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## Medical technology firm Vidacare is expanding its global reach

San Antonio Business Journal - by W. Scott Bailey

The economic downturn has not impeded **Vidacare Corp.**'s growth strategy.

Phil Faris, CEO of the San Antonio company that develops, manufactures and markets advanced intraosseous technology, says he is pursuing a global product expansion effort despite a national recession.

At the center of that expansion effort is EZ-IO, a medical product Vidacare created in conjunction with the **University of Texas Health Science Center at San Antonio**. Faris says the product consists of a small battery-powered drill and needle set that provides fast and controllable intraosseous, or IO, access to patients by quickly and safely penetrating through bone.

Vidacare officials say that the EZ-IO product is a viable alternative to traditional intravenous (IV) access, which is often difficult to obtain in patients whose veins have collapsed as a result of trauma or dehydration.

The device, says Anthony Kamaroff, professor of medicine at Harvard Medical School, "really does seem to be a new technology that already has had a significant clinical impact."

Faris says Vidacare is working with officials in multiple countries in an effort to expand distribution opportunities this year.

"It became very apparent as we were heading into the back half of last year that we needed to step up our team," Faris explains. "So we hired some additional people."

The list of new hires includes Clas Runnberg, who recently joined Vidacare subsidiary Vidacare BV as managing director of international operations. Runnberg says Vidacare already has some solid roots in Europe, especially in Holland, Ireland and the United Kingdom.

"In the short term, we feel these and other key European markets, such as Germany, France and Italy, will develop quite favorably," Runnberg explains. "In the longer perspective, markets such as Japan, Russia, India and China will become increasingly important."

Faris says Vidacare went through an exhausting regulatory process with China and Korea and has now begun to market the EZ-IO product in both of those countries.

"Everything we make has potential in China and Korea," Faris says, adding that Vidacare is now working with regulatory officials in Central and South America.

### More demand

Vidacare currently has only one product available on the commercial market — the EZ-IO, which sells for roughly \$390 per kit. It's only been in the last few years that the company has explored distribution opportunities outside of North America.

"When I got here in 2005, the company basically had a single product that was marketed in the U.S. and Canada," Faris says.

In January 2006, Faris says the European Resuscitation Council (ERC) revised its guidelines on how to handle cardiac-arrest patients. He says the ERC decided to introduce intraosseous technology as a recommended alternative when immediate peripheral vascular access is not possible.

"That created a lot more stimulus for (EZ-IO) demand in Europe than we had planned on," Faris recalls. "We were the beneficiary of a little bit of luck."

Vidacare's total sales in 2008 were roughly \$20 million. Presently, Faris says international sales account for a little more than a quarter of Vidacare's overall business — most of it generated in Europe and the Middle East.

Runnberg says Vidacare, which was launched in 2001, will benefit from Faris' international aggressiveness.

"The company has secured product registration and regulatory approvals globally at a much earlier stage than what American companies typically do," Runnberg says. "We are convinced this will help drive sales at a much faster speed than would have otherwise been possible."

Dr. Harold Timboe played a key role in San Antonio's bid to try and land the Department of Homeland Security's National Bio Agro-Defense Facility. He now resides in Arkansas and is assisting Faris and Vidacare.

Timboe says Vidacare is going to great lengths to get its products approved in a number of countries.

"It is a tedious, but necessary process," he says.



PHIL FARIS, CEO  
VIDACARE CORP.

Vidacare Corp. CEO Phil Faris says economic concerns have not prevented the company from pursuing an aggressive global expansion plan.

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### Significant potential

A number of the countries where Vidacare hopes to gain traction have sizeable military establishments. Timboe says Vidacare is working to convince those countries that their military personnel can benefit from the company's medical technologies.

"Each of those major markets represents significant potential...," Timboe says.

Runnberg agrees. "Within the next five years," he says, "we should see a sales potential outside the U.S. that is at least as large as Vidacare's current domestic sales."

Runnberg says that growth projection only takes into account "our existing product line." He says planned extensions of the company's product portfolio should boost those revenues even higher.

Later this year, Vidacare will go to market with OnControl. Faris says it is a product designed to allow medical professionals to withdraw bone marrow material for diagnostic purposes — primarily for patients with blood-borne cancers.

Another bone-entry product launch is planned in 2010. Faris says that product will be used for various orthopaedic and diagnostic procedures.

Faris adds that it is a costly proposition educating doctors on the merits of newer technologies.

But that proposition has a tremendous upside. "We think we are pretty well-positioned," Faris says. "We see that (international) business being able to grow at a rapid rate."