

# GAME CHANGERS FOR 60 YEARS

60 years of entrepreneurial adventure

## Episode 3: The 90s, taking off internationally

A human, scientific and industrial adventure, the history of bioMérieux has been an incredible family and entrepreneurial story since its creation in 1963.

Embark on a 5-episode journey to discover our 6 decades of commitment to improving health worldwide.

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At the end of the 80s, the world was in complete upheaval. The cold war was ending. China was taking its first steps into the market economy, and the apartheid regime was coming to an end in South Africa. It was a time for openness. It was the beginning of multimedia PCs, with the emergence of the Internet and GPS positioning. AZT was the first AIDS treatment on the market. The launch of an international project aimed at mapping the human genome raised great hopes for medicine.

bioMérieux already was a thriving business. The company employed over 2000 people, with sales of around 200 million euros. Well established in Europe, it was now looking towards expanding its' horizons. Alain Mérieux wanted to turn bioMérieux into a world leader in *in vitro* diagnostics. Driven by this new ambition, the company moved beyond its European borders and began a bold period of international expansion. In 1988 in Japan, the first Asian subsidiary was launched. In 1991, bioMérieux was one of the first foreign companies to set up in China. In fact, from 11 in the 80s, the number of active subsidiaries increased to 27 during the 90s.

Philippe Sans, Deputy CEO of the Institut Mérieux, was Director of Sales at the time:

*"This period was one of intense commitment to building our network: first of all in Europe, but for me the biggest impact was Poland, where we started operating very soon after the fall of the Berlin Wall. We worked with a state-owned company, and with each successive trip to Warsaw, we saw the country open up. It was quite amazing to witness such a transformation, and the speed at which it occurred. Then came Latin America: Beyond our historical presence in Brazil, we established subsidiaries in Mexico and Chile, for example, and step by step, the network grew. These acquisitions also allowed us to be present in Canada, so during these years we went from a European presence to a global one."*

In industrialized countries, biological diagnostics was demonstrating strong growth. The speed and specificity of the tests made it possible to adapt patient care ever more quickly. By the end of the 1990s, the global diagnostics industry was concentrated in the hands of an increasingly small number of players. For bioMérieux, the acquisition of API System and Vitek Inc. greatly strengthened our strategic position in the field of microbiology, which in Europe was strong in culture media, and strong worldwide in identification and antibiogram. And yet, one pillar was missing: blood culture.

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In the fall of 2000, the Dutch chemical group Azko Nobel decided to sell off its diagnostics division, Organon Teknika. This was the opportunity bioMérieux was waiting for!

Founded in 1972, Organon Teknika was a leading company in the field of *in vitro* diagnostics. It was the first to market the ELISA test, a technique that has become the standard method for immunoassays. In addition, at the end of the 1980s, they marketed the first fully-automated blood culture system: BACT/ALERT®.

In July 2001, the acquisition was finalized.

Philippe Sans remembers: *"We were able to pull off this deal, which was quite major for bioMérieux, as we were buying about 40% of what bioMérieux's sales were at the time, and it was basically a cheque for over 300 million euros in the context of 20 years ago, so it was a very significant step for bioMérieux."*

Organon Teknika propelled bioMérieux to number one in the world in blood culture, a position it still holds today! The Dutch company also had a major impact on the structuring of bioMérieux's molecular biology offering, as we will hear in a later episode. In addition, this acquisition gave bioMérieux direct access to new countries, while considerably expanding its sales network, particularly in China.

Back in the United States, following the acquisition of Vitek Inc., bioMérieux had set up shop in St. Louis, Missouri. As for Organon Teknika, the company was headquartered in Durham, North Carolina. This newcomer to the group allowed bioMérieux to double its size on the other side of the Atlantic! The decision was made to move bioMérieux's U.S. headquarters from St. Louis to Durham: The employees of Organon Teknika stayed where they were and became bioMérieux personnel, joined by the company's main managers who moved there. This proved to be a powerful accelerator for integration! More than 20 years later, the Durham site, which employs 600 people, remains the flagship of blood culture at bioMérieux, with more than 11 million BACT/ALERT® bottles produced each month.

By the early 21st century, bioMérieux was operating in more than 30 countries and generating 70% of its sales outside of France, compared to just 25% in 1980. Its status as a world player in *in vitro* diagnostics was indisputable and it was time to take things to another level. In the summer of 2004, the Mérieux family chose to take the company public: In doing so, it gained much more visibility and new potential sources of funding. However, bioMérieux today remains an independent family business with a long-term vision. The company retains its pioneering spirit and commitment to public health, embodied by its employees who contribute to saving lives all over the world.

In the next podcast, we'll take you on a journey through the history of bioMérieux's industrial microbiology business, which also began in the 90s! See you soon for the next episode.