

RadPharm, Medifacts to Become CoreLab Partners

Core laboratories RadPharm and Medifacts International recently merged business operations, hoping to attract new clients with their combined portfolios.

The deal, finalized Feb. 5, creates one company named CoreLab Partners (CoreLabs) with more than 400 employees (320 from RadPharm, 80 from Medifacts) and offices in New Jersey, Maryland, Germany and China. The new company's main office is in Princeton, N.J.—RadPharm's current headquarters. RadPharm was founded in 1998 by Drs. Robert Ford and Donald Rosen and is an imaging core lab for oncology trials.

Medifacts president Michael Woehler, Ph.D., is the new president and CEO of CoreLabs. Former RadPharm CEO Ronald Berg will become executive vice president, and all employees of each company will stay on with CoreLabs.

“There is consolidation going on in the industry,” Woehler said. “We see that our clients—pharmaceutical companies, biotech companies, etc.—want to try to deal with less vendors, if you will. We thought this made sense. We can go into these clients, and we can talk about a very broad service offering now—kind of as one-stop shopping.”

Founded in 1985 as a contract research organization (CRO) and cardiovascular core lab, Medifacts filed for Chapter 11 bankruptcy protection in early 2007 before selling off its CRO division to focus on its cardiac safety services unit.

“Medifacts is a pure-play cardiovascular core lab. The CRO took a different name, is owned by different people, etc.,” Woehler said. “We did an outstanding job—the team here—in terms of just about doubling the revenue ... we had a really successful couple of years, but during that time we thought we really would like to increase critical mass more than just through organic growth. We wanted to look inorganically. What makes sense for this?”

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How do we increase our critical mass?
How do we broaden our service
portfolio?”

Medifacts’ survival post-bankruptcy
was made possible by private-equity
firms S.V. Sciences and Ampersand
Ventures. Ampersand is RadPharm’s
majority shareholder, Woehler said, so
the companies knew each other well.

“The business model [of RadPharm
and Medifacts] is similar,” he said.
“We do sort of three things. We set
up sites, we train sites, we collect data
from these sites. We collect that data,
we manage that data—in other words,
analyze it, process it—and then we
re-submit that data either to the client
or to a regulatory authority. So it’s
education, training of the sites, col-
lecting data from the sites, managing
the sites, and then re-submitting the
data. That business model is similar
with both RadPharm and Medifacts.
Strategically, these are complementary
businesses.”


The two companies will spend the
next month completing the integration
process and setting up Core-
Labs’ headquarters in New Jersey.
Once this process is complete,
Woehler said, the company plans to
strengthen its European and
Asian operations.



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