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KKR-backed startup on hunt to buy clinical trial sites to boost study quality, diversity

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Places like Griffin, Georgia, and Lake Charles, Louisiana, may not seem like drug research hotbeds, but to Mark Blumling they hold the key to making clinical trials more diverse, effective and efficient.

Blumling's new San Francisco company, Headlands Research, emerged Wednesday with backing from legendary investment firm KKR & Co., six recently acquired research sites and aggressive plans for growth. Its strategy rests on places where Headlands can help its drug company and clinical research organization customers capture data from populations typically under-represented in clinical trials.

"We want to see high-quality data and increase the number of people participating in trials," said Blumling, Headlands' founder and CEO as well as the founder and former chief operating officer of the Peninsula's Hyperion Therapeutics Inc. before its 2015 sale to Horizon Pharma for \$1.1 billion.

But Headlands' mission is about more than enrolling all the slots in a clinical trial, Blumling said; its initial six sites will help customers recruit more Hispanic patients around McAllen, Texas, and more African-American patients near Griffin, Georgia. In Vancouver, British Columbia, Headlands' site has done a lot of work with elderly patients and Alzheimer's Disease patients.

About 5% of the total population that is eligible to participate in clinical trials actually enrolls in those studies, due to the distance they must travel just to get to a research center and other factors. That slows the enrollment process and the delays the completion of studies, costing drug makers hundreds of thousands of dollars a day.

"We have a vision of trying to transform the clinical trial process," Blumling said. "It's a high area of unmet need and we want to get patients not normally involved in clinical trials, whether it's because of ethnicity, age or geography."

Headlands got its initial six sites by buying three research organizations: Centex Studies, which has the sites in McAllen and Lake Charles as well as Houston; Clinical Research Atlanta with sites in the Georgia cities of Stockbridge and Griffin; and Okanagan Clinical Trials in Vancouver.



Headlands Research bought six clinical trial research sites, mainly in Texas and the Southeast, but plans to build a network in the United States, Canada, Europe and Asia.

Most clinical trial sites, beyond academic medical centers, are smaller, specialized, family-owned operations. By consolidating those locations under a single company with standardized best practices, Headlands hopes to boost efficiency as well as effectiveness as the Food and Drug Administration calls for drug developers to test their experimental therapies across various populations.

But Headlands isn't stopping with the six acquired locations. It isn't saying how many centers it ultimately will operate, but they will be a mix of acquired sites and locations that it builds in the United States, Canada, Europe and Asia.

Headlands has about 100 employees, most of them at the research centers. By the end of next year, even with growth, Headlands still will have only about 20 people in San Francisco, mainly management and its technology team.

Headlands also represents a different approach for New York-based KKR, which typically engineers deals like its proposed leveraged buyout that would take Walgreens Boots Alliance Inc. private. But even with KKR's big-deal history, members of its health care team have accompanied Blumling on some of his trips to scout potential research centers.

"We can do well and do good," Blumling said.