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# Hospira Inc.

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## Table of Contents

- **Introduction**
- **Chapter 1** The Origins: Abbott Laboratories and the Foundation of Hospira
- **Chapter 2** Early Innovations in Drug Delivery
- **Chapter 3** Spinning Off: Becoming Independent
- **Chapter 4** Building a Brand: Naming and Identity
- **Chapter 5** The First Years: Growth and Strategy
- **Chapter 6** The Expanding Portfolio: Generic Injectables
- **Chapter 7** Integrated Infusion Therapy and Medication Management
- **Chapter 8** Contract Manufacturing: The One 2 One Story
- **Chapter 9** Expanding the Global Footprint
- **Chapter 10** The Acquisition of Mayne Pharma
- **Chapter 11** Strengthening with Orchid Chemicals & Pharmaceuticals
- **Chapter 12** Healthcare Informatics: Acquiring TheraDoc
- **Chapter 13** Innovation in Pain Management: Javelin Pharmaceuticals
- **Chapter 14** Market Leadership and Industry Impact
- **Chapter 15** Leadership and Guiding Vision
- **Chapter 16** Manufacturing Footprint and Challenges
- **Chapter 17** The Rocky Mount Facility: Triumphs and Troubles
- **Chapter 18** Project Fuel: Cost-Cutting and Its Consequences
- **Chapter 19** Facing the FDA: Quality Control and Legal Battles
- **Chapter 20** Product Recalls and Market Implications
- **Chapter 21** Strategic Decisions: Plant Closures and Restructuring
- **Chapter 22** Acquisition Discussions and Pfizer's Interests
- **Chapter 23** The Pfizer Acquisition: Details and Integration
- **Chapter 24** After the Acquisition: Transition and Transformation
- **Chapter 25** Hospira's Legacy and Future Prospects

## Introduction

The history of American business is replete with stories of innovation, resilience, and strategic evolution. Among these, the saga of Hospira Inc. stands out not only for its technological and market accomplishments but also for its enduring impact on global healthcare delivery. From humble beginnings embedded within the pioneering spirit of Abbott Laboratories, Hospira emerged as a vital player in the complex landscape of pharmaceuticals and medical devices. This book explores the remarkable journey of Hospira Inc., a company whose milestones helped shape the broader sector and whose influence can still be felt today.

Hospira's narrative is unique in that it combines decades of heritage with the dynamic challenges of contemporary business. Born as a spinoff in 2004 but rooted in nearly seventy years of innovation, Hospira quickly became the world's leader in generic injectable pharmaceuticals and a prominent force in infusion technologies. Its guiding philosophy, blending the values of hospital care, inspiration, and hope, resonated throughout its organization and reflected in its products and services. The company's culture, developed over time, became one of agility, patient focus, and relentless pursuit of efficiency and safety—aims often tested by external and internal pressures alike.

The company's story is also one of adaptation in the face of mounting challenges. Hospira navigated a rapidly shifting regulatory environment, intense market competition, and significant operational difficulties. Particularly telling were the episodes involving manufacturing quality and regulatory scrutiny, which tested the organization's resilience and forced transformative changes. Yet, even as these challenges threatened its market standing and shareholder trust, Hospira continued to innovate and expand, venturing into new territories and reinforcing its commitment to quality and affordability in patient care.

Central to Hospira's evolution were its strategic acquisitions and partnerships. The integration of entities like Mayne Pharma, Orchid Chemicals & Pharmaceuticals, TheraDoc, and Javelin Pharmaceuticals equipped Hospira with new capabilities and global reach. These moves allowed the company to address pressing market needs, particularly in the domains of oncology, hospital drug delivery, and medication safety. At the same time, leadership transitions and bold initiatives, such as Project Fuel, signaled efforts to stay competitive and relevant in a high-stakes industry.

The company's acquisition by Pfizer in 2015 marked the beginning of a new era not just for Hospira, but for the sector as a whole. This integration signaled recognition of the strategic value Hospira brought with its extensive portfolio, manufacturing

expertise, and market position in both generic injectables and biosimilars. The transition also underscored the increasingly global and consolidated nature of pharmaceutical manufacturing and distribution.

As Hospira's story continues under the umbrella of Pfizer, its core legacy persists through a commitment to improving patient access, ensuring drug safety, and shaping pharmaceutical manufacturing standards. This book aims to provide a comprehensive account of Hospira Inc.'s journey—its origins, growth, challenges, and transformation—while also reflecting on the implications of its legacy for the future of healthcare and the pharmaceutical industry at large.

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## CHAPTER ONE: The Genesis Within Abbott Laboratories

Every significant entity has a story of origin, a foundational moment that sets the stage for its future trajectory. For Hospira Inc., that story is deeply intertwined with the venerable history of Abbott Laboratories, a company that, for decades, served as a fertile ground for innovation in the pharmaceutical and healthcare sectors. Before it was an independent S&P 500 company, Hospira was a vital, albeit integrated, part of Abbott's expansive operations, particularly its hospital products division. This division, with nearly seventy years of history by the time Hospira spun off, laid the essential groundwork, accumulating expertise and developing pioneering technologies that would form the core of Hospira's eventual market leadership.

Abbott Laboratories itself began in 1888, founded by Dr. Wallace C. Abbott, a Chicago physician and drugstore proprietor. His initial venture focused on producing accurate, scientifically formulated medications, a pursuit that quickly established the company as a leader in the scientific practice of pharmacy. This early commitment to precision and scientific rigor would, in time, permeate through all of Abbott's divisions, including the one that would later become Hospira. The company was initially known as the Abbott Alkaloidal Company, incorporated in 1894, before changing its name to Abbott Laboratories in 1915.

Abbott's foray into what would eventually contribute to Hospira's portfolio began as early as the 1930s when the company ventured into anesthetics. This was a crucial period for medical advancements, and Abbott played a significant role. In 1934, two Abbott Laboratories scientists, Ernest H. Volwiler and Donalee L. Tabern, synthesized sodium thiopental, later known by its brand name, Pentothal. This intravenous anesthetic was first used in humans in March 1934 and would go on to become the world's leading anesthetic for many years, securing its inventors a place in the U.S. National Inventors Hall of Fame. This early success in creating and manufacturing essential hospital-grade pharmaceuticals foreshadowed the specialized focus Hospira would later adopt.

The mid-1970s marked another pivotal period for Abbott's hospital products division with the introduction of its first electronic drug delivery pump. This development was a significant step toward modernizing medication administration in hospitals, moving beyond manual methods and laying the groundwork for the sophisticated electronic infusion pumps that would become a cornerstone of Hospira's offerings. These early pumps were a testament to Abbott's commitment to improving patient care through technological advancements, aiming for greater precision and safety in drug delivery.

Innovation continued within the division. In 1984, Abbott introduced a device for patient-controlled analgesia (PCA). This revolutionary system empowered patients to manage their own pain medication administration, providing a new level of comfort and control in post-operative care. The Abbott LifeCare PCA system, introduced in 1988, would be safely used by more than 22 million patients, demonstrating the impact of these early advancements. Such devices exemplified a growing recognition of the importance of patient-centric solutions and efficient hospital operations, themes that would become central to Hospira's mission.

Further expanding its presence in critical care, Abbott acquired Oximetrix in 1985. This acquisition bolstered the hospital products division's capabilities, adding new technologies and expertise to its rapidly growing portfolio. Abbott's strategic growth through both internal innovation and external acquisitions created a robust and diverse hospital products segment, which included a range of medical devices and pharmaceutical offerings essential for hospital operations.

By the early 2000s, Abbott Laboratories had grown into a diversified pharmaceutical concern with a broad array of products spanning pharmaceuticals, nutritionals, diagnostics, and medical devices. Within this vast enterprise, the hospital products division had cultivated a distinct identity and a strong market presence. However, as the healthcare landscape evolved, and with an increasing emphasis on specialized market segments, Abbott began to consider a strategic realignment. The idea of spinning off certain divisions to allow for greater focus and agility gained traction.

In January 2004, Abbott Laboratories publicly announced its intention to spin off its hospital products division into a separate, publicly traded company. This decision was a strategic move designed to allow both Abbott and the new entity to sharpen their focus on their respective core businesses and pursue independent growth strategies. The hospital products business, with its nearly seven decades of heritage and significant market position, was deemed ready to stand on its own. This move was not merely a divestiture but a deliberate creation of a new, focused entity built upon a deep foundation of experience and innovation.

The new company was to be named "Hospira," a name carefully chosen through an employee vote. The name itself was a blend of several resonant concepts: "hospital," signifying its primary customer base and focus on acute care; "spirit," evoking a sense of purpose and dedication; "inspire," suggesting innovation and motivation; and "spero," the Latin word for "hope," reflecting its mission to improve patient lives. This thoughtful naming process underscored the aspirations for the new company—to be a beacon of hope and innovation in the hospital care sector.

On May 3, 2004, Hospira officially became an independent company. Its common stock began trading on the New York Stock Exchange under the ticker symbol "HSP."

This was a momentous occasion, marking the formal separation of a vital segment of Abbott's business into a new, autonomous corporate entity. At its inception, Hospira was a substantial enterprise, launching with approximately 14,000 employees, 14 manufacturing sites, and an estimated \$2.5 billion in annual sales. This formidable starting position, directly inherited from its parent company, provided Hospira with an immediate global footprint and a strong foundation for future growth in the competitive pharmaceutical and medical device industries.

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