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# Laboratory Corp. of America Holding

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## Introduction

Laboratory Corporation of America Holdings—better known as Labcorp—stands today as one of the pillars of clinical diagnostics and drug development not only in the United States, but around the globe. Its journey from a small regional laboratory to a multinational S&P 500 powerhouse is more than a tale of corporate growth; it is a story that parallels the transformation and rapid innovation of modern healthcare. This book, "Laboratory Corp. of America Holding: The Story of An American Company," chronicles that remarkable trajectory, exploring the relationships, technologies, and ambitions that built one of America's preeminent life sciences companies.

Labcorp's history is rooted in the determination of the Powell family, whose commitment to improving and accelerating diagnostic test results began in a modest hospital basement in Burlington, North Carolina. From those beginnings, the company pursued a vision that merged medical rigor with operational excellence, spurring the development of faster, more accurate laboratory services that revolutionized patient care. Just as the healthcare landscape was changing—marked by scientific breakthroughs and rising patient expectations—Labcorp evolved its business through pivotal mergers, strategic acquisitions, and forward-thinking leadership.

As Labcorp grew, so too did its ambitions and capabilities. The company not only expanded the scale of its operations across the United States and worldwide, but also diversified its offerings from routine blood analyses to advanced genomic and oncology testing, and from anatomical pathology to comprehensive drug research and development through its Covance division. Through relentless innovation, Labcorp positioned itself at the forefront of genomic medicine, automation, and digital health, each advancement bringing greater precision and efficiency to healthcare providers and patients alike.

Throughout this book, we will uncover how key business decisions—including groundbreaking acquisitions, technological investments, and corporate partnerships—shaped Labcorp's competitive advantage and strengthened its reputation. We'll examine the company's financial milestones and resilience amid industry shifts ranging from the managed care boom of the 1990s to the seismic impact of the COVID-19 pandemic. Labcorp's story is not simply one of business; it is woven into the fabric of medical progress during times of stability and crisis alike.

Beyond business metrics, Labcorp's influence extends to the very core of human health and wellbeing, supporting medical research, advancing diagnostic accuracy, and enabling new therapies. The company's commitment to corporate social responsibility and sustainability further reveals its dedication to broader social and

environmental goals—championing diversity, fostering educational opportunities, and taking concrete steps toward a more sustainable healthcare system.

As we set out to explore Labcorp’s past, present, and future, this book aims to provide a comprehensive account of not just how this remarkable company rose to prominence, but why its role remains vital to the ongoing transformation of healthcare. Through Labcorp’s story, we gain a window into the evolving world of laboratory science—and the relentless pursuit of better health for all.

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## CHAPTER ONE: The Genesis of a Diagnostic Vision

The story of Labcorp, a global leader in life sciences, begins not in a gleaming corporate tower, but in the unassuming basement of the former Alamance General Hospital in Burlington, North Carolina. It was here, in 1969, that a remarkable vision for transforming medical diagnostics took root, driven by the ingenuity and determination of Dr. James B. Powell and his brothers, Dr. Thomas Edward Powell III and John Powell. Their endeavor, initially known as Biomedical Laboratories, was born out of a shared frustration with the status quo of clinical testing.

In the early 1960s, Dr. James Powell, then a medical student at Duke University, experienced firsthand the shortcomings of the existing laboratory system. He observed that vital lab tests, crucial for accurate diagnoses and effective patient treatment, often faced agonizingly slow turnaround times. In some cases, specimens had to be shipped across the country to facilities in places like Van Nuys, California, leading to delays of up to two weeks before results returned to Durham. By then, a patient's treatment might have already begun, or perhaps, they had even been discharged, rendering the belated results practically obsolete. This inefficiency was not merely an inconvenience; it was a significant impediment to timely and precise medical care.

The Powell brothers, hailing from a family deeply ingrained in the scientific tradition—their father, Thomas Edward Powell, Jr., had even founded Carolina Biological Supply in 1927—recognized a critical need for change. They envisioned a laboratory that could deliver accurate test results with unprecedented speed, ideally within a single day. This ambitious goal was far from the norm at the time, but it was a vision that promised to revolutionize the diagnostic landscape and, by extension, patient outcomes. Their initial foray into the medical laboratory business began with a lean operation, as they worked tirelessly to establish their new venture.

Biomedical Laboratories was founded in Burlington, North Carolina, a location that would remain central to the company's identity for decades to come. Dr. James Powell, in particular, remained committed to keeping the company's headquarters in Burlington even as it grew into a global enterprise. The early days were characterized by a pragmatic, hands-on approach, driven by a desire to bring about tangible improvements in healthcare. It was a time of establishing foundational processes and building a reputation for reliability in a field where precision and speed were paramount.

In 1971, the burgeoning field of clinical laboratory services caught the attention of larger corporate entities. Revlon, Inc., a diversified manufacturer known for cosmetics

and pharmaceuticals, acquired DCL BioMedical, Inc. DCL BioMedical had been established three years prior, in 1968, as a clinical laboratory business. Following its acquisition, DCL BioMedical was incorporated as a Revlon subsidiary and subsequently renamed DCL Health Laboratories, Inc. This entity would later evolve into National Health Laboratories Incorporated, another significant player in the evolving diagnostic industry.

Meanwhile, Biomedical Laboratories, the Powell brothers' brainchild, continued to expand its capabilities and reach. By 1977, National Health Laboratories had also grown considerably, operating clinical testing laboratories in 13 cities, supplemented by auxiliary service centers and satellite laboratories in 15 other locations. This period marked a crucial phase of expansion for independent diagnostic laboratories across the United States, as the demand for efficient and accessible testing services steadily increased. The groundwork was being laid for a future where centralized, high-volume laboratories would become the backbone of modern medicine.

A pivotal moment in the growth of what would become Labcorp occurred in 1978 with the acquisition of American Biomedical Corporation. This strategic move significantly expanded Biomedical Laboratories' operational footprint, extending its services into the Southwestern United States. Beyond geographical reach, the acquisition also brought with it advanced data processing technology, a crucial asset in handling the increasing volume and complexity of laboratory tests. This embrace of technology, even in its nascent stages, underscored the company's forward-thinking approach to diagnostic innovation.

The company continued its growth trajectory, driven by a series of mergers and acquisitions that reshaped the landscape of the clinical laboratory industry. In 1979, Biomedical Reference Laboratories, as the Powell brothers' company was then known, went public, a significant step in its journey towards becoming a major corporate entity. This move allowed for greater capital investment and further fueled its expansion. The late 1970s and early 1980s were a period of dynamic consolidation within the diagnostics sector, as companies sought to achieve economies of scale and broaden their service offerings.

This era of rapid expansion caught the attention of international pharmaceutical giants. In 1982, Hoffman-La Roche, the American arm of the Swiss-based biomedical conglomerate Roche Holding, Limited, made a significant move into the clinical laboratory business. Hoffman-La Roche, which had initiated its U.S. operations in 1905 and first entered the clinical lab sector in 1969 with the purchase of Kings County Research Laboratories, acquired Biomedical Reference Laboratories for \$163.5 million. This acquisition was a landmark event, bringing the innovative spirit of the Powell brothers' venture under the wing of a global pharmaceutical powerhouse.

The following year, in 1983, Hoffman-La Roche consolidated all its laboratory

companies into a single, unified entity: Roche Biomedical Laboratories (RBL). The headquarters for this newly formed, substantial laboratory network were established in Burlington, North Carolina—the original home of Biomedical Reference Laboratories, which was the largest of the combined laboratories. This decision cemented Burlington's role as a key hub in the burgeoning national laboratory system. Dr. James B. Powell remained at the helm as president and CEO, overseeing the integration of these various entities and ensuring the continuity of the pioneering spirit that had defined his original venture. By the early 1990s, RBL had grown into one of the largest clinical laboratory networks in the United States, processing millions of tests annually.

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