

ArtusLabs attracts big buyer

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Upstart ArtusLabs has been acquired by a giant publicly traded company that is counting on the Durham company's technology to provide customers greater access to scientific data.

Massachusetts-based PerkinElmer, which sells instruments and provides technology services to the life science industry, announced Thursday that it has purchased ArtusLabs for an undisclosed price.

The sale represents an encore performance for a management team led by founder and CEO Robin Smith, whose previous company, Synthematix, also attracted a buyer - and a purchase price that pleased investors.

ArtusLabs, founded in 2007, has a dozen full-time workers and four part-timers. It previously raised \$4.3 million in venture capital funding, most of which came from two Triangle venture firms: Hatteras Venture Partners and Southern Capitol Ventures. The student-run Kenan-Flagler Private Equity Fund also invested in ArtusLabs.

Clay Thorp of Hatteras, who also is on ArtusLabs' board of directors, said he regretted that he couldn't discuss the purchase price but added that Hatteras received "a great return" on its investment.

"If the world is wondering if you can still create value from [scratch] anymore, you still can," Thorp said. He said Hatteras invested \$3.2 million in ArtusLabs.

Becoming part of PerkinElmer fills in a missing piece for ArtusLabs, Smith said.

"We've spent the last few years building some really great technology," he said. "What we haven't built is a marketing channel."

ArtusLabs' technology enables scientists and others at pharmaceutical and biotechnology companies to sift through "unstructured data" that isn't in a relational database and therefore can't be easily searched, Thorp said. That includes data in PDF files, Word documents and Excel spreadsheets.

"So call it the Google of science," Thorp said.

All the full-time employees at ArtusLabs benefit directly from the sale because they were shareholders in the privately held company, as were some of the part-timers.

"It's a team, and the developers and the people in the trenches make this work," Smith said during a telephone interview from Indonesia, where he was on vacation with his wife, Ingrid. "When you really let the employees own the company, that's when miracles happen."

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PerkinElmer plans to retain the company's presence in Durham, although details such as the operation's brand name are still being worked out.

"One of the key things for us was to make sure all of our employees still had jobs," Smith said. He added that he will remain with the business in a "senior leadership capacity."

PerkinElmer posted \$1.7 billion in sales last year. The company, which has 6,200 employees worldwide, is "really interested in building their informatics presence," Thorp said.

Indeed, PerkinElmer also announced Thursday that it had agreed to acquire a second company that is significantly larger than ArtusLabs: CambridgeSoft of Cambridge, Mass. PerkinElmer said the twin acquisitions will enable it to expand its informatics and software offerings.

"ArtusLabs provides us with innovative technology enabling enhanced access to scientific knowledge, and is highly complementary to CambridgeSoft's informatics solutions," PerkinElmer CEO Robert Friel said in a prepared statement.

PerkinElmer reported that it is paying a total of \$220 million, plus additional payments of up to \$15 million, for the two businesses.

Teams in common

Smith previously was founder and CEO of Synthematrix, a Durham company that sold software to boost chemists' productivity and efficiency. That company had 19 employees and had raised \$2 million from investors before being acquired in 2005 for \$13 million in cash and the promise of up to \$4 million more if revenue targets were reached.

At ArtusLabs, Smith "basically re-employed the same team he had at Synthematrix," Thorp said.

Hatteras Ventures - which was called Catalysta Ventures at the time - and Southern Capitol also were investors in Synthematrix.

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