

## Vidacare projects big revenue spike for 2013

### Company also identifying acquisition opportunities

While a large percentage of start-ups have a short life span, Vidacare, founded in 2001, has reached a critical point in its evolution.

The medical device company expects to surpass the \$70 million mark in revenues in 2013 — more than double what it generated in 2010. It now plans to leverage that momentum, pursuing expansion and acquisition opportunities in the U.S. and abroad, which could trigger more significant growth for the San Antonio-based company in the coming years.

Vidacare has gained a foothold in the medical technology industry, carving out its own space in intraosseous medicine with the development of a pair of products — EZ-IO and OnControl — that allow medical personnel vascular access via bone marrow for the delivery of life-saving medicines to patients. The company's success bodes well for San Antonio, which is seeking to play a larger role in the biosciences, nationally and internationally.

Last year, privately held Vidacare generated roughly \$54 million in revenues. Company executives now project that number will increase by \$16 million or more in 2013. Vidacare President and CEO [Mark Mellin](#) attributes that growth to an expanding international presence and increasing hospital business.

"We've made some significant infrastructure changes and investments to expand market penetration," Mellin explains.

So far this year, Vidacare has established in-house sales programs in Canada, Australia, France, Germany, the United Kingdom and the Netherlands. That list is expected to grow. "We are hiring our own people and putting them in different international locations," Mellin says. "We're doing this because we believe we can expand our market presence in the hospital space."

## Leveraging success

Hospital access is key to Vidacare's growth plan.

"There are more patients brought into emergency rooms by family and friends than by ambulances," says Vidacare co-founder and Executive Vice President [Jim Thomsen](#).

In previous years, as much as 90 percent of Vidacare's U.S. revenues have come from pre-hospital clients, such as paramedic units. Last month, for the first time ever, more than half of Vidcare's domestic revenues were generated through the more lucrative hospital sector.

"I believe five years from now, 75 percent of our revenues will be from the hospital space," Mellin adds.

In addition to adding field representatives in the U.S. and abroad, Vidacare has beefed up its medical team, adding 12 clinical managers and four board-certified emergency medicine physicians. Vidacare officials believe they have created a foundation with their experience and success in the medical technology arena that can be applied to other types of expansion.

"This opens up a chance for us to look at other products, and to look at acquisition opportunities," Mellin says. "That's the next logical step. If you don't grow, you die."

Vidacare is looking to expand its presence in the biotech arena. New product launches or company acquisitions would be tied to that sector.

"We have a management team that can run a billion-dollar company," Mellin adds. "That's a sign of a company that has created something different and a success that can be leveraged."

Thomsen says Vidacare is working now to secure a business development manager who will help identify acquisition opportunities. "We'd like to take this company to \$200 million (in revenue) in the next couple of years," he says.

## Scratching the surface

Vidacare is exploring additional international expansion in Asia.

“We’ve now got our approvals for the EZ-IO and OnControl products in Japan,” Mellin says. “That will be a great market for us. But we are going to have to continue to make the investments, find the right people and get in front of the clinicians with our story.”

Thomsen says there is untapped potential elsewhere.

“The European market has the potential to be bigger than the U.S.,” he says.

“Vidacare is a true home-grown success story,” says BioMed SA President [Ann Stevens](#). “Through its technology, the company has literally defined the field of intraosseous medicine, extending its applications beyond trauma care to oncology and other areas of unmet medical need. In the process, Vidacare has earned national and global recognition for innovation and raised the profile of San Antonio’s biomedical sector.”

The medical device industry does face some fiscal challenges, including a 2.3 percent “innovation” tax approved by Congress to help fund federal health-care reform. [Mark Leahey](#), president and CEO of the Medical Device Manufacturers Association, has warned that the tax will “harm patient care and job creation.”

While Vidacare officials oppose the tax, they remain optimistic about the company’s trajectory. “The tree is barely out of the ground,” Thomsen says. “We’re just scratching the surface.”

Says Mellin, “What we have done is create an intraosseous platform here, and we’ve upped our intellectual game. That gives us advantages that, frankly, we didn’t have before.”

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<http://www.bizjournals.com/sanantonio/print-edition/2013/05/24/vidacare-projects-big-revenue-spike.html?page=all>