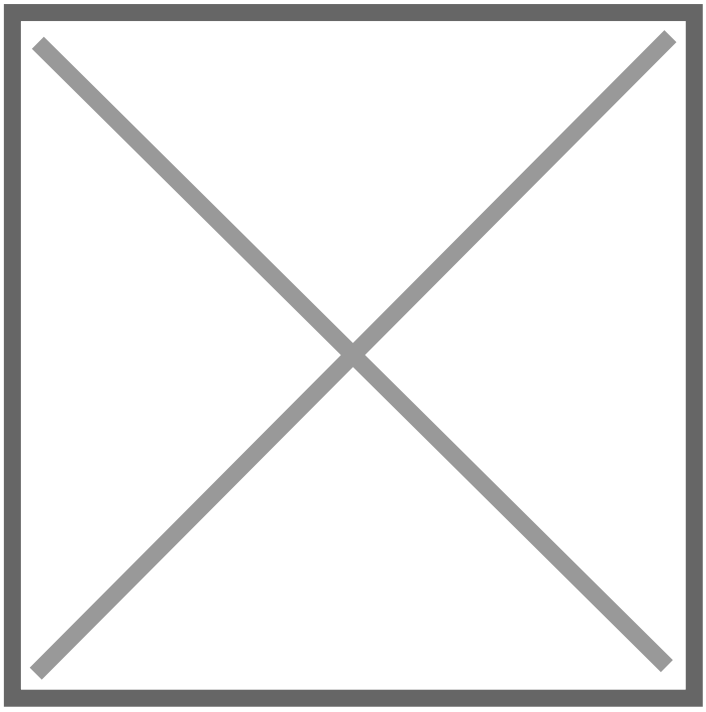
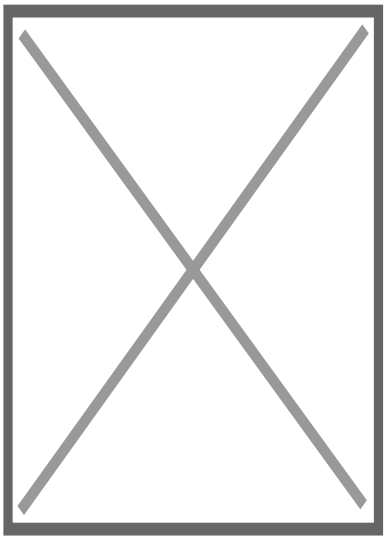
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"We do things we are good at"

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"We do things we are good at"



-Dr Dennis Gillings, chairman and CEO, Quintiles Transnational Corp

Quintiles Transnational Corp is powering the next generation of healthcare, providing a broad range of professional services in drug development, financial partnering and commercialization for the biotechnology and healthcare industries. Set up in 1982 with 10 employees by Dr Dennis Gillings, a professor of bio statistics at the University of North Carolina at Chapel Hill, it now has 18,000 employees and offices in more than 50 countries with revenues of $2 billion.

With nearly 30 years of experience in drug development applications and theory, Dr Gillings has been a consultant for a number of companies and health organizations including the National Cancer Institute, the National Institute for Dental Research and the Institute of Medicine. A recipient of the Commander of the British Empire (CBE), Dr Gillings began providing statistical consulting and data management services to pharmaceutical clients in 1974 during his tenure as professor. Dr Dennis Gillings, who was in India to dedicate the Quintiles' new central lab in Mumbai, spoke to BioSpectrum about the organization and trends in the CRO sector. Excerpts of the interview:

What are the factors that has made Quintiles a global leader?

About 7-8 years back, I had difficulty in putting together a management team in place for a new global and larger company. In the last three to four years, I believe I have assembled an excellent management team by bringing people from other industries and this was a difficult task. We have done it and it is now paying dividends. So I am pleased with that. We make sure that we don't make things where we are not good in. We do things we are good at.

Are you looking for inorganic growth?

Not really because we have presence in all countries. When you do acquisition, you have to integrate with them. And this can be disruptive to services organizations. We being in a good position, do not need to go through the difficult steps because we are present in all the countries.

How do you see your position in the third world or developing countries like India where leading companies are now making a beeline to set up CROs?

We are the leaders in our business in almost all the developing countries. So we would probably do acquisition if people overtook us. Now there is no room for us to look at that when we are a leader and in a comfortable position. We don't have to do so many acquisitions. If two of our big competitors combine, then we could think about it. That could be actually good for us because they have to go through the integration processes. It's harder to integrate services business than the product business.

Why did you look at India in 1997?

It was an obvious choice. India is going to be major economy. And it is not just because of this. When a country has over $1000 on a person of the GNP and spends it on healthcare by buying pharmaceuticals, it builds the pharmaceuticals industry. And at the same time, the General Agreement on Tariffs and Trade (GATT) talks were going on. India signed the TRIPS agreement. I got the sense that India is the best bet to participate in CRO sector. And also post 1990, India changed from being the internal focused economy to more externally focused economy. These things made me to stay well with one sixth of world population in India..

You have presence in both India and China. Which country do you feel gives better RoI?

India has been much better for us. The business in India is much bigger than in China. It is easy to do business in India because of the English-speaking people, which makes communication easy and strong leadership in India.

What made you look at China despite many drawbacks?

China also has large population. We want to be where our customers want us to be. To be honest, we went to China because of the customer demand and came to India because I thought it is a good idea. And no customer demand encouraged us to come to India. I felt India could be very good for our business.

What is India's contribution to Quintiles total sales of $2 billion?

At the moment India's contribution is about 3 percent. But it is very large. It is growing at over 30 percent CAGR. So I expect India will get about 5 or 6 percent in the next five years or so.

What are the issues that need government attention?

I think it could be good if there could a parallel process of getting the clinical trials established in India and at the same time in America. The regulatory group at the ministry of health is very receptive. However, the local experts will be able to give a clear picture on starting a site in India at same time as in New York. My understanding is that it has to be started in New York before we could make applications here in India.

Narayan Kulkarni