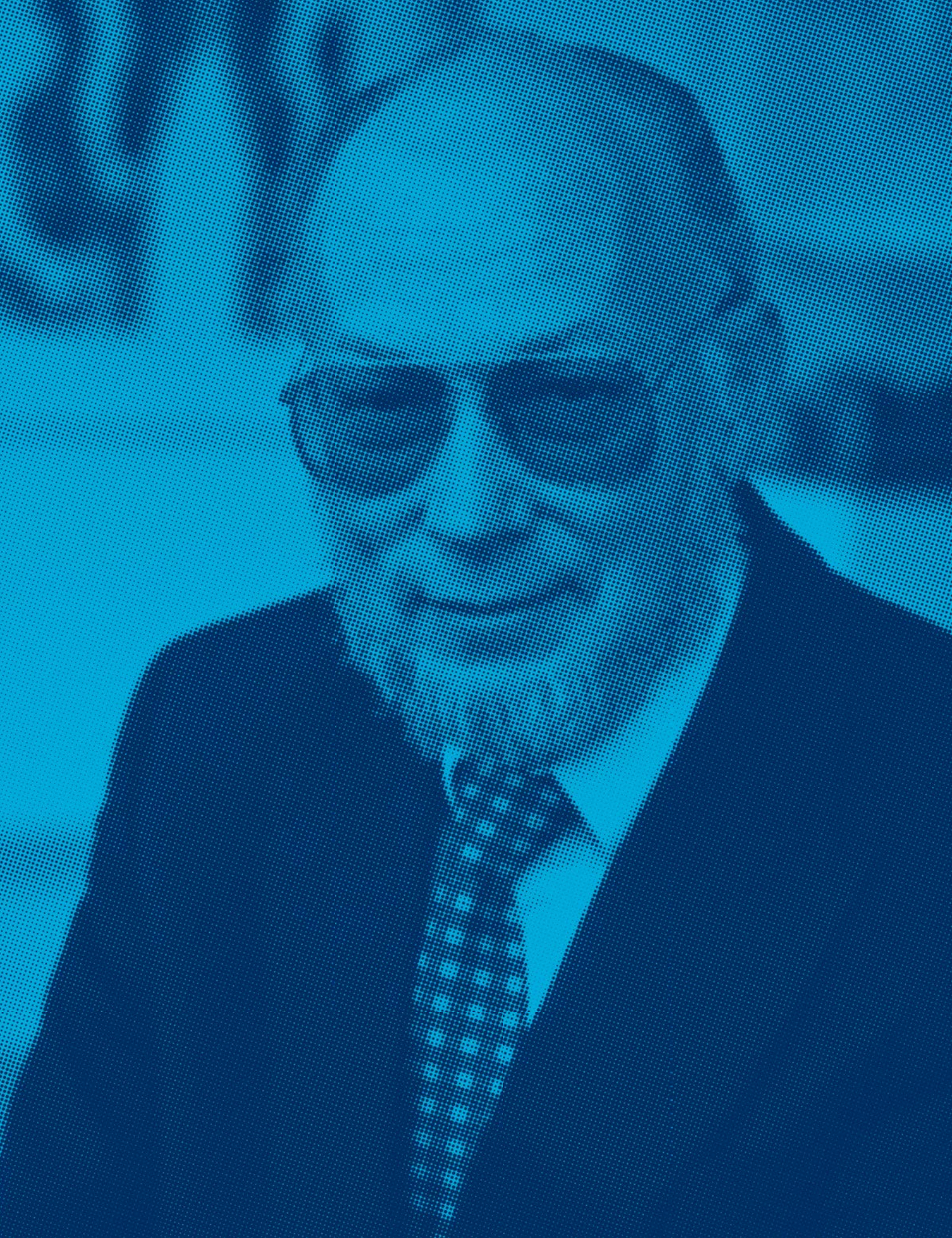


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BACHEM
THE FIRST 50 YEARS
1971 – 2021



BACHEM
THE FIRST 50 YEARS
1971–2021

Philipp Schweizer–de Podestà

FOREWORD

BACHEM: 50 YEARS OF UNCOMPROMISING COMMITMENT TO LIVING VALUES



There are very few company founders whose authenticity, conviction and vision in a rapidly changing world will be forever associated with their company's development. Peter Grogg, the man who founded Bachem, is one of them. The eventful half-century success story of the small, unassuming laboratory in the Swiss town of Liestal that became the global market leader in synthetic peptides is closely tied up with uncompromising commitment to living values, stringent quality-awareness and cost management, an open, visionary spirit, and an unwavering determination to remain autonomous. This distinctive foundation has provided the fertile soil in which Bachem has consistently achieved the extraordinary and flourished from its very first day.

This anniversary book, "Bachem. The First 50 Years" gives a profound insight into the company's unique DNA. The first part, a biography of Peter Grogg, explores the background and key events in an interesting life that has been the driving force behind Bachem and its development. In the second part, the company's history is reviewed in 10-year blocks, augmented by interviews, that provide informative insider perspectives on the past: these introduce us to peptides and to Bachem's second new line of business, oligonucleotides, as well as taking a look ahead to an extremely bright future.

One thing is certain: Bachem's continuous success is crucially the work of its employees, past and present, whose commitment and professional expertise have made inestimable contributions to the company's prosperity and progress. On behalf of the Grogg family, the Board of Directors and Executive Board, I would like to express my huge respect and sincere gratitude to them all.

Bachem is built on solid foundations and on the values that have driven its growth: the credibility that comes from being totally reliable, modesty, accountability, a long-term outlook, innovation driven by carefully managed risk, the ongoing development of optimal solutions, and the identification of even better ones. We look forward to the next half century with zest and keen anticipation.

Dr. Kuno Sommer, Chairman of the Board of Directors
June 2021

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PETER GROGG'S PASSION FOR PEPTIDES

*How a chemical laboratory
technician created Bachem
and made it the world leader
in peptides*

Perseverance—his key trait right from the beginning: In 1957, the 15-year-old Peter Grogg was turned down for an apprenticeship at one of Basel's big chemical firms: The company doctor had deemed an apprenticeship as laboratory technician unsuitable for someone who had suffered from asthma as a child. Not to be deterred, he applied once again—this time at competitor firm Ciba, and without mentioning his medical history—he was given his much-coveted apprenticeship in the peptides laboratory. So began a professional passion—a long and fascinating story spiced with unique ingredients. What started in the small Swiss town of Liestal in 1971 as a tiny laboratory with the proud name of Bachem Feinchemikalien AG was to become a world leader in peptide production.

On the move



Young laboratory technician Peter Grogg, who would go on to found Bachem, at the wheel of his Morgan during an excursion in Switzerland.

Peter Grogg was never a big fan of Wednesday afternoons, when Swiss schools were closed for lessons. There was always a lot to do at home: Grogg's father Emil compiled a list of tasks for his son. Mowing the lawn, for example, clearing out the rabbit hutches and chicken runs, cleaning the dovecote, weeding the garden—right down to the cracks between all the flagstones. Dad liked to do things properly. Everyone in the extensive Grogg family was roped into these chores, and Peter—the youngest—was no exception. Whenever he tried to get out of one of the more onerous or technically demanding tasks by claiming he wasn't up to it, his father sternly reprimanded him with the words: “If you can't do it, you'll learn how to. Anything that someone else can do, you can do too. You just need the will.”

That was the *leitmotiv* that would accompany Peter Grogg throughout his life. It was one of the pillars on which his company's fortunes would be founded.

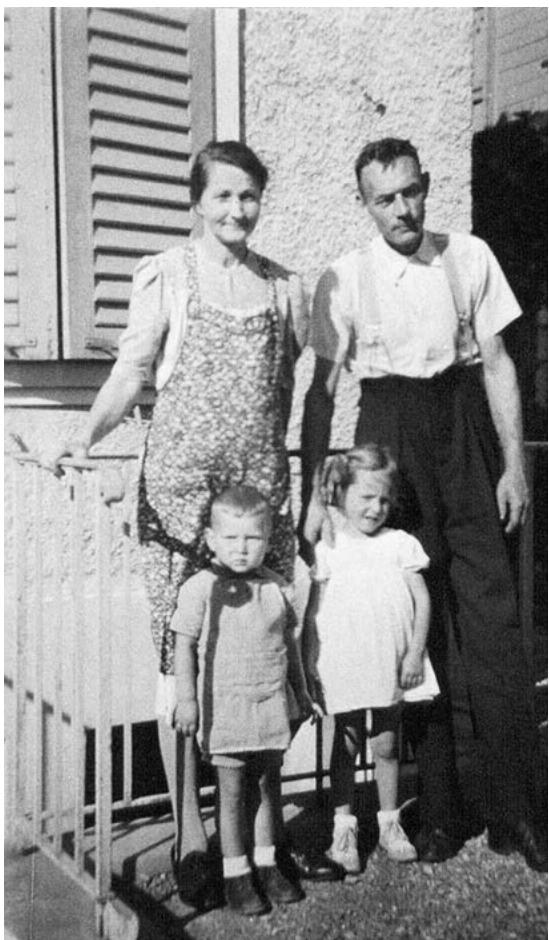
Peter Grogg was born in Basel on January 10, 1942, as the seventh child of Emil and Rosa Grogg. It was a chilly Saturday in the tri-border area. Just a few kilometers away, across the French and German frontiers, Switzerland's neighbors were in the throes of war. Although Switzerland had remained neutral, its population was reined in by restrictions and fearful of hostilities. Basel, the largest town in northwest Switzerland, had already established itself as an internationally significant location for chemical and pharmaceutical companies. They had settled on the banks of the Rhine from the mid-19th century onward owing to adverse conditions in France and due also to Basel's conveniently central location. These industries had soon become the city's strongest economic sector, paving the way for innovation, new start-ups and continued growth. In the dark days of the early 1940s, however, no-one could have predicted that Peter Grogg himself would take the industry—then dominated by a handful of big companies, some of them run by old-established families—into a new and important era in the neighboring canton of Basel-Landschaft.

The Groggs lived in simple but secure circumstances, raising three boys and four girls. There was a 20-year age gap between the oldest and youngest child. Mrs. Grogg looked after the children and the family's modest but well tended home, while her husband, a metalworker by training, was a haulage contractor with his own truck, a Saurer which at first had a wood gasifier. After the War, his work took him to Germany on behalf of the Red Cross. When Peter was two, the family moved to Muttenz. He attended elementary, middle school and began high school. He continued his high school education in Reinach, the town in the picturesque canton of Basel-Landschaft that would later become the Groggs' home. Despite getting good grades, Peter had a very ambivalent attitude towards his lessons. Subjects like French did not appeal at all, whereas he enjoyed history, physics and chemistry immensely. He was particularly fired up by chemistry, appreciating the variety that the small explosions, fumes and odors brought to the school day.

“If you can’t do it, you’ll learn how to.
Anything that someone else can do,
you can do too. You just need the will.”

*Emil Grogg,
Peter Grogg’s father*

Roots in the Basel region



Rosa and Emil Grogg pose with Peter and Heidi, the youngest of their seven children, outside their house in Muttenz.

Made it!



Peter Grogg, seen here in 1957 at the start of his apprenticeship for his dream job of laboratory technician in Ciba’s peptides laboratory in Basel.

Discipline was strict both at home and at school. Although Peter's mother was less demanding than his father, she still expected the children to do as they were told. Peter spent a lot of time with his sister Heidi, who was just 15 months older than him. He also built up an affectionate relationship with Floggi, the first great canine love of his life, an Appenzell Mountain Dog cross, who would defend the children against their mother's scolding by barking loudly. Emil's haulage activities often meant him spending time abroad. When he was home, he demanded obedience, but tempered it with paternal affection expressed by taking the children on countryside rambles and telling them fabulous tales. The many hours of sitting in a truck cab and the arduous lifestyle that went with his chosen career gave Emil Grogg his first serious health problems; problems that finally compelled him to hand the business over to this brother. Emil continued to provide for his family by working as a storeman in the haulage business he used to run. The same small company also provided Peter's first income when, at the age of 12, he went to scrub the pine floors on Saturdays.

**“My goal had always been
to become a lab technician.”**

Peter Grogg

Once Peter had completed eight years of mandatory schooling, it was time to think of a career. A neighbor in Reinach who worked in the Basel chemical industry advised Peter Grogg to become a laboratory technician—not only a secure profession, but one that also matched his inclinations. So it was that the 15-year-old applied to Geigy in Basel, passing all the tests only to fail on medical grounds. The company doctor was adamant that a laboratory, with all its liquid and powdered chemicals, fumes and emissions, was not a suitable workplace for someone who had been treated for childhood asthma and had spent time recuperating in health spas. Peter Grogg returned home feeling despondent. His father said that in that case he should become an electrician, since an apprenticeship was the only option open to him. Financial considerations ruled out further education at either school or university for any of the children. But Peter did not want to be an electrician. He saw himself as a laboratory technician. Unfortunately, the obstacles to entering the profession seemed insurmountable, and he had been told that there was no point in applying to a different chemical firm because they all used the same doctor. His neighbor told Peter “Nonsense”, he worked in the industry and knew better. Peter's neighbor informed him that each company had its own doctor and he should apply to Ciba, which Peter promptly did. Once again, he passed all the tests with flying colors and prudently omitted to tell the doctor, who was indeed a different person, anything about his childhood asthma.

In summer 1957, Peter Grogg began his apprenticeship as a laboratory technician at Ciba in Basel, beginning with an induction year to separate the wheat from the chaff. After completing his probation period, he was given a three-year training contract. He carried out his first reactions in Ciba's training laboratory, part of the company's dye works at its Klybeck site in Basel. Later he worked on the line, the actual laboratory, in Ciba's peptide department, and it was there that he became acquainted with the area that became his life's work. Peptides are macromolecules formed by chains of up to 100 amino acids, 20 of which occur naturally, and which can be assembled into innumerable combinations, each for different needs and with different effects. However, the technology available at the time severely limited the scope of peptide production, which involved complex purification processes. The majority of peptides produced in solution in laboratories were used in university research and in the chemical industry, and consisted of few amino acids. It was several years before this specialized area became more attractive from a business and scientific perspective—a development that presented new opportunities for peptide synthesis, including synthesis of more complex, long-chain peptides.

Peter Grogg was fascinated by peptides from the very first day he began to work on them. Their variety, the challenges of synthesizing them and the creative process of seeking and finding potential ways of resolving these challenges piqued his natural curiosity so much that they kept him occupied outside work hours, even though he recorded producing only 50 batches of them throughout his entire four-year apprenticeship. He was the only apprentice in the peptide lab alongside two chemists in white coats, which—like their personal changing and rest rooms—were at the time reserved to them only. Apprentices, laboratory technicians and workers wore blue. Peter Grogg spent more than half his time washing labware, a fate that he shared with many of the same position status. Among other things, apprentices were a cheap source of labor, even at their then-progressive pay rates of 1 Swiss franc an hour in their first year, 1.15 francs in their second and 1.30 francs in their third. At home, he told his family that he would never need to do any washing up again since he had certainly done his lifetime quota already.

Peter Grogg already knew a lot about peptides when he completed his laboratory technician apprenticeship in Basel's vocational school with an average grade of 1.5, however, it was not in his specialized field of peptides. The practical examination took place at Sandoz, another chemical firm. This was a formal requirement, since candidates had to be able to find their way round an unfamiliar laboratory.

Now, a full-fledged laboratory technician, he rejected an offer from another department at Ciba and devoted himself to peptides. He improved his practical and theoretical knowledge in the peptide laboratory. With remarkable self-assurance, he ignored dress conventions by buying himself a white lab coat. He was indifferent to the disapproving glances that this sometimes earned him.

Then, he was called up for military service. In January 1962 he went for a 17 weeks winter boot camp in Bière, canton of Vaud, where he was to train as an infantry motorcyclist. This proved to be a turning point. While he had no problems with the discipline, having been used to it from home and his apprenticeship, he struggled with the idle periods that sometimes occurred in military life and, above all, with the fact that military training had taken him away from his work with amino acid derivatives and peptides. There was no way he was going to continue in the army, as many people did, so they could leverage the leadership experience for career purposes. He wasn't bothered about climbing the ladder, he was just fascinated by laboratory work. All he wanted was to get back to his laboratory at Ciba as quickly as possible. With that goal in mind, he kept himself in the background as much as possible to avoid any of his superiors hitting on the awful idea of putting him forward for the next stage, training as a non-commissioned officer. His scheme worked.

After taking a trip to Sweden to get the routine of army life out of his system, he threw himself back into his work in the peptide laboratory. His knowledge grew appreciably. Outside working hours he immersed himself in specialist's literature, reading everything he could about peptides and innovations in the field. This reading frenzy was prompted by the awareness that his lack of a university qualification meant he needed to be really good, even outstanding, at what he did. When it came to peptide chemistry, he soon knew more than most graduates, who tended to have a broad knowledge of chemistry as a discipline rather than specialist knowledge of one particular field.

By this time he had moved out of the family home and was sharing a modest apartment in Basel with an acquaintance. The apartment was conveniently close to Ciba, enabling him to walk to work, a pleasant relief after the years of commuting between Reinach and Basel by tram or moped. Sundays were spent waiting impatiently to get back to his lab on Monday morning, and he could often be found at his workplace on Saturdays. Whenever he was working on a batch—which was nearly always—he became obsessive. The countless hours he spent in the laboratory outside normal working hours required a special permit, which was obtained for him by laboratory head Professor Robert Schwyzer, a leading light in peptide chemistry who taught at the University of Zurich. Schwyzer already had experience of Peter Grogg's single-minded determination. The Professor dismissed the company library's refusal to admit the young laboratory technician on the grounds that access was limited to chemists as complete nonsense and made sure that the eager learner was able to quench his thirst for knowledge. Grogg was met in the library with the same disapproving glances that he had attracted before, but once again he couldn't care less.

At the time, Professor Schwyzer was working on an extremely complex long-chain peptide that would be a milestone achievement if it came to fruition. The Professor very much valued laboratory technician Grogg's service during the months the peptide was in development, while the chal-

lenge was right up the technician's alley. He carried out experimental work to identify the solvents that could be used as reagents, a task that grew ever more difficult as the molecule became more complex, or to determine how to purify out the unwanted byproducts that occurred every time the amino acids were coupled. When the synthesized peptide—adrenocorticotrophic hormone or ACTH for short—was finally premiered, it caused a sensation. Never before had anyone succeeded in building a peptide consisting of 39 amino acids. In fact, the first 24 would have been sufficient; the remaining 15 were added out of scientific interest. This masterstroke earned Robert Schwyzer the prestigious 100,000 Swiss franc Otto Naegeli prize, a biennial prize for outstanding research achievements awarded by the Otto Naegeli foundation and one of the most important Swiss prizes in medicine. Ciba still markets ACTH as Synacthen, and the product is used to diagnose and treat a variety of conditions, including arthritis and skin disease.

Forwards and westwards

Right then Peter Grogg was content with his life. Everything was going well for him. He was happy in his work, earning good money—had bought his first dream car in the form of a stylish Morgan, was attending the Minerva night school to prepare for his studies at technical college and had just fallen for Madeleine Küng, whom he had met in Basel in fall 1962.

In early 1964, he was approached by Robert Schwyzer, who would go on to found and head ETH Zurich's Institute of Molecular Biology and Biophysics, which was originally at the campus in central Zurich but would soon move to a new building at Hönggerberg. Before all that, however, Robert Schwyzer intended to take a sabbatical as a visiting professor at the University of Washington in Seattle. He invited Peter Grogg to accompany him, since he would need a laboratory technician with skills he could rely on, and offered Peter a one-way ticket worth 3,000 Swiss francs which he planned to fund from the money he had received from the Otto Naegeli foundation. The opportunity to new pastures with the chance to acquire professional experience in the United States, with everything the country had to offer, and to do so while working with peptides was hard to resist. Studying could wait, whereas the chance to visit America so easily thanks to the special preference visa the University had obtained for him and which would allow him to stay in the country almost as long as he pleased, would not come round again so quickly. He discussed it with Madeleine. Both were thrilled by the project and took a conscious decision to visit the distant country as a couple so they could seize the opportunity to broaden their joint horizons in more than just a geographical sense. Madeleine Küng also applied for a US visa. However, this delayed the approval process somewhat since the pair were not yet married. Madeleine's uncle, who worked in the US hotel industry, agreed to act as his niece's financial guarantor. Preparations for the adventure also involved getting engaged, an event that the couple celebrated in Switzerland that spring. Peter Grogg handed in his notice to Ciba for the summer. He learned

enough English to get by because he attended an evening crash course run by the Migros evening school. The excitement of anticipation was mixed with the sadness of having to take leave of his family, especially his father, Emil, who was seriously ill with lung cancer. It was clear to both that they would not see each other again.

In August 1964, Peter Grogg flew for the first time in his life, traveling with Swissair to Boston before catching an American airline's domestic flight to Seattle. He traveled alone, since Madeleine was still waiting for her visa.

The young Swiss laboratory technician quickly adapted to his new life. At first he lived in university student accommodation in Seattle, then he moved to a small, sparsely furnished apartment, which cost him little to rent and in which he spent little time. The Laboratory Technician II worked at the University of Washington's Department of Biochemistry, headed by Austrian-born Professor Hans Neurath, occupied him completely. His knowledge and skills, which far exceeded those of his American colleagues, were in demand in the 100-person department. He produced amino acid derivatives and peptides for Robert Schwyzer, the other professors and the students—in short, everything everyone needed for their studies or research. Since he was the only person able to do so, he enjoyed a privileged position. To keep his chemistry up-to-date, he paid frequent visits to the university library and sat in on lectures as a guest. Professor Neurath also sent him literature on solid-phase peptide synthesis, a new technique developed by American chemist Robert Bruce Merrifield that could be used to build peptides from up to 100 amino acids in a relatively short time, a major breakthrough compared with solution synthesis. Merrifield's achievement earned him the 1984 Nobel Prize in Chemistry. Following further development for commercial applications, the Merrifield method would cross Peter Grogg's path again in the distant future.

It had certainly been worthwhile crossing the pond in every respect. His English improved constantly, he felt comfortable in his surroundings. And his 360 dollar-a-month salary was even better than what he was earning in Switzerland, especially as one dollar was worth 4.50 Swiss francs. He bought a brand-new 1965 Mustang Fastback in metallic dark green on an installment plan, a step that was in keeping with the American way of life in both respects, even if it was less in keeping with his normal frugality. However, a bit of the carefree attitude that fueled Americans' optimism and made so much possible in the country of unlimited possibilities had already rubbed off on him. He picked Madeleine up from the airport in his gem of a car in early November. Robert Schwyzer had suggested that he rent her a room in student accommodation since the idea of them living together as an unmarried couple was inconceivable in the conservative climate of the early 1960s. Peter Grogg was not keen on the idea, so on November 12, 1964 he and Madeleine were married by a justice of the peace, who, in true American style, had a Walt Disney cartoon on the television in the background. Although the



University of Washington, Seattle, 1965: The 23-year-old Swiss laboratory technician was the only person who could synthesize peptides, a skill that soon elevated him to the rank of Chief Laboratory Technician.

“I just wanted to keep developing.”
***Peter Grogg, Chief Laboratory
Technician at the University of
Washington in Seattle until 1966***

Just married



The official photo from the wedding in Seattle on November 12, 1964.
Madeleine and Peter Grogg-Küng.

A dashing figure



On honeymoon on the United States' Pacific Coast. Photo taken by Madeleine Grogg. The couple drove their '65 Mustang Fastback from Seattle to San Francisco and back in a week because the University had given Peter just a few days' special vacation.

newly-weds soon moved into a larger apartment, they were generally still very careful with their money. Their aim was to save up for the furniture they would need in their future home in Switzerland, since they planned to stay abroad for just a year or two. But fate decided differently.

After one year, Robert Schwyzer returned to Switzerland, while the Groggs stayed in America. Peter was promoted to Lab Tech III, then to Chief Laboratory Technician, with salary raises to accompany each step up. But after two years, university life started to feel a bit too placid. There was too little pressure, and the development options were limited, even if he had been able to assume greater responsibility and more duties. Since Seattle was something of a business backwater at the time, Madeleine's career prospects were also limited.

Just as the two were beginning to entertain the idea of returning to Switzerland, Peter Grogg received another inquiry, this time from Herman Plaut, owner of the Cyclo Chemical Corporation in distant Los Angeles. Plaut was an acquaintance of Robert Schwyzer who had met and been impressed by the ambitious lab tech during a visit to the university. He was looking for a capable man for his peptide group, the kind of specialist that was difficult to find anywhere and particularly in the USA. The Swiss laboratory technician at the University of Washington seemed perfect for the job. Madeleine and Peter Grogg traveled to Los Angeles, where they were wined, dined and given the full charm offered by Herman Plaut, who described life in sunny Los Angeles in equally sunny terms. They discussed where and how they could live so that it would be easy for Madeleine to find a job that matched her qualifications and were told that the earning opportunities were better in Los Angeles.

The Groggs agreed to join Cyclo, since doing so would enable them to stay in the United States a little longer and save up for their own home in Switzerland instead of just furniture.

Seattle was consigned to the past. After just under two years in America, the couple moved to the Los Angeles suburb of Inglewood, renting an apartment that was bigger than the one in Seattle. Madeleine found work straight away as a window dresser in a downtown department store, while Peter began work at Cyclo in July 1966 on a starting salary of 600 dollars that was soon raised to 700. Apart from the head of the peptide department, an Indian named Subbarao Makineni who was generally known as Rao and had studied chemistry in the West, Peter Grogg was again the only truly knowledgeable member of the eight-person team. There were no genuinely qualified colleagues on whom he could rely. This only increased the pressure on him, and he found himself working long hours, including Saturdays. Cyclo produced substrates, inhibitors, protected building blocks and peptides for universities and researchers—an area he knew well.

Only the strange and somewhat uncooperative manner of his line manager Rao bothered him a little. At the time he would never have wagered

By the age of 25, Peter Grogg was co-owner of a small chemical firm in Los Angeles.

as much as a cent on them both forging a business and personal friendship over the coming decades that, while tumultuous, was consistently marked by mutual esteem and survived various disputes and periods of not speaking to each other. It soon emerged that there were reasons why Rao was behaving the way he was. He intended to leave Cyclo to become one of the joint proprietors of Fox Chemical Corporation, which had been set up the same year, where he would build up their peptides business. For obvious reasons, he had not revealed his plans. Had Grogg not turned up with his impressive abilities, Cyclo's peptides expertise would have all but vanished into thin air with Rao's departure. Six months later, Makineni acted on his plans and, just as Rao had feared, Herman Plaut promoted Peter Grogg to head of Cyclo's peptide department, as a result of which it was able to survive for at least sometime.

Despite his meteoric rise at Cyclo Chemical Corporation, Peter Grogg quickly began to feel hemmed in by the limited opportunities. As in Seattle, he was producing amino acid-based substances primarily for sale to universities and pharmaceutical industry research departments. The somewhat clueless auxiliary staff in his department were more of a trial to his patience than useful. Herman Plaut tried to tie him down by inserting a non-competition clause in his contract, but this was not allowed because it would have presented an obstacle to career advancement in the United States' hire-and-fire culture. Furthermore, Peter Grogg could have not cared less especially as Plaut had sold Cyclo to a large corporation and someone else had come in as manager.

In the meantime, Rao Makineni and Herbert H. Fox, Fox Corporation's majority stockholder and another former Cyclo employee, were trying to get Peter Grogg on board by playing up their young company's rosy prospects. After considerable wooing, Peter realized that Fox had more to offer him, while the prospect of becoming part-owner further broadened his career development prospects.

Grogg was now 25, the former chief technician of a university laboratory and erstwhile head of Cyclo's peptides department, which went into decline following his departure in summer 1967 and was subsequently wound up.

Furthermore, he was, even if only in a small way, co-owner of a US chemical firm—even if it was just a modest set-up of eight people in a warehouse in downtown Los Angeles. But business was growing. Amino acid

derivatives, building blocks and peptides were much sought after, and demand from universities and chemical industry research laboratories was rising steadily. It began to dawn on Peter Grogg that this would only get bigger and bigger. He also occasionally started to think that the business model of setting up an independent company to produce and market a catalog of peptide-related products could prove successful in Switzerland or even in Europe. After all, no one was doing it there. There was no comparable product offering. At least, not yet. But these were just passing thoughts, almost as distant from the Groggs' immediate plans as Switzerland itself.

California suited both of them with its sunshine, subtropical climate, beaches and big open spaces, not to mention the glamor of Los Angeles, the world's movie capital, and the thriving arts scene. Life really did have plenty to offer. They attended concerts by such iconic performers as Ella Fitzgerald, Duke Ellington and Charles Aznavour, visited Disneyland and explored the coast. Unfortunately, Sunday was the only day they could share free time together. Most Saturdays Peter was in the lab or immersed in peptide-related literature at the University of California library. In addition, his inquisitive mind had been introduced to an activity far removed from peptides. At the recommendation of a neighbor in the same apartment block, who had given him his first tips, Peter had started playing the stock market. It was not long before he was managing his transactions himself. He had a good feel for the markets and earned a tidy sum of money, which the Groggs were able to set aside for the house they intended to buy once they were back in Switzerland.

Madeleine was now employed as a window dresser in a big city-center store that Peter passed on his way to Fox. That meant they were able to travel to and from work together, comfortably ensconced in their modern, bright metallic blue 1967 Ford Thunderbird, with its throaty engine, automatic transmission and air conditioning—all the state-of-the-art features that had supplanted the less luxurious, manual-shift Mustang. The high levels of comfort and generous, typically American dimensions of their new car made even sitting in the chronic congestion of the often oppressively hot Los Angeles conurbation a bit more bearable.

While Herbert Fox had the final say as far as the company went, he was less secure when it came to the actual core business of amino acid derivatives and peptides. He always made sure that at least one of his scientists, Rao or Peter, attended meetings with customers. When meetings turned to the details or feasibility of a particular project, he tended to start sentences with the words “My boys are telling me”. While such words may almost have sounded like praise, they always left Peter Grogg cold, both as recipient and giver. They smacked of the risk of complacency, and there was no room in his life for that.

He was now on good terms with Rao Makineni, nine years his senior. Now they were both pulling in the same direction, Rao with a 16.5 percent stake in Fox, Peter with five, later six and a half percent. The two men were responsible for

production. The main output from their rudimentary laboratory equipment was amino acid derivatives. When Fox was asked one day whether it could supply synthetic bradykinin, a peptide consisting of nine amino acids, Peter did not have to think too hard. Yes, he replied, they could do that. However, given the peptide's length, he would need extra equipment to produce it at all, let alone cost-effectively. This took the form of the "Craig countercurrent distribution apparatus", which was needed to isolate the peptide from its byproducts using various solvent mixtures. This technique for separating off unwanted byproducts from peptides following coupling—the actual purification step—made it possible to produce bigger peptides of the type that could not be achieved using the conventional purification method of crystallization. The process had been invented in 1943 by US chemist Lyman Creighton Craig, and had crucial significance for peptide chemistry. However, lack of infrastructure meant it was uncharted territory at Fox. Fortunately, Peter Grogg

Think big



The American dream embodied. A bright metallic blue Ford Thunderbird, seen here in 1968 outside the Groggs' apartment in Inglewood, Los Angeles. At the time, Peter was co-owner of city center-based Fox Chemical Corporation.

had amassed a wealth of experience with countercurrent distribution during his time at Ciba, and above all since he had synthesized ACTH with its 39 amino acids. Turning to Switzerland for aid, he contacted Franz Schmidiger, an ingenious engineer who had built bespoke laboratory apparatus at Ciba and now ran his own company called Labortec. Schmidiger supplied Fox with a small-scale Craig apparatus so it could produce the necessary quantities of bradykinin. Herbert Fox was over the moon at this important step forward for the company, and invited his boys to celebrate this success at the Pink Pussycat burlesque club in Los Angeles.

Over the next few years, the countercurrent distribution apparatus was used many more times for synthesis, helping Fox tap into new market opportunities. The business was up and running. Although Peter and Rao received co-proprietors' bonuses, Herbert Fox regularly capped them on the grounds that the company was earning too little. However, this was not the case, as the two found out when they consulted the accounts while Fox was absent. It transpired that he was using company money to finance substantial amounts of private expenditure, including his daughter's expensive study fees. No, said the boys, that's not how it's going to be and they insisted on a contract to put an end to that sort of behavior.

Despite certain frictions at Fox, there were good reasons why the Groggs might have chosen to stay in America. By the late 1960s, though, the young couple were thinking of starting a family, which meant they started thinking more about Switzerland again. The country's educational opportunities, security and peacefulness, combined with the chance to be closer to family and friends, finally sealed the decision to return to their roots and make home the center of their lives once more.

As in previous years, they spent their 1970 summer vacation in Switzerland, but this time used their visit as an opportunity to do some groundwork for the future. Peter started to look for a job. He applied to his former employer Ciba, and also to Roche, but felt the laboratory work he was offered took insufficient account of the experience he had acquired in recent years, to say nothing of his expertise in peptides, which had grown impressively as a result of his work and self-tuition in America. He wanted to continue to develop his expertise in the area, to improve constantly, build on what he had achieved, which was never enough for him, and to not buy the status quo that he had left behind in 1964. This prompted him to apply to the well known fine chemicals producer Fluka in the St. Gallen town of Buchs, which needed a specialist like him. Fluka sourced the few peptides it offered in its catalog externally. Now Peter Grogg looked like just the man to take charge of setting up the company's own peptide group. The task suited him down to the ground. Although his job description limited his activities to laboratory work, he also wanted to have direct contact with customers. He knew from his time at Fox that the best solutions to customers' needs came about when there was no middleman from sales who did not understand enough about the subject matter. However, it was a downside he could accept. Excellent,

replied Fluka, promising to send him the contract to the USA in due course so that he could start work in the spring of the coming year. Very good, said the Groggs to themselves, thinking they had a secure source of income on which to build their future life. They flew back to Los Angeles to spend the next few months winding up their home and jobs there. But time was passing, and there was still no contract.

“I’ll set up my own company.”
Peter Grogg, 1970, when his contract for a job in Switzerland didn’t show up on time.

Striking out

“All right, then I’ll set up my own company”, Peter Grogg announced to his wife. The idea had been at the back of his mind for quite some time. Madeleine supported it. She did not need to be told how determined her husband could be once he put his mind to something. Worrying about risks was not something Peter was prone to. He had lived in America too long for that, and had become familiar with and appreciative of the easygoing attitude that fueled its entrepreneurial drive. Many of the country’s companies and legendary brand names would never have existed had they been exposed to good old Swiss caution. Furthermore, he had already had a taste of running his own business as a co-proprietor of Fox and he had a strong independent streak. If his own company didn’t take off, he would just find a job elsewhere. Peptide specialists were in short supply and high demand as the market grew.

Taking Rao Makineni into his confidence, he cautiously shared his intention because it had to be kept secret from Herbert Fox for the time being. Fox would find out soon enough that he was soon to lose a key employee when Peter handed in his notice. In addition, there was a certain overlap with Fox customers who were well known in the market and whom Peter Grogg intended to approach. He and Rao talked a lot. The two men from different worlds, whose friendship had been built on a professional passion for peptides, were more familiar with the niche market and its perspectives than almost anyone else. Finally they decided to maximize their strengths by setting up a fine chemicals company together and specializing in amino acid derivatives and peptides. Rao was to make inroads into the American market, while Peter would handle Europe from his base in Switzerland. The two were joined by a further Fox man, colleague Bill Jevadi, who wanted to become a

minority shareholder. Peter Grogg proposed giving the company the self-assured name of Bachem, a combination of “Basel” and “chemistry” that was a nod to the city’s biggest industry and world-renowned companies. The intention was clearly to imbue the planned new start-up with a little of this prestige. Rao and Bill were happy with “Bachem”.

Bachem’s unofficial founding ceremony took place in fall 1970 with a handshake in the relaxed atmosphere of Los Angeles’ Playboy club during a boys’ night out. Since he had firm plans to return to Switzerland with Madeleine the following spring, Peter was to launch Bachem in early summer, while Rao and Bill would get business rolling in California a few months later. All three were full of optimism about their company’s future, little suspecting that they would be competing with each other before their partnership had even got off the ground. Once again, things turned out differently than planned.

They would actually have had enough for a house in Switzerland. The Groggs’ jobs and Peter’s considerable prowess as an investor meant they had accumulated an appreciable nest egg in highly valuable dollars. However, their financial priority now was the immediate future and setting up the company, which Peter set about with his usual thoroughness. The money they had saved was to be used as reserves until such time as the company was generating money.

First on the to-do list was finding a physical home for the new company, which as yet only existed in its founders’ heads. While still employed at Fox and a long way from Switzerland, Peter Grogg asked his sister, Heidi Schläpfer-Grogg, to look in and around Basel-Landschaft for suitable premises for a laboratory. She eventually found empty space above a carpenter’s shop at Kasernenstrasse 43A in Liestal. At 45 square meters, it was big enough to house production and an office next to the production area for Madeleine, who was keen to show active support for her husband by taking care of the administration. Peter was happy with the new company headquarters, and a rental contract was signed. To cap it all, shortly before Christmas the employment contract from Fluka for the job in Buchs turned up in Inglewood, accompanied by an apology explaining that it had been overlooked. Peter Grogg replied straight away, saying that he was very sorry, but it was too late since he had changed his mind in the meantime.

He handed in his notice to Fox, while Rao and Bill waited a little longer to hand in theirs. Once all three had left, Fox gave up its fruitless efforts to hire a successor, and the company was subsequently sold. Peter and Rao received a modest amount for their shares.

In early 1971, the Groggs were fully occupied with their move. They sold their furniture and crammed everything they could not bear to part with—their stereo and all the knick-knacks they had accumulated during their seven years abroad—into the Thunderbird. Two tickets for the sea passage from Los Angeles to Europe via the Panama Canal and Atlantic were booked. Because of its size, the Thunderbird’s passage cost more than its



Bachem was unofficially founded by a handshake in Los Angeles' Playboy club in fall 1970: Peter Grogg is in the middle, with Rao Makineni (left) and Bill Jevadi either side. Their plan to set up a company together did not come to anything.

owners'. However, this sheet-metal manifestation of the American dream would accompany them on journeys in Switzerland for a while longer until it was superseded by more family-friendly station wagons that were a better fit for Swiss roads and parking lots. On March 9, 1971, they boarded ship for the three-week journey and set off for home and the next stage of their eventful life story.

He was home at last. Now he could finally get busy on the thousand and one things that needed to be done to launch his company. He was itching to get started on Bachem, and there was no time to waste. Not only was he keen to arouse the Swiss and European markets for peptides and amino acid derivatives from their slumbers, he was desperate to get back in a laboratory as quickly as possible. And this time it would be his own! First though, the Groggs found somewhere to live in the form of a three-room rented apartment on the fourth floor of a new-build complex in the Munzach area of Liestal. Costing 400 Swiss francs a month, it would do for the time being.

And there was a lot to do. The carpenter's one-time wood store in Kasernenstrasse needed to be fitted with laboratory equipment and chemicals, and secured against fire risks. This meant cladding the walls with

Eternit, for example. Only the plastic flooring seemed to satisfy the new requirements. The fact that it was not liquid-resistant was only discovered some time later following an unfortunate incident in which water spilled and soaked the veneer stored in the room below.

Peter Grogg knew exactly what he needed to fit out his laboratory. While he considered hiring professionals, their specially coated units were too expensive. Kitchen units would do the job just as well, were quite a lot cheaper and largely similar in design to their custom lab counterparts.

Peter's brother-in-law, Kurt Schläpfer-Grogg, built him a fume cabinet with movable front screen, fan and extractor on one such piece of furniture so he could work safely with chemicals. After two months, the interior fit-out work had been completed, and Peter started advertising for second-hand lab equipment in the Basel newspapers. Someone who kept snakes offered him a Mettler analytical balance that had been used to weigh the animals' feed and which Grogg was familiar with from his time at Ciba. New balances could easily cost several thousand Swiss francs. The second-hand version cost just 300. He bought lab ceramics, materials for paper chromatography and other accessories at the pharmacy. He also renewed his acquaintance with former colleagues at Ciba, asking if they had any used equipment he could acquire. They did. Whenever people moved from one lab to another, they left plenty of things they didn't want anymore behind them or got the very latest equipment for their workplace. In such cases, large quantities of old labware and apparatus ended up in the store. They told him he should just drop in. He promptly did so and hit on a treasure trove. Condensers, rotary evaporators, apparatus, heating mantles, test tubes, all sorts of glassware, in fact everything to get a laboratory technician's blood racing, not least when the budget for fitting out his first self-owned laboratory was limited. It was lucky he had gone in the Thunderbird because the company where he had served his apprenticeship and had his first job was generous. For just 300 Swiss francs, they let him fill the huge car with items from the Ciba warehouse.

His laboratory was now ready to go. He obtained the toxic substances permit he needed to be able to buy chemicals and busied himself with writing to potential customers. He knew the market inside out and what he needed to sell at what price to be in with a chance. Numerous chemical companies and universities in Switzerland and abroad received letters from an industry newcomer, a start-up with a pleasant-sounding name, signed by a certain P. Grogg, whose name must have been familiar to some of them, particularly in America. With staff departures starting to cripple Fox's supply capabilities, there was suddenly the option of turning to an unknown Swiss-based company that seemed to understand their needs. Now that company had to deliver.