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At Kinex Pharmaceuticals, located in the New York State Center of Excellence in Bioinformatics and Life Sciences on the Buffalo Medical Campus, cancer researcher Yahao Bu, left, tests a sample, and Vice President Lyn Dyster shows a vial of a compound developed in the company's chemistry lab.

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City steadily builds a future in biotechnology

More needs to be done to expand niche in biomedical sector

By IAN CROPP
SPECIAL TO THE NEWS

As anyone in the bioinformatics field knows, innovation takes time.

Ideas morph into products, which go through tests. Then come some adjustments, and if all work out, the product hits the market.

Western New York's biomedical industry — with the Buffalo Niagara Medical Campus as the driving force — is on a similar path.

In the past decade, the medical corridor has seen plenty of innovation and growth, from cancer-screening advancements to giant infrastructure investment. But is the region capable of taking the next step forward, or has it reached a point of stagnation?

"I think Buffalo can sustain this," said Marnie LaVigne, director of business development at the University at Buffalo's Center for Advanced Biomedical and Bioengineering Technology. LaVigne said a lot of innovation has come from the medical-device sector in the region, which is an advantage.

"We don't have to ignore what's been a strong foundation. We want to help the [medical device companies] reinvent themselves and grow. But also, we have the other half of the pie — other companies that haven't been major players here, like bioinformatics and pharmaceuticals."

Terry McGuire, the managing general partner at Polaris Ventures in Boston, likes Buffalo's prospects with that piece of the pie.

"I am very positive and bullish on Western New York's ability to generate new technology," said McGuire, a longtime investor in medical information and technology companies. "The reason I'm encouraged is because there's a combination of great universities and good

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teaching hospitals — which are important for medical tech development — a very skilled and intelligent work force and a good entrepreneur community.”

A homegrown company that has used all those resources to thrive is Kinex Pharmaceuticals, located at the New York State Center of Excellence in Bioinformatics and Life Sciences.

“One thing we’ve been lucky about, we’ve been able to locate our business in the Center of Excellence,” said Lyn Dyster, the company’s co-founder and vice president of research operations. “The building has a lot of infrastructure we’ve taken advantage of. I don’t think we would have been as successful” without it.

Along with the use of lab equipment, Kinex has enjoyed building a relationship with one of its neighbors, AHRM Inc., the company that conducts Kinex’s clinical trials.

“We can go walk over, talk to someone in that lab — we can get feedback. It’s a convenience and you also find synergy and become more productive,” Dyster said. “We started with a company out of state— and it just so happened AHRM moved in here. As we grow, they will grow, too.”

When AHRM — which stands for Applied Healthcare Resource Management — spun off from its original company and was looking for a home, it opted for Buffalo. Amy Hayward, AHRM’s president, thinks other companies could move to the area for the same reasons.

“The resource utilization in a big city would have been so much higher, and this allowed us to put our capital into IT, or brain trust, and recruit people and pay higher salaries,” Hayward said. “And also there are the opportunities the university affords in terms of professors and graduate students.”

While UB, along with facilities such

as Roswell Park Cancer Institute’s Center for Genetics and Pharmacology, have provided companies with top-level researchers, there has been a gap in some of the employment supply for new companies.

“We weren’t really prepared with entry-level work force,” La- Vigne said. “We’ve learned some good lessons and I hope as we approach other areas, we have more of a practical stance.”

In late November, Erie Community College graduated its first class of students from its new biomanufacturing certificate program.

“We customized the material for Western New York biomedical companies and worked with local companies to develop the course,” said Carrie Kahn, ECC’s executive dean of work force development. “If [the ECC students] get a job tomorrow, they could walk in and have the skill set needed. They’ll be able to do anything in bio-manufacturing in Western New York.”

There are, however, some other employment issues that the region may need to address.

“I’m an example of this,” McGuire said. “There’s a community of people who come from Western New York and have gone into biotech field nationally and internationally. There’s an effort to bring these people back and have them connected to the community at large. That’s not necessarily a negative, but a resource people are trying to get at.”

While the people may come and go, LaVigne said the actual manufacturing side of the industry is a bit more permanent.

“In the life sciences, there’s intellectual capital and stickiness that make it undesirable to move it away from the region,” she said.

If the region hopes to maintain the growth and keep the larger companies from outsourcing certain parts of their operations, there needs to be more physical growth.

“We need more infrastructure,” Dyster said. “Physical laboratory space is lacking.”

Hayward thinks that even though the region a tight-knit community, there is more room for improvement.

“We could all be a little better working together. We have large companies that come to Buffalo and they still continue to outsource support services outside of Buffalo. It would be nice to access your resources in your backyard — that’s still happening to some degree. But in

order for us to continue to grow and get a critical mass, we need to be supportive from top down and bottom up.”

And of course, companies of all sizes have to deal with the precarious nature of funding.

“We have the economy to worry about,” Dyster said. “Companies like ours require investment.”

But the region has seen successful partnerships that have come from minimal investment. “We don’t see our future as pulling in Pfizer, but we’ve turned that corner in pairing up what is research and development and the university with commercial opportunities — that’s where we win,” LaVigne said.

So as the region looks to take that next step, it may want to behave like a biomedical company crafting its product, and to temper the enthusiasm with a bit of patience.

“This is a good shot for us,” Hayward said. “The life sciences and biotech is realistic and deliverable. People like to see things happen faster than the reality allows for. We need to keep being supportive and need to keep coming with our resources and be our cheerleaders and keep it in the public perspective that things are going on and we are moving forward.”

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