



Massachusetts: The Leading Destination for Innovative Life Sciences Companies

Why Massachusetts Has Emerged as the Priority Headquarters for International Life Sciences Companies Considering Expansion into the U.S. Market

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There is no shortage in the number of complexities associated with owning and managing an international life sciences company. Research and development expenditures, legal and regulatory hurdles, talent acquisition and training, intellectual property constraints, funding and commercialization—the list goes on. But no matter how daunting it can be to develop and maintain the momentum necessary to achieve both business and clinical objectives, these challenges pale in comparison to the inevitable bumps in the road that emerge when a company decides to expand into a completely new market. This particularly holds true if the market happens to be as highly regulated and competitive as the United States.

Fortunately, for an increasing number of life science companies seeking to bring their innovative technologies and products to the U.S., a global leader has emerged in life sciences research, innovation and employment that is ready and willing to welcome these companies with open arms. That leader is Massachusetts -- home to world-renowned

research universities and hospitals, a talented workforce, industry leaders in pharmaceuticals, biotech, medical diagnostics and medical devices, an active venture capital community and a growing level of investment in life sciences by the state. With this unique combination of attributes, it's no surprise that Massachusetts is firmly positioned as the priority destination for life sciences companies looking to expand into the U.S.

Let's take a closer look at how Massachusetts has become the global life sciences powerhouse, and why international companies would be wise to explore what Massachusetts has to offer.

Regional Pride

Massachusetts' leadership in the life sciences is far from coincidental. The state boasts some of the most influential and respected medical research universities and hospitals in the world, including MIT, Harvard, the University of Massachusetts and Massachusetts General Hospital, all of which attract -- as well as train -- a large pool of medical, science



and technology students and professionals. The state is known for an exceptionally skilled work force at all levels. Likewise, Massachusetts is home to revered research institutes such as the Dana-Farber Cancer Institute, the Broad Institute, the Wyss Institute, the Schepens Eye Research Institute and the Marine Biological Laboratory. Not surprisingly, this cluster of innovative research, discovery and practice has given rise to a thriving business ecosystem that already includes leading international companies such as Sanofi, Genzyme, Medtronic, Biogen Idec, Vertex, Boston Scientific, Shire, Novartis, Pfizer, Millipore, Millenium, and Acceleron, to name just a few. Finally, Massachusetts, and in particular the Boston area, is well noted for its transportation infrastructure and easy access to transatlantic trade. Not surprisingly, medical devices have emerged as the state's leading export.

Serious Investment

While the Massachusetts life sciences cluster is bolstered by the partnerships, collaborations and talent availability afforded by the state's clinical and research community, the emerging combination of public and private financial support, including government-backed programs and incentives and a dedicated life sciences venture capital community also is critical to the cluster's growth. State government is committed to further cultivating its innovation economy sectors, including the life sciences. In June, 2008 Governor Deval Patrick signed into law the Massachusetts Life Sciences Initiative—a ten-year, \$1 billion investment package to strengthen the state's global leadership in the life sciences. The program melds all of the state's key resources in an effort to spur research, investment,

innovation and commercialization, while creating jobs and attracting new businesses to further sustain and strengthen the state's ecosystem and leadership position.

Specific components of the Massachusetts Life Sciences Initiative include: financing support for early stage companies, grants for translational research, tax incentives, workforce development programs, funding for infrastructure projects, and grants for collaborative research between industry and the state's world-class academic institutions. The Massachusetts Life Sciences Center, the agency tasked with implementing these programs, has played a key role in spearheading recent scientific and economic development endeavors. To date, the Center has invested \$302 million in public funds, including \$187 million invested in infrastructure projects, and \$13.6 million in scientific research matching grants. With the additional aid of more than \$1 billion secured through outside investment, the MLSC already has helped create a projected 8,754 new jobs.

To no one's surprise, the Massachusetts Life Sciences initiative and the Life Sciences Center have generated a significant amount of international attention and fostered collaboration. Several of the Center's programs are open to international companies for application, including the Cooperative Research Matching Grant program, which provides grants to support research collaborations between life sciences companies and Massachusetts academic institutions. In addition, the Center has invested over \$11.2 million in supporting promising early-stage companies through an Accelerator Loan Program. International companies can apply for



these loans as long as they have registered as a company doing business in Massachusetts by the time of the loan award. One of the Center's most popular programs is its Internship Challenge Program – an on-line exchange that enables small companies to find talented interns, whose stipends are paid by the Center. Many of the young international companies that have recently located to Massachusetts actively participate in this program.

The Center has entered into a number of innovative partnerships with industry to support the Massachusetts pipeline of promising drugs and technology. During the 2012 BIO International Convention held in Boston, Massachusetts Governor Deval Patrick, the Massachusetts Life Sciences Center and seven global biopharmaceutical companies announced the formation of the Massachusetts Neuroscience Consortium that will fund pre-clinical neuroscience research at Massachusetts academic and research institutions. Participating companies include Abbott, Biogen Idec, EMD Serono, Janssen Research & Development, LLC, Merck, Pfizer and Sunovion Pharmaceuticals Inc.

Massachusetts is a center of excellence in the field of biomedical neuroscience with world leaders representing all major fields of neurobiology and neurology. The combination of basic neuroscience, translational, and clinical research across more than a dozen world-renowned institutions provides a rich and fertile environment within which to advance the understanding and treatment of brain disorders.

The Consortium is a pioneering new model that is designed to leverage this rich environment for purposes of accelerating early-stage research available to the pharmaceutical industry, introducing academic researchers to the challenges of targeted research, and facilitating industry-academic collaborations.

International Life Sciences Companies in Massachusetts: No Shortage of Examples

Massachusetts continues to invest in its commitment to the life sciences, and the state has certainly received a significant return — as evidenced by the number of international companies now doing business in the Commonwealth.

The Center has helped organize numerous grand openings and press announcements for new or expanding life sciences companies in Massachusetts. Over the past year alone:

- Spanish life sciences company Progenika opened its expanded facilities in Medford.
- U.K.-based Xenetic Bioscience plc announced plans to relocate its drug discovery operations to Massachusetts.
- H3 Biomedicine, a start-up drug discovery company funded by Japan-based Eisai, located its facilities in Cambridge.
- U.K.-based IDBS celebrated a significant expansion in Burlington, including the designation of its Burlington office as the company's U.S. healthcare headquarters.

ARGO Medical Technologies, an Israeli-founded exoskeleton technology leader, announced at the AdvaMed 2012 Conference its decision to open its U.S. headquarters in the Commonwealth. According



to Larry Jasinski, CEO of ARGO Medical Technologies, the decision to move to Massachusetts was **“driven by the Commonwealth’s demonstrated commitment to attracting and supporting the life sciences.”**

Other recent arrivals include Batavia Bioservices and the Qserve Group from the Netherlands, Izon from New Zealand, Algeta from Norway, and Scivax from Japan. These companies continue to cite the Life Sciences Initiative, along with the state’s talented workforce, world-class academic institutions and industry-leading companies, as their primary reasons for locating or expanding in Massachusetts. They join major global players such as Sanofi, Pfizer, Novartis and Shire, all of which are significantly expanding their presence in Massachusetts. Johnson & Johnson recently announced plans to establish one of their regional innovation centers in the Boston area.

The tax incentives awarded by the Life Sciences Center – up to \$25M each year -- play an important role in bringing international companies to Massachusetts. Shire’s Human Genetic Therapies

division has received more than \$18.6 million in tax incentives from the Center to support expansion of its facilities in Lexington, Massachusetts. In exchange for its tax incentives the state, through the Life Sciences Center, requires a commitment for job creation in order to ensure a mutually beneficial relationship that fosters a win-win across both government and industry.

“The Life Sciences Initiative has proven successful in attracting both national and international life sciences companies to consider locating and creating jobs in Massachusetts,” said Governor Deval Patrick. “We enthusiastically welcome their expansion, which translates into new jobs and further strengthens our innovation economy.”

As research and development dollars continue to be spent on the life sciences around the globe, Massachusetts continues to emerge as an attractive and potentially lucrative headquarters and operations center. To learn more about what Massachusetts has to offer, visit www.masslifesciences.com.

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