the device to doctors and hospitals in the United States and abroad, he said.

Yared's technical savvy and international experience were big pluses, Nehra said.

"He was someone we felt could quickly grasp the technology," he said. "International experience was a strong suit for him. Ultimately, the implantable [device] market exists outside of the U.S."

As it turned out, Yared and Kieval clicked.

"It's been a pleasure" to work with Yared, Kieval said. "The chemistry that he brings has been very natural, very constructive. He's a team player that puts a lot of emphasis on listening to people."

While Yared runs the day-to-day operations of CVRx, Kieval, now an executive vice president and chief technology officer, is focusing on new products; he is leading efforts to prove that Rheos can prevent heart failures.

Under Yared's leadership, CVRx released two years of data from a study in Europe showing that patients using Rheos showed a sustained drop in blood pressure. European regulators have approved Rheos for commercial use. The company recently raised \$84 million in new financing, money that will fund Rheos' Phase III clinical trials in the United States, the last step before the Food and Drug Administration grants approval for the device. The company is still in a development phase, and has yet to generate revenue.

Yared says he often thinks about the men executed by the militia that day in Beirut, and wonders whether he could have prevented their deaths.

"It was a very painful day," Yared said. "I was 19 years old and being head of this mission, maybe I approached [the militia] from an arrogant perspective. 'I'm the Red Cross. You got to let me go because I represent the Red Cross.' Maybe if I had taken it from a difficult angle, these guys would still be alive. It's hard to say. But I was responsible."

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COMING UP

Since June, Honing the Edge has profiled two of four people whose skills and backgrounds are needed to launch a successful start-up: the Inventor and the Venture Capitalist. Today, we look at the CEO: Veteran med-tech executive Nadim Yared is president and CEO of CVRx Inc. In the coming weeks, we will profile the Entrepreneur as part of our series on innovation in Minnesota. See all the profiles online at www.startribune.com/projects.

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