

TUESDAY BIZ

Where Business Lives in Chester County

DAILY LOCAL NEWS

Tuesday, January 17, 2012



A century of Bean

Retailer kicks off 100th anniversary celebration

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Practical Money Skills

for Life™

Too good to be true

Beware of mystery shopper job offers

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Consider Social Security as part of your investment strategy

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A PERFECT FORMULA



Local drug research firm honored for fast growth

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Staff photo by Andy Hachadorian

Frontage Laboratories Founder, chairman and chief executive Song Li stands in the lobby of the drug research firm in West Whiteland. Frontage was recently named to the 2012 Philadelphia SmartCEO/Clifton Gunderson Future 50 list. The award recognizes the area's 50 fastest growing companies based on employee and revenue growth during the past three years.

Frontage earns honors from peers

West Whiteland-based drug research firm one of area's fastest growing

By SARAH E. MORAN
Special to the Local News

Frontage Laboratories is raking 'em in.

Awards, that is. The West Whiteland-based contract research organization — commonly called a CRO — was recently named to the 2012 Philadelphia SmartCEO/Clifton Gunderson Future 50 list.

The award recognizes the area's 50 fastest growing companies based on employee and revenue growth during the past three years.

Founder, chairman and chief executive Song Li started Frontage, a privately held company that provides services to the pharmaceutical, biotech and medical device industries, 11 years ago.

EXPANDING

□ The company employs 170 people at four Chester County locations and in Hackensack, N.J., plus 105 more at sites in Beijing and Shanghai, China.

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Late last year, the 54-year-old Li also won the inaugural "Realizing the American Dream" award by the Welcoming Center for New Pennsylvanians. The Center is a nonprofit group focused on economic development linking regional employers, immigrants and communities.

Including Frontage on the SmartCEO list "demonstrates our achievement and honors our employee and revenue growth," Li said during an interview. "Our company has expanded from a single testing lab to a fully integrated CRO that can provide full services throughout the whole pharmaceutical development process."

SmartCEO chose Frontage and the other 49 companies on its Future 50 list from more than 120 nominations.

Between 2008 and 2010, Frontage realized 40 percent revenue growth and nearly tripled its number of employees, according to company spokesman Matt Harrington.

Li expects 2012 revenues to increase 30 percent, to \$38 million; the company also expects to hire 22 more employees this year in the United States, 18 of those in Chester County.

Employee totals in China will increase by 30 in 2012, he added.

Frontage provides clinical-study and clinical-trial support for drugs, the biotech industry and medical devices. It also tests drugs on rats and mice in small-animal laboratories before testing in humans, and makes

small-batch products for those tests.

Working with new drug and device candidates from more than 100 companies, Frontage ranks in the vast middle among CROs.

They range in size from a handful of employees and contracts to behemoth players such as Quintiles and Covance, each armed with thou-

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Honor

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sands of employees, billions in annual revenues and a global reach.

Regional competition is stiffer than it once was, mainly because people laid off from big pharma companies are starting their own CROs, Li pointed out. As a result, Frontage only recently began a marketing department to drum up more business.

Back in 2001, friends and former colleagues – the latter group anointing Li as a problem solver, someone who paid attention to the small stuff – raised \$100,000 to help Li start his own company. He and wife Lei, like her

husband a scientist, contributed another \$40,000 from their savings.

In 2008, the Chicago investment house of R.W. Baird & Co. Inc. invested \$10 million and helped to fuel Frontage's eventual \$20 million investment in equipment and facilities, lab automation, employee training programs and quality assurance systems.

Li is the first person from his remote district of China, comprised of more than 100,000 residents, to graduate from college – Zhengzhou University in his case. It's there that he met his future wife. The Lis came to North America 25 years ago so that Song could study for and complete his Ph.D. at Montreal's McGill University in analytical chemistry.

He moved to the Unit-

ed States 19 years ago and worked for Great Valley Pharmaceuticals and Wyeth Pharmaceuticals; his wife also worked for Wyeth and Pfizer. She now works at Frontage in procurement.

The Lis reside in Chester Springs and have three daughters – one an anesthesiology resident at Penn, another at Princeton University and the youngest in high school.

As for taking Frontage public, that dream will have to wait until the economy recovers, Li admitted. "Originally, we planned to go public in 2013 once we reached annual revenues of \$100 million," he said. "So now we'll do that later."

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Staff photo by Andy Hachadorian
A Frontage Laboratories employee works on a computer at the company's West Whiteland headquarters.

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Europe

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French President Nicolas Sarkozy, in his first public comment since France lost its AAA-rating on Friday, said the move's importance should not be exaggerated.

"We have to react to this (the French down-

grade) with calm, by taking a step back," he said at a news conference in Madrid. "At the core, my conviction is that it changes nothing."

Meanwhile, Mario Draghi, president of the European Central Bank, told European lawmakers in Strasbourg, France, that banks and other financial firms should stop basing their risk assessment solely

on the opinion of rating agencies.

"One needs to ask how important are these ratings for the marketplace, for the regulators and for investors," Draghi said, adding that investors should treat the agencies' judgments as just one piece of information alongside their own analyses.

The European Union is currently in the process

of putting new banking rules into law that cut the reliance on risk assessments from rating agencies. It also has proposed new legislation that would force the agencies to be more transparent about how they reach their decisions and even allow investors to sue firms that misjudged ratings "intentionally or with gross negligence."

Portfolio

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treatments for Alzheimer's, Parkinson's and other neurodegenerative disorders.

■ **RECALL:** BMW AG is recalling certain high-performance versions of the Mini Cooper, Cooper Clubman, Cooper convertible and Cooper Countryman with model years from 2007 through 2011.

According to a post on the National Highway Traffic Safety Administration's website, the re-

called cars' electric auxiliary water pumps have circuit boards that can malfunction and overheat. If the circuit boards smolder, it can result in vehicle fires.

The recall, which is expected to begin next month, affects 88,911 vehicles. Mini dealers will replace the water pumps free of charge.

Non-turbocharged Mini vehicles are not affected by the recall.

Owners may contact BMW at 866-275-6464, according to the NHTSA post.

■ **CAMERAS:** The Pennsylvania Department of Transportation made an additional 24 traffic

cameras available for public viewing last week in York and Lancaster counties.

The cameras cost \$125,000 each.

Images captured by the cameras can be viewed on PennDOT's website and the traveler information website.

The new closed circuit television cameras expand the visual coverage of Interstate 83 in York County and also Route 30, Route 283 and Route 222 in Lancaster County.

To view the cameras online, go to www.dot.state.pa.us or www.511pa.com.



13-15 YEAR OLD BASEBALL PROGRAM

East Side baseball realizes that in today's baseball environment, there are numerous baseball programs that offer competitive baseball but with a lot of travel. In 2011, East Side combined our junior (13 year old) and senior (14-15 year old) programs into one (13-15) JV baseball program which has created a stronger, more competitive opportunity for players, especially 13 year olds, to play competitive baseball without extensive travel and expense.

East Side will continue in 2012 as we did in 2011, to make an investment in our players by offering nine-9 training sessions at no cost to the players or parents. Training will include: Pitching; Catching; Hitting; Infield; Outfield and Base running. This training will get you prepared for your 2012 school baseball season and is open to all skill levels.

Features of the program:

- Ages 13 to 15 year olds will play on the same team for up to 3 years.
- Higher level of competition.
- Nine-9 pre-season winter workout with no cost to the parents or players.
- Training sessions at All-Star Baseball Academy and Game Ready with experienced instructors on January 18th, 20th, 25th, 27th, February 1st, 3rd, 8th and 10th. Please check the East Side website listed below for location and times.
- Players must register in East Side participate in the winter workouts.

Please visit our website at <http://eastside.org> to register and for additional information regarding our training program and the upcoming 2012 season.