

AMGEN CUTS 6% OF R&D STAFF



Amgen, a biotechnology firm that focuses mainly on creating new products primarily in the field of human therapeutics, has announced that it is about to get rid of 380 of its research and development jobs in the near future. The company is eliminating these positions, from their facilities across the nation, in an effort to re-allocate their research resources. Though, the company did not say at this time what particular direction the change in research might take them in after the jobs have been removed and the company has been focused in a new direction. This layoff of 380 people would represent a loss of about 6% of the 6,700 staff members who work in research and development at Amgen. Interestingly, the company is not currently planning to eliminate any of the therapeutic areas from its pipeline. The company is basically laying people off to shift its resources away from inexpensive early stage research projects, and towards the more dollar intensive late-stage development projects. While late-stage projects are more expensive to conduct they have two advantages. The first is that a body of early stage research has already been built up, allowing for more expensive testing to be more precise. The second is that late stage research is more likely to become a profitable project in the near future. A statement release by the company confirmed that Amgen was interested in moving some of their experimental drugs into patient testing that would allow them to get the drugs through the FDA approval process. The company said in the same statement that, "Amgen believes this restructuring effort is the appropriate response to the changes in our business environment." Drugs that are to be included in the late-stage testing include OncoVex, a drug used to treat malignant melanomas, a drug used to treat ovarian cancer, one for pancreatic cancer; and a drug used to help patients with osteoporosis. The company is not leaving its employees entirely out to dry. The company is offering the newly displaced staff severance benefits that will include cash payments, an extension of their health insurance and career transition services. Amgen currently has facilities in several major US cities including Seattle, San Francisco, and Boston as well as in Thousand Oaks. At the current moment the company has announced no plans to close any of these facilities as part of the refocusing of the company. On the hiring page for Amgen the company lists its values. One of these says, "Every job at Amgen is important and every Amgen staff member is important.... Trust is strengthened through personal initiative and by obtaining quality results rapidly." That is something for every employee of Amgen to think about in light of the current layoffs. The company's stock rose on Wednesday of last week by trading Wednesday by 4 cents a share. This brought the company's per share price to \$57.32. One week from today the company is expected to release a report on its third-quarter. The reports will be released late in the day, since the company has to wait until after the stock market closes.

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