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HandyLab Lab-on-a-chip: The Next Generation of Diagnostics

It was December 2002 and James Plower just returned from a board of directors meeting. As he sat back in his chair, he stared out at the falling snow in Ann Arbor, MI reflecting on the meeting from which he just returned. The discussions at the meeting had been quite heated. The board members, including the founders, venture capital investors, and he, had different views about where the company should be directed in the future. Since he arrived in January 2002 to take on the CEO position a lot had evolved at HandyLab, an emerging lab-on-a-chip microfluidics company. During this period, HandyLab had completed a second round of funding, opportunities in bio-defense emerged for the company as a result of the September 11th attacks of 2001, a retail opportunity that could place their handheld product on the shelves at Home Depot began to develop, and potential partnerships had been pursued and began to appear for environmental and veterinarian applications.

Concurrently, HandyLab's technology team was trying to stay on track with their initial application to develop a portable testing lab for clinical applications that could provide diagnostic results in less than 30 minutes, a vast improvement over present technologies that took up to two days. While no company had commercialized a clinical lab-on-a-chip product as of November 2002, HandyLab knew that a number of companies had developed similar products for the drug discovery market and a few were on the cusp of diversifying into this market. If it did not stay on track one of them, or another emerging company, was bound to get to market with a product before them, making it more difficult to penetrate this market later.

At the same time there were so many other opportunities for diagnostic applications in food and beverage, the environment, bio-defense, and drug development. Many of these applications had far fewer barriers to entry, regulation, or competitors than the clinical diagnostic applications, making entry and penetration potentially less difficult, costly, and time consuming. However, if HandyLab did not move on these applications immediately it was possible the advantage of being first to market may disappear while it was focusing on the clinical diagnostic market. All these concerns and opportunities swirled in James Plower's head. He knew as CEO he needed to help define the best opportunity available to HandyLab today and lead the company in this direction before the company lost focus and lost all opportunities.



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