# Celgene Corp.

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# Introduction

Celgene Corporation stands as one of the most remarkable stories in the American pharmaceutical sector—a testament to the dynamic fusion of scientific innovation, strategic risk-taking, and business acumen. Founded in the late 1980s as a modest spin-off from a chemical company, Celgene's journey unfolded alongside the rapid expansion of the biotechnology industry in the United States. Its evolution from an obscure unit focused on specialty chemicals and bioremediation into a biopharmaceutical leader with a global footprint exemplifies the potential for transformation within American enterprise.

At the heart of Celgene's ascent was its willingness to embrace unconventional opportunities—none more striking than the reexamination of thalidomide, a drug synonymous with infamy following the tragedies of the 1950s and 60s. Rather than shunning its controversial legacy, Celgene recognized the drug's untapped therapeutic promise, forging a path that would ultimately revolutionize treatment for certain blood cancers and immune disorders. This distinctive pivot not only laid the foundation for its signature products—Thalomid, Revlimid, and Pomalyst—but also positioned the company at the vanguard of cancer and immunology research.

Celgene's success was not the result of a single breakthrough, but rather a sustained commitment to building a robust product portfolio, investing deeply in research and development, and pursuing strategic collaborations and acquisitions. From its first profit in 2003 to consistent multi-billion-dollar revenues by the late 2010s, the company's financial trajectory mirrored its growing influence in the biopharmaceutical landscape. Yet, alongside its remarkable growth, Celgene confronted the formidable complexities of the healthcare market: patent disputes, regulatory hurdles, legal entanglements, and fierce competition—realities that are intrinsic to modern pharmaceutical enterprises.

Beyond commercial metrics and courtroom battles, Celgene distinguished itself through a commitment to social responsibility and diversity. The company's efforts to expand global access to medicines, its support for patient co-pays, and its inclusive workplace programs were all integral to its identity as a socially conscious innovator. Such initiatives reveal a corporate culture intent on pairing scientific advancement with ethical stewardship, seeking to make a positive impact on individual lives as well as broader communities.

The final chapters of Celgene's independent existence were defined by one of the most consequential mergers in pharmaceutical history: its acquisition by Bristol Myers Squibb in 2019. This union was not merely an end, but a new beginning—ensuring that

Celgene’s research engine and enduring contributions to cancer and immunology treatment would have a lasting legacy within a larger, integrated healthcare giant.

This book explores Celgene Corporation’s multifaceted journey—from its modest inception to its crowning achievements, its trials and tribulations, and the lessons that other innovators and leaders might draw from its history. By retracing the arc of Celgene’s story, we gain a deeper understanding of the interplay between science, industry, and society, and of how one company’s ambition and resilience helped redefine the possibilities for treating some of humanity’s most challenging diseases.

# CHAPTER ONE: The Birth of Celgene: Origins in the Chemical Industry

Every grand journey has a starting point, and for Celgene Corporation, that point was decidedly unglamorous. It wasn't born in a gleaming biotech incubator, nor did it spring from the mind of a visionary scientist with a groundbreaking drug already in hand. Instead, Celgene's roots were firmly planted in the rather dusty, industrial soil of the chemical manufacturing world. Its genesis can be traced back to 1986, as a unit of Celanese Corporation, a company primarily known for its role in producing man-made fibers.

Imagine a corporate behemoth, Celanese, with its sprawling factories and a core business focused on turning raw materials into fibers, plastics, and various industrial chemicals. Within this traditional framework, a small, emerging biotechnology unit was tasked with a very specific, somewhat niche mission: to apply biotechnology principles to the production of fine and specialty chemicals. It was a sensible, if not particularly thrilling, mandate for a company rooted in chemical processes.

However, the corporate landscape is rarely static, and a significant event in 1986 acted as the catalyst for Celgene’s unexpected leap into independence. That year, Celanese Corporation merged with American Hoechst Corporation, another large chemical company. Mergers often lead to strategic realignments, and this particular union provided the opportune moment for Celanese to spin off its biotechnology unit. And so, Celgene Corporation was officially born as an independent entity, free to chart its own course.

This newfound independence, however, didn't immediately launch Celgene into the pharmaceutical stratosphere. The company initially focused on a field known as bioremediation. This might sound like a term whispered in hushed scientific circles, but in essence, bioremediation involves using biological processes—often microorganisms—to treat and clean up chemical and pharmaceutical waste. It was a pragmatic area, aligning with the environmental concerns of the time and leveraging expertise in chemistry and biology.

To steer this newly independent ship, Celgene brought in a leader with substantial industry clout: Louis Fernandez. Fernandez joined Celgene as its first CEO in 1986, fresh off a distinguished career. Just four months prior, he had retired as the chairman of Monsanto Company, a name synonymous with large-scale chemical manufacturing. His arrival lent instant credibility to the nascent company.

Fernandez wasn't alone in bringing gravitas to Celgene’s early days. The company’s board of directors was a veritable "who's who" of corporate America. It included Frank Cary, the former CEO of IBM; John Horan, who had previously served as CEO of Merck, a pharmaceutical giant; and Willard Butcher, the CEO of Chase Manhattan. This collection of seasoned executives signaled that despite its humble origins and initial focus, Celgene had serious ambitions and was backed by influential figures.

With such an experienced team at the helm, Celgene’s early efforts in bioremediation were quite focused. The company delved into research and development aimed at finding biological solutions for chemical and pharmaceutical waste. Fernandez himself had a keen interest in this area, having helped establish Clean Sites Inc., a non-profit dedicated to cleaning up toxic waste dumps, before his retirement from Monsanto. The work at Celgene seemed a natural extension of his prior commitments.

One notable early success in this arena was the discovery of a microorganism with a rather fascinating appetite. This particular bacterium could digest toluene, a highly toxic gasoline additive, and break it down into harmless components: water and carbon dioxide. Fernandez, with a touch of scientific enthusiasm, explained it simply: "Microorganisms are little bugs, and like all bugs, they have to eat. So when you find organisms that love hazardous wastes, why, you let them at it."

While environmentally significant, the bioremediation field, as promising as it seemed, wasn't destined to transform Celgene into a multi-billion-dollar enterprise overnight. In its early years, the company remained relatively small, with reported revenues of just $2.3 million in 1988. For over a decade, Celgene continued to operate in this vein, even selling high-purity chiral chemical intermediates, which are chemicals used in producing agricultural products, food additives, and pharmaceuticals. They also licensed their process technology and sold biocatalysts. This initial phase, while a far cry from the cutting-edge pharmaceutical giant it would become, was a crucial period of incubation, laying the groundwork for the dramatic shift that would eventually define Celgene's trajectory.

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