

Taxol makers win Entrepreneur of Year

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Randy J. Daughenbaugh and Dean P. Stull, the president and chief executive officer (CEO), respectively, of Hauser Chemical Research (Boulder, CO), won national emerging company honors at November's Entrepreneur of the Year award ceremonies in Palm Springs, CA.

Now, *BioTechnology* is the life-science industries and healthcare industries sponsor of the program, begun seven years ago by the Ernst & Young's (New York) Entrepreneurial Services group and now co-sponsored by Merrill Lynch and *Inc.* magazine (New York). Perhaps the magazine is a little too closely tied to the story to be objective. So be forewarned.

Plant extracts

Daughenbaugh and Stull started Hauser Chemical Research in 1983 (in part to save Daughenbaugh from having to move from Boulder to Texas) with three avowed aims: to undertake only projects with some social value (to this day, employees will post signs with reminders like, "We save lives"); to have fun; to make money.

In that order.

Aside from this, er, interesting hierarchy of values, the pair had special expertise in isolating and extracting high-value natural products from plants. From those beginnings, the company has grown to occupy an odd niche, part consulting engineers, part contract manufacturer of pharmaceutical intermediates. Thus, as its founders point out, Hauser is neither a discoverer nor a producer. They call it rather a catalyst permitting other companies to commercialize their own products.

Those dual functions led Hauser first into the large-scale production of sanguinaria, a plaque-fighting agent extracted from bloodroot; a feline-leukemia drug wrung from the *Saponaria quiliaja* tree; a high-yield vanilla extraction; and its current position as the leading producer of taxol, the most-heralded cancer chemotherapeutic in recent memory.

Bristol Myers-Squibb (BMS, New

York) is the name that comes to mind when the subject of taxol comes up: A year ago, when *BioTechnology* did its story on the drug, we referred repeatedly to BMS's product, and to BMS's process for extracting taxol from the bark of the Pacific yew, *Taxus brevifolia* [*BioTechnology* 9 (1991):933].

Well, as it turns out, the BMS process is actually Hauser's process, which leads to an interesting proprietary situation: BMS owns the drug approval, and Hauser owns the approved process. And this started us thinking about Hauser's long-term prospects: Even when taxol plant tissue culture becomes a reality, efficient extraction will still be a requisite [*BioTechnology* 10 (1992):1572].

Attitude

Beyond its ability to apply new ideas to areas once thought to be moribund (like plant-product ex-

traction), there is something engaging in the company's un-corporate familial whimsy.

Like most of its other projects, construction of the company's new 56,000-square-foot manufacturing plant was a team effort: among the designated teams was a one-man group designated "Mistakes," which consisted of Daughenbaugh alone. His function was to take the blame, to avoid time-wasting finger-pointing, and to keep the group focused.

When something screwed up, the plant planners would quickly conclude, "It's Randy's fault," and move on.

On the strength of these products, services, and attitudes, Hauser has grown from an essentially break-even operation with sales of \$2-3 million in 1989 and 1990, to book profits of \$3.4 million on sales of \$21 million in the first nine months of 1992, with \$50 million in the bank.

The Entrepreneur of the Year Program

In making the awards, Entrepreneur of the Year judges consider financial growth, the firm's history, its current stage of development, its future prospects, its major accomplishments, and its community involvement. The nominees are owner-managers primarily responsible for the recent performance of a privately held company at least two years old. Founders of public companies are eligible, as long as the founder is still active in top management.

In service categories, awards may go to anyone who has "made an outstanding contribution to the entrepreneurial spirit or helped an entrepreneur to become successful." And another award goes to successful entrepreneurs who have helped their communities meet social or environmental problems. As a group, this year's regional Ernst & Young award winners have created 112,000 new jobs and recorded average sales growth of 60 percent, reaching median sales of \$20 million.

The year-long process begins this

month, as we solicit nominations (look for the advertisement in this issue). Ernst & Young representatives interview the finalists, and then an independent regional panel judges selects the award recipients. These local winners receive their awards in a series of June ceremonies (in 1992, for example, nearly 18,000 people attended awards banquets in 38 cities).

Biotech winners

Among the company CEOs who won regional honors in this year's program were:

William P. Duncan,
Oread Laboratories (Lawrence, KS)
Chris Harold Horgen,
Nichols Research (Huntsville, AL)
Philip S. Schein,
U.S. Bioscience (W. Conshohocken, PA)
Kevin W. Smith,
Symbiosis (Miami, FL)
Henri A. Termeer,
Genzyme (Cambridge, MA)
Lyle C. Turner,
Invitrogen (San Diego, CA)
Stephen Turner,
Oncor (Gaithersburg, MD)
Walter H. Plosilla
(also won recognition for his Montgomery County (MD) High Technology Council's efforts to attract and nurture new technology-based businesses)