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Byrne Enters Biologic Cold Storage Business

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It's a scientist's worst nightmare.

The freezer fails and thousands of cellular samples are ruined. With one malfunction, a life's work and thousands of grant dollars go down the drain.

After hearing the sad tale come true for a client of Byrne Specialty Gases, president Dan Byrne decided there was a market for secure cryorepositories, or freezers that preserve living things at ultra-cold temperatures with liquid nitrogen. Three years ago, he launched Secure Biologics LLC.

The Seattle company is now in the process of installing a cryorepository for [Corixa Corp.](#)'s new laboratory in the Ninth and Stewart Life Sciences Building, which is scheduled to open this summer. Corixa will use the freezer to house cell lines, which are cells that divide and are used to produce proteins of interest to researchers. Secure Biologics has landed one other commercial biotech client, MDS Pharma in Bothell, and five research institutes. Some clients lease the equipment and others purchase it.

For Byrne, the move to cryogenics is a whole new ballgame.

Byrne Specialty Gases has been around for two decades, was profitable from day one, and is a recognized name among laboratories needing gases. Secure Biologics is breaking even and a newcomer in the field.

"Byrne Specialty Gases has the reputation as a company that gets the job done," Byrne said. "No one knows Secure Biologics outside of this ZIP code."

While the average transaction at Byrne Specialty Gas is \$200, cryorepositories sell for \$250,000 to \$500,000 each. Last year, two deals brought in the year's revenues for Secure Biologics. Byrne has been working with one customer for two and a half years, and the sale is just now closing.

Still, Byrne looks forward to the challenges of growing a young company and venturing into a new field. Though Byrne Specialty Gases has its offices in the industrial part of Seattle, Byrne, a mechanical engineer, is most comfortable in a lab setting talking to scientists.

After identifying the need for cryorepositories with extensive security guards, Byrne spent 18 months designing a system. The cryorepository has an alarm and a backup system if electricity fails. Byrne likens the decision of a biotech to invest in his systems to Byrne Specialty Gases deciding to add sprinklers in its old South Seattle building.

"I'm installing sprinklers because I can't afford to not be in business," Byrne said.

Since a biotech may need cell samples from a phase 1 clinical study for the drug approval process down the road, the value placed on the material is enormous. Research institutes that handle human specimens, such as embryos, stem cells or bone marrow, must be equally cautious.

The Fred Hutchinson Cancer Research Center in Seattle asked Secure Biologics to install a cryorepository for human bone marrow samples after talking to several employees who'd experienced severe work spoilage at other institutions.

"The Hutch came to us and said, we've got bone marrow and need to do everything in our power to keep it," Byrne said.

Cascade Regional Blood Services in Tacoma purchased a cryorepository from Secure Biologics last year because the old system for freezing blood stem cells was antiquated. Laboratory supervisor Bill Richards said the former machine was manual, had no electronic monitoring equipment, and to him was unacceptable.

"We want to be sure we have time to intervene if something happens," Richards said. "It's important to the donors that the products are stored properly."

Byrne believes demand for cryorepositories will grow as more researchers become interested in cellular therapy and young biotechs move toward clinical trials. Joel Fuerst, chairman of the Cryogenic Society of America, said demand for cryorepositories has been steady.

Though six of Secure Biologics' first seven clients are local, Byrne plans to expand nationally on the theory that the local market alone won't be large enough to support the company. Byrne recognizes that learning more about biotechs and identifying potential customers will require a learning curve.

Byrne said competitors in the cryogenics field may sell pieces of a cryorepository, but Secure Biologics stands alone in creating custom and complete secure systems. Competing national suppliers such as Radnor, Pa.-based Airgas and Danbury, Conn.-based Praxair provide freezers and gas but not entire tailor-made systems. Richards said Secure Biologics stood out because it would engineer a cryorepository for Cascade Regional Blood Services' needs.

"With other companies, you'd have to put the pieces together in your center to make it work," Richards said.

Laurie Huget, executive director of the Cryogenic Society of America, said there aren't many companies involved in cryogenics but it's also a small market. She estimated the market size to be in the millions, but said it's difficult to define because the market can extend beyond the biotech industry to offer flash freezing for food and other industrial applications.

Secure Biologics will take some time to catch up to Byrne Specialty Gases, which did \$7 million in revenues last year and is aiming for \$7.5 million last year. The young company inked two, multiyear \$500,000 contracts for the use of its cryorepositories last year.

Starting Secure Biologics cost Byrne "hundreds of thousands," he said, but he can afford to do so. Byrne Specialty Gases has seen steady 10 percent year-over-year growth and has a broad customer base.

"We're very strong financially," Byrne said.

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