



DR MARKUS WEISSBACH

Life after M&A

One year after the merger of CRO firms Averion and Hesperion, **Dr Markus Weissbach**, CEO of the combined company, Averion International, tells **Frances Gapper** about life as a local and global player

Q. You have been CEO of Averion for more than a year now. What are some of the key issues that you have been dealing with?

The top priority for this year has been to integrate the staff, culture and operational processes of Averion and Hesperion, while ensuring that the quality and timelines of our client deliverables were unaffected. Clearly the organisation was going through a transition period and we recognised the need to work diligently to assure no interruption in service levels. This has been a year of change, growth and focus on an expanded mission.

I am pleased to report that we have expanded our newly established global footprint by opening new offices and operations in central and eastern Europe, further broadening our reach.

Q. You were previously CEO of Hesperion – would you say a bit about this company, its development and the reasons for the merger?

Hesperion was founded in 1997 and over the 10 years pre-merger, the company grew into a primarily European CRO with significant experience in supporting global cardiology, oncology and vaccines trials. Before the merger, Hesperion had already started to expand into the US to meet the needs of its European clients that were looking to run trials in this key market. As this client need increased, Hesperion explored a number of strategic alternatives, including looking for a comparable merger/acquisition partner that was established in the US, but which needed the European coverage that Hesperion offered.

Averion, a company of similar size, was a predominantly US player with a relatively small European presence. Thus, with minimal client and geographical overlap, a similar corporate culture, and comparable therapeutic expertise, Averion turned out to be the perfect merger partner: Averion and Hesperion were an ideal match.

Ultimately, the merger doubled the size of the combined company, expanded our geographical coverage, deepened our therapeutic expertise and brought two highly professional and experienced teams together.

Most importantly, however, the combined companies under the Averion International banner have now moved onto the global stage. The company is now well positioned to meet the needs of its clients locally as well as globally.

Q. What effect has the Hesperion acquisition had on Averion's operations? Is Hesperion now fully integrated into the group?

This speaks to the core reasons that we created Averion International. Our larger size provides us with the resources to select appropriately experienced and geographically located staff to work on a project team. With our expanded geographical reach, we can truly run studies in more countries with local teams. It is critical and more economical to use local teams who are familiar with local languages, cultures and regulations.

As a full-service provider, Averion International offers the full range of clinical trials services from Phase I-IV through to regulatory submissions. We are flexible and offer our services as a niche provider in support of full-service trials.

Q. In 2008, Averion opened an office in the Czech Republic and another in Ukraine. Will central and eastern Europe continue to be a main focus of growth for Averion?

Central and eastern Europe will continue to be a focus area for growth for Averion International as these regions offer a strong clinical trial environment with large patient populations and well qualified investigators in a broad range of indications. These factors are top priority for our clients and are vital to the successful conduct of international trials.

In addition, we continue to explore other regions for expansion based on our clients' needs.

Q. Why has Averion focused on the areas of oncology, cardiovascular diseases, dermatology and medical devices?

Our clients want specific experience and in-depth expertise in the particular therapeutic indications for which they develop new drugs or



devices. Over the past year, Averion International has further developed and broadened its experience in the areas on which the two legacy companies had focused their interest and know-how over the previous decade. Our people, our processes, and our knowledge of high-quality sites and physicians are exceptional in these therapeutic areas. Our operational expert teams, supported by in-house therapeutic area heads and external academic advisory boards, have first-hand skills and knowledge in bringing oncology, cardiovascular, dermatology and medical device projects from “first-in-man” to “regulatory filing”. This is what we deliver.

Q. What do you think that your clients seek in an ideal CRO partner?

Well firstly, the most basic criterion for a CRO partner is being able to offer experience in the client's specific product indication and capabilities to match the project requirements. Such capabilities would include the specific service tasks, geographical scope as well as staff resources to get the project done.

When you look to the next level, project team chemistry is critical to the relationship. The client and CRO project teams work together on trials over an extended period of time and the teams need to share the same vision, work values, ethics and methodologies. We must have a solid project execution plan and associated problem solving and escalation processes when

a deviation arises. A client must be able to trust that Averion International cares as much about the success of the project as they do. And at Averion International, our team and the client's team are actually one team.

I also believe that easy access for the client to the senior CRO management team, which has hands-on experience in the planning, conduct and problem resolution, is another advantage that a company of our size provides.

Q. Can you reveal anything about your growth strategy?

It's simple. If we continue to meet and exceed our clients' expectations we will win more business and new clients. This is the best kind of growth and this is what we expect to achieve.

Moving forward, we will continue to look for opportunities that will expand our capabilities and to stay at the cutting-edge of clinical trial service offerings. Any acquisitions will be strategic and must add value for our clients and shareholders.

We look to attract the best and brightest professional staff to provide best-in-class services to our clients in our areas of therapeutic focus. We will continue to set up operations in key countries where patient populations and investigators are readily available to meet our clients' needs. Meeting client needs will be the primary driver for Averion's future growth.

Q. What is the outlook for the CRO industry given the current difficult economic climate in which budgets are shrinking and decision-making timelines are being stretched out?

2009 will indeed be a challenging year for the CRO industry and we are diligently preparing ourselves to maintain our growth and profitability.

We made the move to expand our presence on both sides of the Atlantic, streamlined our processes and procedures increasing our efficiencies, and we are now seeing the benefits. Our strengths are our people, our passion for excellence, our processes and our size.

As a mid-sized CRO, we have the resources necessary to meet the requirements of large pharma, biotech and medical device companies, as well as the flexibility to work with emerging and development stage companies. Importantly, our size allows us to be nimble and to adapt quickly to change. Therefore, Averion International is uniquely positioned to face the challenges expected for 2009.

We are optimistic about our prospects for 2009 because we took bold steps to create a new Averion International just a year ago and are continuing proactively to adapt to the peculiarities of a rapidly changing market!

SCRIP

Frances Gapper is an editor for Informa Pharma.