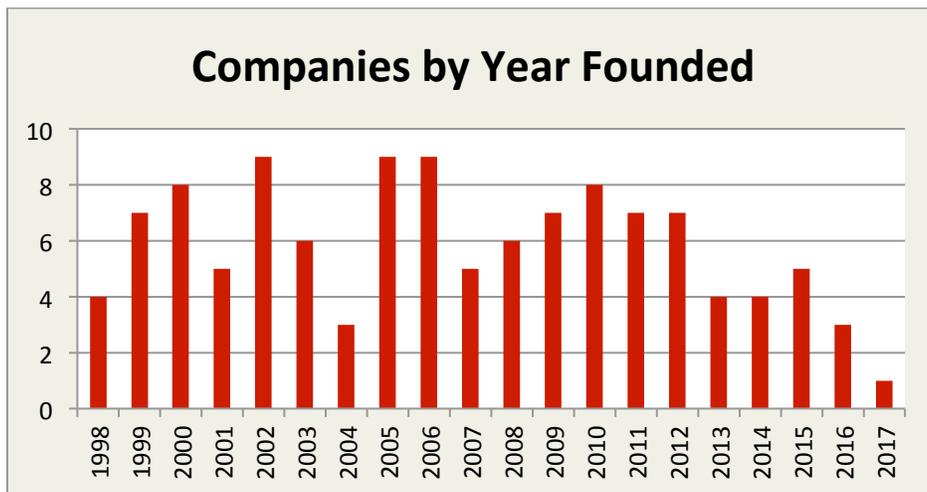


BIOTECH PROFILES

Madison's Biotechnology Industry: Companies by Year Founded

Several metrics are often used to assess the health and vibrancy of an industry. A key one is assessed here – the rate at which new companies are being created. This metric also closely tracks the concept of “critical mass”; the more frequently companies are formed and the larger they become, the more the industry becomes self-sustaining and/or a growth industry, able to generate new businesses and job opportunities.

The table below draws from the 162 companies currently included in the *BiotechProfiles* database (as of July 2017), of which 117 were founded within the past twenty years.



The table highlights the vibrancy of the Madison biotech market, confirming a healthy, steady rate of new company formation over a span of two decades. The rate of company formation has varied up to 9 new entities annually, with an annual average of 5.8 over the twenty-year period. Surprisingly, the Great Recession did not materially diminish the rate of new company formation. More recently the rate appears to have declined somewhat. This trend in part is a reporting anomaly – newer startups haven't yet gained enough traction and visibility to be included in this database. It may also reflect a shift of investment priority toward healthcare IT startups. The IT space requires less capital to prosper and grow, and can typically achieve exits faster than biotechs, thus making the field appealing to angel investors. Madison's healthcare IT space is growing exponentially, driven by Epic Systems and its 10,000 local employees.

One other important caveat to interpreting the table above is that it only reflects companies that are currently active and still reported in the database; this understates the historical startup activity. Excluded from the table above are companies that were acquired but relocated outside of Wisconsin (which is a success story for investors but a loss for the local community), as well as firms that unfortunately went out of business. The former category of successes includes such notable companies (and their acquirer) as Agracetus/Monsanto, PowderJect/Chiron, Panvera/Life Technologies, ThirdWave/Hologic, Lunar/GE Healthcare, and Bonecare/Genzyme.

If you'd like to see a table that displays all currently listed companies sorted by the year in which they were founded, on the navigation menu select [Company Search > Companies By Age](#).