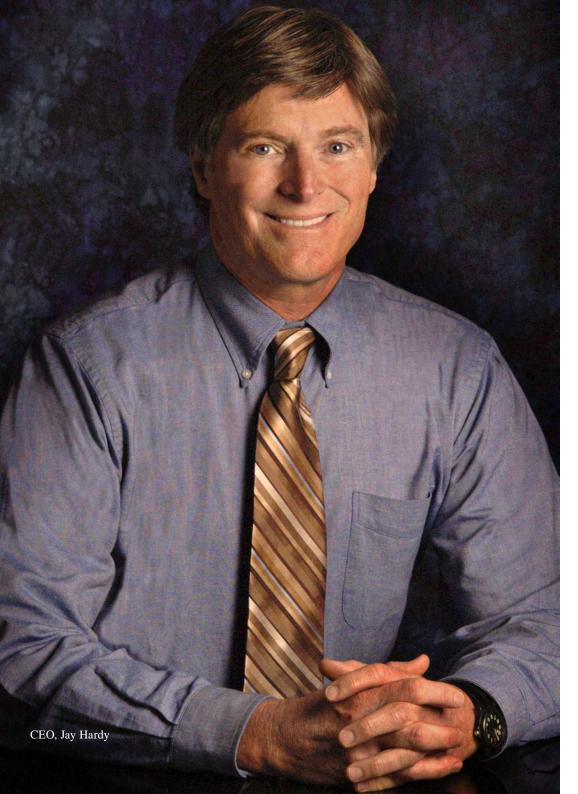




Experiencing hearty growth

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# Hardy Diagnostics: Experiencing *hearty* growth

What began as a cottage business in a two-room rented suite is now a worldwide supplier of microbiology products, turning would-be suitors away in droves Written by Anne-Frances Hutchinson Produced by Brian Svane

n 1980, Jay Hardy and Robert Shibata were newly-minted medical laboratory technologists toiling as scientists in a central California coast hospital laboratory when they discovered a need for quality microbiology culture media – the substance that provides the nutrients needed to culture and identify bacteria and fungi, which is essential for the diagnosis of disease and the identification of contaminants in food production facilities.

Working out of a rented two-room suite and keeping their day jobs, the team developed new processes for making media and supplied their product to a local hospital. The gambit paid off; the hospital loved the product, and word spread quickly that the cottage industry then known as Hardy Media was a reliable supplier. Soon thereafter, Hardy and Shibata were able to leave their hospital jobs and branch out to gain a significant market share of the hospitals in and around the area.

Shibata sold his 50 percent share in Hardy Media in 1983 to join his family's business; partner Jay Hardy took control and shepherded the growing enterprise through 25 years of remarkable successes.

Today, the company is known as Hardy Diagnostics and is licensed by the FDA as an 'in vitro medical device manufacturer,' producing over 2,800 culture media products for use in clinical, industrial, research and academic laboratories.

#### A company in bloom

The firm has benefited by a combination of product innovation and market stability. According to company president Jay Hardy, "We're fortunate enough to be in a very stable niche market. Even though there are many means of controlling microbial infections, we have not been completely successful and the bacteria seem to keep one step ahead of us. As long as the microbes





Hardy is in

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continue to outsmart us, there will be growing need for companies such as ours."

In 1996, Hardy was the first company in the U.S. to expand their offerings to include chromogenic culture media for the detection of E. coli, Staphylococcus aureus, MRSA, E. sakazakii, coliforms, Candida spp., and urinary pathogens. In another significant innovation, Hardy developed a unique product in 2005 called "Carrot Broth™" which rapidly identifies the presence of Group B Strep in pregnant women -- the most common cause of life-threatening infections in newborns.

While the sales of culture media accounts for 60 percent of the company's income, the balance comes from the distribution of laboratory supplies. As an authorized distributor for more than 75 laboratory supply manufacturers, Hardy offers over 12,000 laboratory products to customers throughout the U.S., including diagnostic kits, laboratory glassware, pipets, disposables, control microorganisms, stains, reagents, rapid test kits, and other items.

For Hardy, moving into distributorship was a natural extension of the company's offerings. "Our strategy has always been to first introduce our manufactured products, get the customer set up using our culture media, then build on that by offering numerous other laboratory supply items that they commonly use. As long as they're cutting a P.O., it makes it very convenient for them to order their lab coats, disposable gloves, pipettes and hand sanitizers; and other items that are used in the laboratory."

Additionally, Hardy Diagnostics offers all of their media customers complimentary Hardy User Group Observer (HUGO) software. This easily searchable 4,500-page product compendium and technical manual is the first – and best – of its kind.

Hardy maintains a nationwide distribution network of six warehouse facilities. This is essential for offering next day ground service deliveries to the majority of Hardy's customers. The company's slogan is "A Culture of Service" and Hardy claims





### **FACTS AT A GLANCE**

**COMPANY NAME:** Hardy Diagnostics, Inc.

**CEO:** Jay Hardy

**OPERATIONS:** Customers include the USDA, the U.S. Food and Drug Administration, the National Institutes of Health, and the Centers for Disease Control.

**ESTABLISHED:** 1980

**EMPLOYEES: 200** 

**REVENUE:** US \$26million

www.hardydiagnostics.com

that, "We intend to pamper our customers, because service is what our company is all about."

The need for high quality diagnostic supplies continues to grow worldwide and Hardy now supports over 30 foreign distributors with its dehydrated line of culture media. Hardy states that, "We have a distinct advantage over European competitors in this market due to the weakness of the US dollar. Combine this with the expanding medical technology in many developing countries and our company is well positioned for numerous opportunities."

### The philosophy of doing well

In addition to offering superb products and technical support, employee growth and development is fostered by a superb set of values that encompass personal and spiritual development, work-life balance, and mental and physical health. In 2008, the American Heart Association certified Hardy Diagnostics as a "Fit Friendly helped to create." Workplace." From encouraging daily walks and healthy choices in the break room to building strong and lasting collegial relationships in an atmosphere of collaboration and mutual trust, Hardy works to give their staff a balanced, healthy environment in which to thrive.

"We subscribe to the open book management philosophy or OBM, whereby the employees are privy to our income statement - the same one that I see," Hardy says, describing the firm's generous profit-sharing program. "Our employees get rewarded for being successful as a team. Not as a department, not as an individual, but as a member of the entire Hardy team." According to the company website, Hardy "strives to return a profit of at least laughs, "but I like doing things my way." That's a 6 percent after taxes; so that the co-workers...

will enjoy a portion of the cash flow that they

When asked what his personal highlight had been in 29 years of consistent growth and prosperity, Jay Hardy chortles, "Survival. Being able to compete with some very, very large Fortune 500 companies, and to not only survive but grow. That's something that I'm quite proud of, along with the performance of our managers. They do a really good job and we've been quite competitive even though we're fighting with the big boys everyday." Early on, one of the biggest, Becton-Dickinson, arrived on Hardy's doorstep, offer in hand. His answer to their offer - and every offer since - has been consistent. "No. We get offers to sell the company weekly but we're all having too much fun here. Maybe I'm a control freak," he very good thing, because his way is working.



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