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ACE Awards Innovator of the Year: Paradigm Labs grew rapidly to win contracts to provide Covid-19 testing

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Ethan Sasz — winner of the 2021 ACE Innovator award — founded Paradigm Labs in Tucson in 2013 because a pain management practice he co-founded needed a lab to run its drug testing.

Over the years, he grew the lab outside of the pain management sector to offer molecular infectious disease testing and blood tests for the general public.

By December 2019, when he started hearing rumblings of a new coronavirus strain in China, his lab already was running tests for upper respiratory infections, including flu and various strains of the coronavirus.

By January 2020, he quickly geared up to raise \$350,000 from friends and family to invest in additional testing equipment to



JIM POULIN | PHOENIX BUSINESS JOURNAL

2021 ACE Innovator of the Year is Paradigm Laboratories, their CEO is Ethan Sasz

continue to grow the lab.

Then a large employer selected Paradigm Labs to run 20,000 to 25,000 Covid tests a day to test its employees.

"They paid us upfront for testing and gave us two months to build it out," he said of the company. A nondisclosure agreement prohibits him from naming the employer.

By March and April, all the major labs across the country were trying to buy more equipment to keep up with surging demand for Covid-19 tests.

"The hard part is we started to win some community contracts like Pima and Maricopa counties but we couldn't get supplies from the normal supply chain," Sasz said.

Employee surge

Supplies earmarked for his company would get shipped out to the larger labs instead, he said. So he connected with Takara Bio and bought 10 of its \$200,000 instruments.

"We went outside the normal supply chain and that gave us a competitive advantage," Sasz said.

The company has processed over 1.5 million Covid-19 tests for state and county health departments, employers, schools and businesses, including residential care facilities.

In April 2021, Paradigm achieved certification with the Arizona Department of Health Services to administer Covid-19 vaccines.

During the coronavirus pandemic, Paradigm grew from 12 employees in July 2020 to 240 employees with three labs in Phoenix and Tucson.

The company also has boosted net annual sales to \$64.93 million in 2020, up from \$1.92 million in 2019.

Paradigm had been growing at a rate to generate \$100 million in sales but because of shrinking reimbursement from third-party payers, including commercial insurers and government payers, revenue is expected to be closer to \$50 million this year, Sasz said.

A life in health care

Even so, generating \$50 million a year is a lifetime away from when Sasz started out as a medic in the Navy.

Sasz always knew he wanted to be in health care, earning a bachelor's degree in health ecology and a master's degree in physical assistant sciences from the Uniformed Services University of the Health Sciences.

Before starting Paradigm Labs, Sasz was a consultant providing health care IT and finance work until starting a pain management practice in Tucson.

When he started the lab in 2013, he leased 1,500 square feet of space and later ended up buying a building that housed a 4,500-square-foot lab space to keep up with growth.

His company, which received recognition on the 2020 Inc. 5000 list of fastest growing private companies, has grown to offer additional services, including helping businesses, government and schools develop procedural return-to-work and return-to-school plans for employees and students with ongoing testing and vaccination strategies.

As a result, he is rebranding the company as Paradigm Health Solutions LLC. Another division under that umbrella is Paradigm Site Services that provides on-site testing out of a 28-foot trailer. The unit has the capacity to collect tests and transport them to the lab, providing results within 24 hours, Sasz said.

Innovator of the Year

Paradigm Laboratories

Location: Tucson

CEO: Ethan Sasz

Total employees: 240

2020 revenue: \$64.9 million

Read more about the 2021 ACE Awards and this year's award winners [here](#).

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