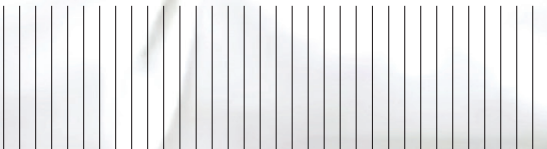




Sound



Why medtech firm **Hologic** is a model for growth in uncertain times.

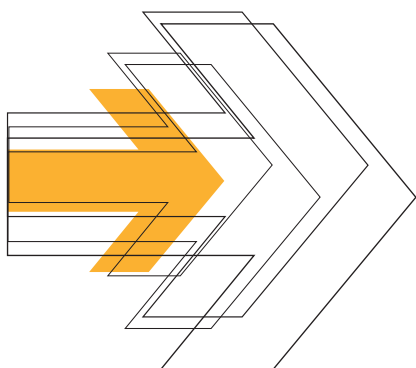
BY **GEOFF WILLIAMS**

t is preferable when you are in the business of health for your company itself to be healthy. That is the lesson future MBA candidates will likely infer if asked to analyze the **multi-billion-dollar business phenomenon that is Hologic**. Founded in 1985 with a dozen employees, the Marlborough, Massachusetts-based medical technology company initially >>>

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offered just one product. Today, Hologic is a US\$5.6 billion company with 6,700 employees around the globe. With approximately 3,000 patents approved, the company's life-changing—and lifesaving—technologies can be found in more than 100 countries.

Hologic has become known in particular for its focus on bolstering women's health. The company's suite of products is aimed at diagnostics, as well as breast, skeletal and gynecological health, with an emphasis on early and accurate detection and treatment. However, it was Hologic's response to the COVID-19 pandemic—and its ability to persevere when many enterprises were failing—that distinguished the company as a model for growth in uncertain times.

This was no small feat, especially considering how the pandemic disrupted corners of the global health care industry. Elective surgeries sputtered to a stop, and patients increasingly neglected lifesaving procedures such as mammograms, pap tests and annual physicals.

Considering how devastating the pandemic was to many medical companies' bottom lines, if Hologic had failed to meet the moment, its success story might never have been written.

Agility First

In early 2020, while the world was grappling with the horrors of the pandemic and no vaccines or treatments were available, Hologic saw an opportunity to help. CEO Steve MacMillan rallied the organization—already united in its mission to be a global champion for women's health—to respond by shifting production to focus on developing COVID-19 tests for mass distribution. Impressively, while Hologic was not the first company to develop these tests, it soon rose to be one of the industry's top producers.

“Based on our market leading position as a diagnostic testing provider, we knew we were the right company to step up to the plate and deliver highly accurate molecular diagnostic tests to help address surging

global demand for COVID testing,” says Michelle Garsha, president of diagnostic solutions at Hologic.

That is exactly what Hologic did. But it needed to speed up several internal functions in order to bring them to market in volumes that far exceeded the existing levels. While creating a test can take years under the best of conditions, Ms. Garsha says Hologic was able to create two of them and bring them to market within a matter of months.

“One of the reasons Hologic's pivot was so successful is due to the time and energy the company invested into creating a culture of breakthrough and innovation—and how executives like Ms. Garsha embedded that mindset throughout the organization,” says Insigniam Partner Jennifer Zimmer. “Throughout the pandemic, the company's leaders showed up and enabled teams to be nimble and agile, and to pivot quickly in order to design these innovative lifesaving solutions.”

Moreover, says Mrs. Zimmer, Hologic's propensity to infuse innovation into several internal processes to create a collaborative environment for scientists and researchers further bolstered the company's ability to effectively respond to the global pandemic.

Creating the Conditions for Growth

Hologic's COVID-19 tests, Ms. Garsha says, were designed to run on the company's Panther and Panther Fusion systems, which by that time had a significant presence around the world. In essence, Hologic's baked-in infrastructure greatly aided its ability to successfully pivot.

“As the pandemic continued, demand for our instrumentation climbed even higher,” Ms. Garsha says. “We grew our installed instrument footprint by nearly 85%, bringing the total to roughly 3,200 instruments at medical facilities worldwide.”

This is not to say that the process was simple merely because Hologic had created the right conditions for growth. The leadership team, consisting of executives

from the corporate office and each of the company's divisions, began meeting around the clock while manufacturing teams developed new production lines and expanded capacity. Hologic also partnered with industry vendors and suppliers who could ramp up operations to meet the onslaught of projected orders.

As Ms. Garsha says, "Our leaders showed up—following elevated health and safety protocols—and supported our front-line R&D and manufacturing teams that were developing our COVID-19 tests. This mindset reinforced and strengthened our mission and culture throughout the organization."

The time and effort that Hologic invested continued to pay dividends. Ms. Garsha recalls that the organization benefited from meaningful contracts with the U.S. government to expand production capacity for COVID-19 molecular tests.

Notably, the company secured a \$119 million contract with the U.S. Department of Health and Human Services and the Department of Defense. Hologic's objective was to help expand COVID-19 test production facilities in three states, providing 13 million COVID-19 tests per month by January 2022.

Leading the Charge

Although Hologic became a key player in COVID-19 test production, its executive leadership team ensured that they did not neglect their core business. At the same time, the company made strategic investments in fighting the Epstein-Barr virus and the BK virus, which can be gravely serious for renal transplant recipients. Then, in the summer of 2022, Hologic announced that it was launching new respiratory and molecular diagnostic testing in the European market to assist in the detection of COVID-19, as well as for the general flu season.

"As we look forward to COVID-19 becoming endemic, our focus will continue to be a leader for women's health globally," Ms. Garsha says.

That plan will likely come to fruition

"Our ability to respond was not something that happened overnight, but rather a muscle that was strengthened over years of focus on how to positively impact more patients, and specifically more women, with our best-in-class products."



BIO:
Michelle Garsha
President of Diagnostic Solutions, Hologic

Michelle Garsha started her women's health journey as a scientist at Third Wave Technologies, where she was an inventor of one of the first molecular tests for HPV. She then took on increasing commercial responsibilities prior to arriving at Hologic through acquisition in 2008.

At Hologic, Ms. Garsha has been a key player in driving the company's market-leading position in women's health diagnostics and leads several functions including women's health marketing, strategic alliances, health care provider sales, and scientific and medical affairs.

Ms. Garsha graduated from the University of Wisconsin with a BS in cell and molecular biology.

due to several strategic investments and acquisitions made in the past few years. Not only has Hologic recently expanded its laboratories, the company also continues to closely monitor infrastructure needs to meet production targets and navigate macro supply chain issues.

The company recently purchased Mobidiag, a Finnish firm that develops and provides molecular diagnostics for infectious diseases and antibiotic resistances. Additionally, Hologic purchased Diagenode, an international life sciences company based in Liege, Belgium, that specializes in innovative instruments and reagent systems for life science research. Most recently, Hologic acquired U.S.-based Biotheranostics, a developer of proprietary molecular-based tests that provide physicians with actionable information to help guide breast cancer treatment and detect cancers of unclear diagnoses.

Whether through acquisitions or internal investments, the company is increasingly optimistic about its growth trajectory. The takeaway for the aforementioned MBA hopefuls, therefore, could be that continually reinvesting in your business in a way that promotes agility—and streamlines an organization's ability to respond to gaps in an evolving marketplace—is the foundation for achieving relentless growth. **IQ**