

# Inside a lab: a day in the life of a global equity investor



February 2026



**Ben Yeoh**  
Senior Portfolio Manager  
and Healthcare Sector  
Specialist

**“Culture and people are more important than many would realise in a company that looks ‘commoditised’ from the outside.”**

## What 100,000 samples a day really looks like...

I spent a day at a company’s flagship diagnostics lab in the US recently. On earnings calls, “automation” and “central labs at scale” are frequent buzzwords, so it was intriguing to see inside this vast 150,000ft<sup>2</sup> operation of highly choreographed logistics and robotics, which runs 24/7 and processes over 100,000 patient samples daily.

### Key takeaways:

- The lab has scale and complexity that is genuinely hard to replicate.
- Automation is embedded in the core workflow and is not just a marketing term.
- Culture and people are more important than many would realise in a company that looks ‘commoditised’ from the outside.

### The physical scale and footprint

The lab is large enough that visitors are shown a drone shot to ensure they don’t get lost. It’s housed in a renovated paint factory, but a shiny new extension has been added, as part of a seven-year capital expansion project, and a separate warehouse.

The company serves a huge geographic region and employs over 800 people, including MDs and PhDs. Its services range from routine blood tests to specialist oncology and infectious disease work.

On top of standard state certifications, the site is ISO 15189 accredited – a voluntary, higher bar for lab quality systems. This is not just regulatory decoration but a layer of process discipline in a high-volume environment.

Supporting the lab are approximately 700 couriers who make 300,000 pickups daily across the region. There are also 600 patient service centres that feed into a network of smaller “branch labs”, which consolidate samples before sending them to the lab overnight.

As an investor, it’s clear that this is a scale game. Seeing the actual mechanics makes it tangible.



### How a sample moves through the system

Walking through the lab, I watched patients' blood samples move from collection to result and storage. Particularly intriguing was watching newly-arrived samples being unloaded onto conveyor belts and fed into automated loaders. This is where the lab shows its technological sophistication. Instead of technicians handling each sample, an automated system takes over. Samples are split into smaller portions for different types of tests, including immunoassay, thyroid, and oncology markers. The system tracks how much of each sample is used and what remains.

Once sorted, instrument-ready racks of samples are routed to different areas of the lab where machines run tests. For most patients, results flow directly from these machines to computers to hospitals and clinics, without any human intervention.

The lab runs this process around the clock; about 40% of staff work night shifts, which is the heaviest processing window as branch shipments arrive.

This is where economics show up: once the fixed cost and infrastructure are in place, "the next test" on an existing sample is extremely high margin.

### Driving better outcomes

Automation and scale deliver real benefits beyond just processing more samples. Samples are handled in a systematic way, with machines doing the splitting and routing, and thus there are fewer opportunities for human error. Samples don't get mislabeled. Mistakes in volume measurements are eliminated.

Error and incident metrics, such as lost specimens and accidents, are tracked carefully, and over time, data has shown meaningful improvements. This can be compared to smaller hospital labs where there are more manual steps and room for error, as well as lower automation and staff who tend to be more generalist. At this lab it's the opposite: a high fixed cost but very low marginal cost per additional test, with lower error rates. This creates a real competitive advantage and is a big piece of the moat: lower error rates plus faster turnaround means better economics in my view.

### Culture and workforce: not just robots

Here's where the story gets interesting. One might think "automation" means the lab has replaced people with machines. That's not what's happened. 800 people are employed because there's still plenty of work – just different work. There is actually a shortage of lab technologists across the US, so the lab is investing in training. It works with local colleges and universities to develop talent pipelines and it runs its own training programme.

Importantly, leadership is thoughtful about culture in what is a 24/7 operation. There are specialist roles, work-life flexibility is emphasised, and there are visible employee resource groups and cultural events. Turnover at the company is reportedly below industry average, which is significant in a sector facing widespread staffing challenges.

Management's philosophy is clear: automate repetitive, unpleasant, low-skilled tasks, then move people toward higher-value work, such as troubleshooting, quality control, and complex areas that require judgment. It's not about replacing people; it's about enabling them to do more interesting work while machines handle the drudgery.



Enjoying cutting-edge science, technology, and innovation at a lab.

## “Next-Gen” lab tech

The tour wasn't just conveyor belts. Pockets of “next layer” tech were visible in AI-assisted slide reading and an increasing use of software and decision support that can pull clinical data from EHRs, suggest appropriate tests based on comorbidities and guidelines, and help doctors avoid under- and over-testing.

Again, this isn't just cool tech – it's a way to drive more tests per accession (richer menus for the same patient) and lock in integration with hospital systems, making the lab harder to displace.

### What this means as an investor

My views on this company visit:

- **Scale creates real competitive advantages:** the combination of volume, automation, and logistics isn't easy to replicate, and economics get better with each marginal test, once infrastructure is in place.
- **Automation is more about quality and throughput than headcount cuts:** lower error rates, faster results, and the ability to grow without proportionally adding staff is where the margin leverage comes from.
- **Test intensity is visible in how the lab runs:** the workflow is set up to easily add more tests from the same sample (e.g. a lipid patient also getting apoB, Lp(a), additional markers). That's the “tests per accession” story, operationalised.
- **People and culture matter enormously:** building this kind of operation isn't just about installing equipment; it's about retaining skilled technicians in a challenging 24/7 environment through thoughtful management and career development.

Reading the quarterly earnings presentation might suggest this is just operational detail. Walking through the lab makes clear that the operating model – scale, automation, and people working together – is the actual strategy.



## Portfolio Manager Perspectives

Our experts offer their perspectives on the latest developments in global credit and the state of the markets.

[LEARN MORE](#)

This material is provided by RBC Global Asset Management (RBC GAM) for informational purposes only and may not be reproduced, distributed or published without the written consent of RBC GAM or the relevant affiliated entity listed herein. RBC GAM is the asset management division of Royal Bank of Canada (RBC) which includes RBC Global Asset Management Inc. (RBC GAM Inc.), RBC Global Asset Management (U.S.) Inc. (RBC GAM-US), RBC Global Asset Management (UK) Limited (RBC GAM-UK), and RBC Global Asset Management (Asia) Limited (RBC GAM-Asia), which are separate, but affiliated subsidiaries of RBC.

In Canada, the material may be distributed by RBC GAM Inc., (including PH&N Institutional), which is regulated by each provincial and territorial securities commission. In the United States (US), this material may be distributed by RBC GAM-US, an SEC registered investment adviser. In the United Kingdom (UK) the material may be distributed by RBC GAM-UK, which is authorised and regulated by the UK Financial Conduct Authority (FCA), registered with the US Securities and Exchange Commission (SEC), and a member of the National Futures Association (NFA) as authorised by the US Commodity Futures Trading Commission (CFTC). In the European Economic Area (EEA), this material may be distributed by BlueBay Funds Management Company S.A. (BBFM S.A.), which is regulated by the Commission de Surveillance du Secteur Financier (CSSF). In Germany, Italy, Spain and Netherlands the BBFM S.A. is operating under a branch passport pursuant to the Undertakings for Collective Investment in Transferable Securities Directive (2009/65/EC) and the Alternative Investment Fund Managers Directive (2011/61/EU). In Switzerland, the material may be distributed by BlueBay Asset Management AG where the Representative and Paying Agent is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. In Japan, the material may be distributed by BlueBay Asset Management International Limited, which is registered with the Kanto Local Finance Bureau of Ministry of Finance, Japan. Elsewhere in Asia, the material may be distributed by RBC GAM-Asia, which is registered with the Securities and Futures Commission (SFC) in Hong Kong. In Australia, RBC GAM-UK is exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of financial services as it is regulated by the FCA under the laws of the UK which differ from Australian laws. All distribution-related entities noted above are collectively included in references to “RBC GAM” within this material.

This material is not available for distribution to investors in jurisdictions where such distribution would be prohibited.

The registrations and memberships noted should not be interpreted as an endorsement or approval of RBC GAM by the respective licensing or registering authorities.

This material does not constitute an offer or a solicitation to buy or to sell any security, product or service in any jurisdiction; nor is it intended to provide investment, financial, legal, accounting, tax, or other advice and such information should not be relied or acted upon for providing such advice. Not all products, services or investments described herein are available in all jurisdictions and some are available on a limited basis only, due to local regulatory and legal requirements. Additional information about RBC GAM may be found at [www.rbcgam.com](http://www.rbcgam.com). Recipients are strongly advised to make an independent review with their own advisors and reach their own conclusions regarding the investment merits and risks, legal, credit, tax and accounting aspects of all transactions.

Any investment and economic outlook information contained in this material has been compiled by RBC GAM from various sources. Information obtained from third parties is believed to be reliable, but no representation or warranty, expressed or implied, is made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. RBC GAM and its affiliates assume no responsibility for any errors or omissions in such information. Opinions contained herein reflect the judgment and thought leadership of RBC GAM and are subject to change at any time without notice.

Some of the statements contained in this material may be considered forward-looking statements which provide current expectations or forecasts of future results or events. Forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Do not place undue reliance on these statements because actual results or events may differ materially.

RBC Global Asset Management (U.S.) Inc. (“RBC GAM-US”) is a federally registered investment adviser founded in 1983. RBC GAM is the asset management division of Royal Bank of Canada (RBC) which includes RBC Global Asset Management Inc. (RBC GAM Inc.), RBC Global Asset Management (U.S.) Inc. (RBC GAM-US), RBC Global Asset Management (UK) Limited (RBC GAM-UK), and RBC Global Asset Management (Asia) Limited (RBC GAM-Asia), which are separate, but affiliated subsidiaries of RBC.

©/™ Trademark(s) of Royal Bank of Canada. Used under license. © 2026 RBC Global Asset Management (U.S.) Inc.

For Institutional Use Only - Not For Public Distribution.