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JULY / AUGUST 2006

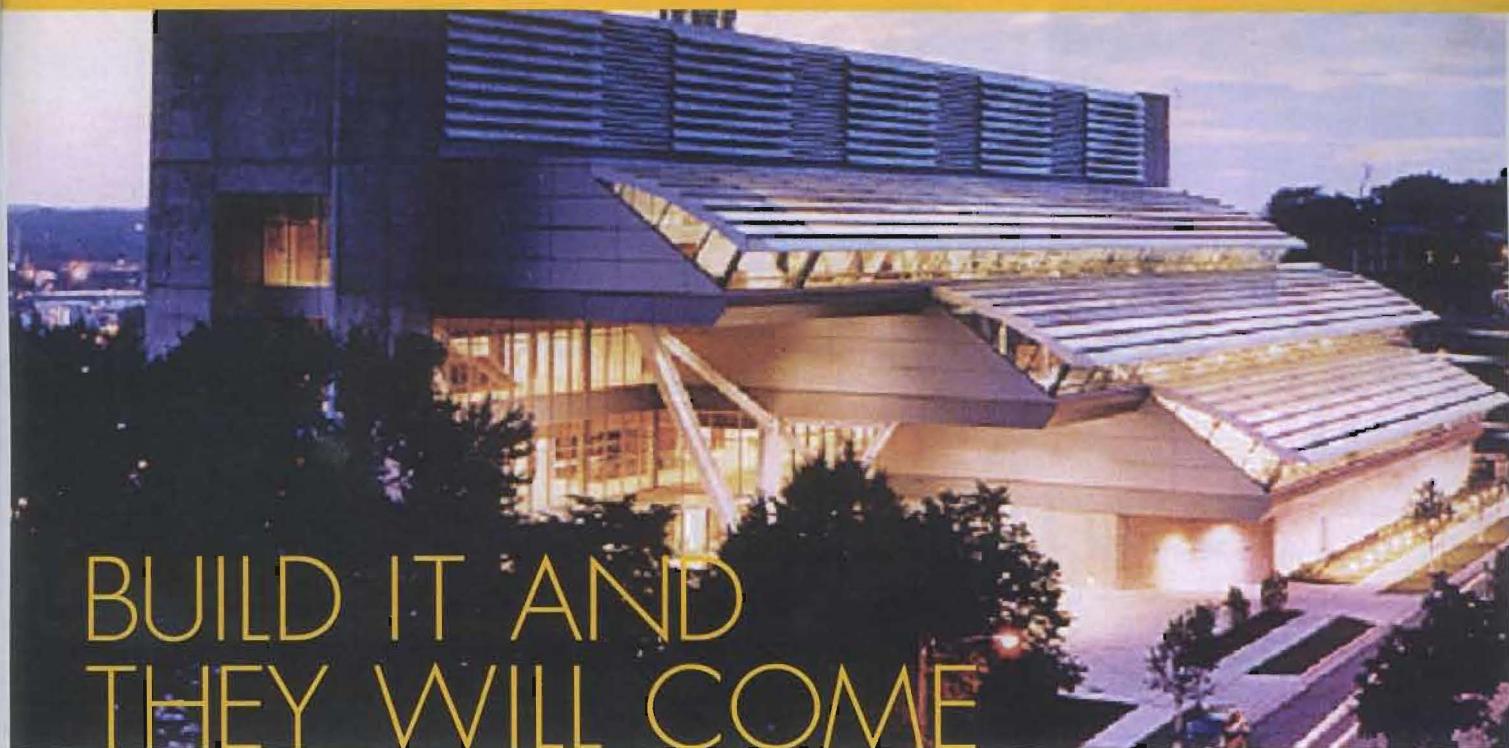
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BUILD IT AND THEY WILL COME

Michigan's Van Andel Institute Achieves 'Field of Dreams'

BY CHRISTINA DYAR

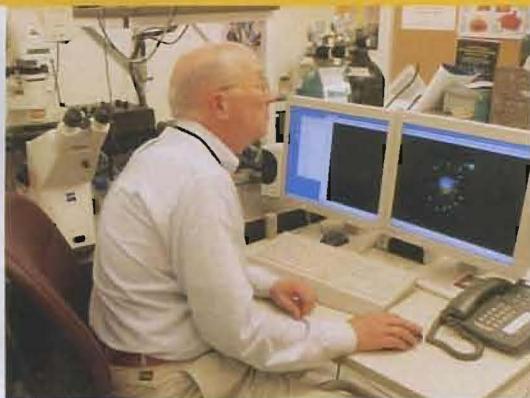
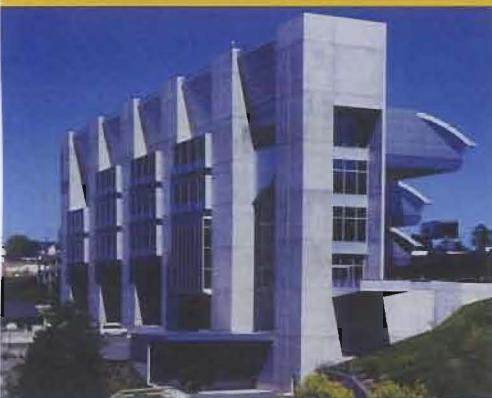
The build-it-and-they-will-come approach may have worked for Kevin Costner in a movie, but imagine employing that strategy in real life. Imagine developing a leading medical research and education facility from scratch without federal funding, a highly skilled talent pool or a medical and research state university nearby.

In Grand Rapids, Mich., just 10 short years ago, Jay and Betty Van Andel not only imagined it; they built their own field of dreams. Founded to "enrich the quality of life and enhance the health of generations to come," the Van Andel Institute (VAI)—comprised of both the Van Andel Research Institute (VARI) and Van Andel Education Institute (VAEI)—has already made strides in basic and translational research to advance cancer diagnosis, treatment and prevention and has built a reputation among peer institutions. Expanded from a \$4 million operation five years ago to \$430 million today, its team of nearly 200 scientists

are currently collaborating on 167 cutting-edge research projects with 96 different institutions in 16 countries.

Explains the founders' son and current chairman David Van Andel, "Education and research have an impact on human health and the human genome. We don't want to duplicate what is already being done, but to add value." The Institute takes a strong stance on translational-focused research—or commercialization. "Because it can't have any impact if you can't use it," he says.

VARI is an independent medical research organization committed to "finding the genetic and molecular origins of disease and translating those discoveries into the therapeutic strategies that will one day conquer illnesses and enhance lives." Its \$60 million facility devotes 186,000 square feet and an open lab environment. Specific goals include eradicating cancer, but research on Parkinson's, Alzheimer's and other chronic diseases is expanding.



The Van Andel Education Institute works to improve education through studying models for classroom teaching and learning. VAEI provides a Science Academy for fourth and fifth graders to study how children learn science, which will help teachers better teach and get kids excited earlier. "We found to get students into science careers, you have to start younger," Van Andel says. "Remarkable advances in genetics over the last decade necessitate professionals with expertise in the new technology and techniques associated with contemporary genetics. To that end, VAEI is building a graduate school awarding masters and doctoral degrees in molecular and cellular biology with an emphasis on translation. Its first students will matriculate in September of 2006.

VAI's annual operating budget of \$30 million supports both VARI and VAEI. It's funded by a combination of its endowment, research grants and private philanthropy.

Building the Dream

The biggest challenge in building VAI, according to Van Andel, was to establish an independent research organization in an area that had no association with a major university and was not part of any bureaucracy. "The irony is," he says, "that our independence became an asset. It enabled us to define and redefine goals, to research what we feel is underutilized, to establish partnerships and create relationships. So what was a negative became a positive. The medical and research community found us."

Typically, research gets funded in areas that have a high track record of success. It is easy to see how breakthroughs

can be overlooked—promising research under funded because of far riskier, less guaranteed outcomes. The Institute, however, is willing to put its capital at risk for projects that show potential. Scientists can conduct high risk, high reward research without government bureaucracy, competing agendas or special interest constraints.

Attracting talent was not a problem, even in an area not previously known for its life science industry. "I thought it would be hard, but people are excited to be here. They're not caught up in a bureaucracy that is 150 years old. They have the ability to define exactly what is going to happen to their career."

"Now we're in what I call the maturing phase. I'm most proud of what we were able to do in five or six years what we thought would take 15," Van Andel notes. Awards swelled from \$678,233 in 2000 to \$35,666,293 in 2005.

Catalyst

"Michigan desperately needed a positive economic message," says Van Andel. The Institute expanded Michigan's economic development beyond the stalwarts of automotive and furniture industries to attract a high-tech corridor.

According to Birgit Klohs, president of The Right Place of Greater Grand Rapids, a regional, non-profit economic development organization, diversifying is difficult to do if there is no nascent industry to build from, but the board of The Right Place recognized VAI's impact as an opportunity to "get us into another industry. It changed our ability to change ourselves."

The Right Place conducted an in-depth analysis of what the Grand Rapids region would need to take advantage of the

opportunity. "The first requirement was to develop incubator space, which we did," says Klohs. Then the first private equity fund in the area was created, which filled another requirement. "We also needed to create a GMP, or Good Manufacturing Practices lab that tests new products as the FDA requires. Without a GMP, testing would need to be done out of state." A partnership between VAI and Grand Valley State University (GVSU) is starting construction soon on a GMP facility that will produce highly specialized treatments suitable for use in human clinical trials.

Recently, Michigan State University announced that its College of Human Medicine will establish a new four-year medical school in Grand Rapids. Companies locate where there are skilled labor pools, so the need to educate is critical.



David Van Andel
Chairman
Van Andel Institute

In spring of 2006, VAI broke ground on Phase II, which will add approximately 280,000 square feet to the existing 186,000 square foot facility. It will house laboratory space, administrative offices and underground parking. The expansion should house an additional 400 new employees and will support an operation in excess of \$100 million annually. The expansion should continue to have an economic and educational impact on the community and the life science industry in West Michigan.

Clearly, the momentum is accelerating. "It's getting to a point where I don't have to push, it's starting to take forward momentum itself," sums up Van Andel. ☈

FACTOIDS

Van Andel Institute

Over the past four years, the State of Michigan and private investors have spent well over \$1 billion on life science, not including investments in hospitals.

The Van Andel Institute, Spectrum's Meijer Heart Center, GVSU's Cook DeVos Center for Health Sciences and the Lacks Cancer Center at St. Mary's have all been built since 1990.

\$360 million investment in recent health science industry development in Grand Rapids.

Van Andel Research Institute scientists collaborate with researchers and institutions worldwide. Current activity includes a total of 167 collaborations with 96 different institutions in 16 countries and 64 cities.

Partnership with Grand Valley State University to construct and operate a new Good Manufacturing Practices (GMP) facility in Grand Rapids.

Developed a graduate school in molecular and cellular biology with an emphasis on translation.

A Phase II expansion will add 280,000 square feet to house laboratory space, administrative offices and underground parking. ☈