

# contract manufacturing

## METRICS' HODGES LOOKS BACK—AND AHEAD



*Nineteen years after launching Metrics, Phil Hodges has retired. Here he reflects on his start in the contract manufacturing business and how it has evolved.*

Phil Hodges began his career as a scientist at Burroughs Wellcome, developing analytical methods and validating them. He enjoyed his work and the Burroughs Wellcome culture. But then he got a phone call.

"A guy who ran a small pharma company called me and said, 'I need methods developed and validated.' I told him I had a job," Hodges said. "His reply? 'You can do it on nights and weekends' and he talked me into it. He was the quintessential entrepreneur. So he convinced me and paid me hardly anything and I went to work nights and weekends."

Working in that small environment, Hodges recognized a need within the pharmaceutical industry for contracted laboratory services that delivered solid, reliable science. That first small company floundered, Hodges said, but his nights-and-weekends gig lasted long enough to inspire an idea. "I figured we could do this—set up a little contract analytical company and do this," Hodges said. "And the initial concept for Metrics came together."

Hodges continued to enjoy his day-job as a chemist at Burroughs Wellcome. "Wild horses couldn't have dragged me away." Then fate intervened. "I got a new manager who did not like me. When you're driving to work and just dread it, there is no worse feeling in the world."

Hodges decided to quit his job at Burroughs Wellcome and focus full-time on building a contract pharmaceutical analytical laboratory. His wife, Lisa—a physical therapist on maternity leave with the family's third child—offered her complete support, Hodges said. "We knew that if I fell flat on my face, she could go back to work and support us. But it was fate. It was just what was supposed to be. I truly believe God put that manager in front of me to run me off from Burroughs Wellcome."

When Metrics officially opened its doors in 1994, the company had just four employees, including Hodges. The company offered method development and validation and later—when the pharmaceutical industry began to embrace current Good Manufacturing Practices—it developed quality-assurance protocols. "I began putting together training programs for other pharmaceutical companies' chemists and, wow, did that take off," he said. "We started turning out standard operating procedures."

In 1995, Glaxo (now GSK) acquired Burroughs Wellcome and shut down the latter's Greenville-based pharmaceutical operations. That meant several of Hodges' former Burroughs Wellcome colleagues were asked to relocate to sites in other cities and states.

An opportunity "dropped in our lap," Hodges said. "With Glaxo abandoning Greenville and wanting to sell the site, it gave me a tremendous opportunity to grow the business from both sides in terms of clients and employees." With an influx of formulation development chemists from the defunct Burroughs Wellcome operation, Metrics expanded its services into formulation development, helping other companies figure out how to get optimal performance with their active pharmaceutical ingredients.

Early work involved supporting virtual pharmaceutical companies that relied solely on contractors to get their

## Metrics milestones

1994	Metrics founded as a contract analytical laboratory. Including Hodges, Metrics has four employees.
1998	Expands into pharmaceutical formulation development.
2000	Moves from rented facility and into custom-built 44,000-square-foot facility.
2001	Grows from 55 employees to 86 employees by year's end.
2004	Expands into generics manufacturing through Coastal Pharmaceuticals subsidiary.
2006	Employs 200 people.
2008	Opens 52,000-square-foot addition with four new analytical laboratories and a microbiology laboratory.
2009	Opens cGMP facility dedicated to handling potent and cytotoxic substances.
2009	Completes 100th "first-in-human" project.
2010	Launches "man-in-the-plant" MetricsVision, allowing customers to securely log in and supervise their projects remotely in real time.
2011	Workforce reaches 280.
2012	Acquired by Mayne Pharma Group of Australia.

products to market. "Your reputation and your capability become paramount, and because people knew that I basically had Burroughs Wellcome's technical development team behind me, I was able to build our company," Hodges said. "After Glaxo bought Wellcome, I hired 25 former Burroughs Wellcome technical development people over the next 2 years. It was the core of our business."

From there, Metrics moved into small-scale development and manufacturing of pharmaceutical products for use in clinical trials. By this time, the company had run out of space. "It took me 3 years to design a facility, get the bank to agree on it, and then go find investors," Hodges said. "I spent every dime I had buying equipment."

Metrics eventually custom-built approximately 100,000 square feet of workspace, which now includes an industry-standard containment suite for highly potent products. "It felt a little like we were the Clampetts moving to Beverly Hills, because we had all this space and could finally spread out and start growing the business. At the same time, we had clients we had done some spectacular work for, and they kept coming back to us. We had all the business we wanted."

In 2004, Metrics ventured into generic products—both making and selling its own as well as partnering with a manufacturer. According to Hodges, success in generics depends on reverse-engineering formulations, which requires strong analytical expertise. "Well, guess what I had? Great analytical people. That has always been our strong point."

Controlled substances are another logical profit center for the company. "You don't have to compete with the companies in India or Asia there, because controlled substances can't be imported," Hodges said. "You just have to

compete with people in the USA. Plus, controlled substances themselves are difficult to deal with. You need a lot of controls in place, and we have those."

As he settles into retirement, Hodges said he takes pride in a number of Metrics' accomplishments. The company now employs more than 300 people. It has enjoyed double-digit revenue growth most years, and has been profitable every year since 1995. "To this day, our culture is one in which people want to do the best they can to help our clients get a product approved," he said. "Everything is done the right way. We have that reputation and people are eager to work here."

In late 2012, Metrics agreed to be acquired by Mayne Pharma Group of Australia, expanding the company's reach into the global marketplace. "When we decided to sell the company, it was important to me to keep the development business strong," Hodges said. "That's what I loved about the Mayne Pharma deal. They really got it. They really understood what we've been doing here. With Mayne, we got the strategic buy that made us part of a bigger operation and the site here at Metrics continues to have growth potential. We're a great niche generic player and, at the same time, we're keeping our focus on our fee-for-service business. I'm delighted that our company's new managers are taking Metrics to its next stage of growth."

Hodges retired from Metrics in December 2013, but continues to serve on the board of directors at Mayne Pharma. "I get to keep a hand in the business and I get to go out and try new things," he said. "I'm part of some virtual pharma operations that are using companies like Metrics to develop products. Post-retirement is fun so far. I've been so wrapped up the last few years, I look forward to actually having a little spare time to go fishing." T&C

*"When we decided to sell the company, it was important to me to keep the development business strong."*