

THE LAST WORD

ABC AND IBA: APPROPRIATE AND INEVITABLE

by Pamela J. Bridgen

Members and staff of the Association of Biotechnology Companies (ABC) and the Industrial Biotechnology Association (IBA), the two Washington, D.C.-based U.S. biotechnology associations, are often asked "Why two trade groups?" Biotechnology is too small, new, or "product poor," some observers say, to warrant separate organizations. Two are confusing to Congress, regulators, the public, and even, some allege, "the industry" itself.

Yet biotechnology is innately an eclectic set of endeavors that encompasses agriculture, human and animal health, microbial, and chemical segments. With such diversity, the existence of two biotechnology associations is not only the reality, but also healthy, appropriate, and inevitable.

In 1981, seven biotech companies pledged \$10,000 to join IBA—a decision that effectively excluded small companies and led to elitist assertions that IBA was home to "anybody who is anybody in biotechnology." Within a few years, an impressive array of companies such as Amgen, Genentech, Dow Chemical, Du Pont, Phillips Petroleum, and Monsanto had joined, along with scores of others.

ABC, meanwhile, was created eight years ago by small companies who purposely sought to provide a forum for the entire spectrum of biotechnology endeavors. It specifically drew from start-up, entrepreneurial companies. From this initial mandate came policies that influenced all other decisions. ABC founders, unlike those of IBA, envisioned a populist organization that prided itself on an egalitarian structure and policies that continue to shape it today. ABC determined not to be insular and, instead, reached out to anyone who wanted to make a contribution through the various biotechnologies. Representation may best summarize the philosophical differences between the two groups. ABC committed to companies struggling to make it, while IBA sought established, major players.

Thus, IBA serves a voting membership of a variety of corporations; it has the luxury of narrowly focusing on issues pertaining to its for-profit membership, while ABC coordinates and spearheads actions of an amorphous range of interests. A majority of ABC's corporate members falls in the "mid-sized" or "small" categories. Twenty-two countries are represented in our 250-member association. A roster including universities, biotechnology centers, government agencies, and service-related firms—as well as the larger biotech companies—is both the bane and beauty of ABC. The breadth of membership and their interests have led to different political and economic structures within the two.

Dues Structure. ABC's dues have, traditionally, been staggered according to membership category, with each member accorded the same rights and responsibilities. Dues range from \$650-3,500. In its formative years, ABC explored reciprocal memberships to international organizations as a way of providing international access to its small corporate members.

Because of its commitment to small, research intensive companies, ABC decided not to draw revenues exclusively

from membership dues. Its international meeting has been developed as a source of income to reduce the need for high dues.

IBA retained its "one fee for all" policy that began with \$10,000, then \$12,000 for members until May 1987, when it offered new categories that lowered dues to as little as \$3,000 and raised them to as much as \$20,000. This remains its published dues schedule. However, after the failed IBA/ABC merger discussions in late 1989, IBA instituted a first-year, one-time-only \$1,000 membership fee. These efforts were, partially, in response to a "big company" perception haunting IBA. They also were an effort to attract ABC's existing or potential members.

Regional and international interests. ABC's Council of Biotechnology Centers boasts more than 50 state/regional centers after only two years. It explores a wide diversity of academia and research programs and projects across the nation. At meetings, members cross pollinate: scientists to bankers, academics to venture capitalists, resulting in a strong network that fuels economic growth globally.

ABC takes state and regional initiatives seriously, giving them wide berth to influence policies and potentially impact national regulatory and legislative agendas. ABC further extends beyond established state or regional centers and offers loose affiliations to grassroots chapters in biotech hotbeds such as Boston, Washington, D.C., and San Diego.

ABC also has an aggressive, dynamic international outreach that has netted active participants in 22 countries. ABC's services emphasize the potential for interaction with foreign partners, a need of small to mid-sized companies headquartered in the U.S. and without large corporate reserves to hire international consultants or establish satellite offices abroad. Last year, ABC tangibly expressed an international commitment by holding its annual meeting in Toronto. In any given year, approximately 35 percent of ABC international meeting attendees are foreign participants who offer a reservoir of economic opportunities for capital-strapped entrepreneurs.

The future. The 1989 IBA/ABC merger negotiations failed because it became apparent that legitimate objectives of each could not be met by a blending of the two. This juncture has had a positive impact on both IBA and ABC. As appropriate, we collaborate and present a united voice for the widest possible spectrum in biotechnology. A recent example is a collaboration in the agricultural and environmental area.

We sometimes disagree in substance, but ABC does not position itself as competitive with or hostile to its sister association. We merely agree to disagree because the reality is our broad membership base requires us to. And that, in essence, is why there are two.

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