

Thermo Fisher Scientific exploring greener pastures

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Thermo Fisher Scientific is now venturing into a business strategy to include not just faster but also user-friendly products in addition to an aggressive acquisition spree.

—Koos Van Der Steujit, vice president and general manager, Thermo Fisher Scientific

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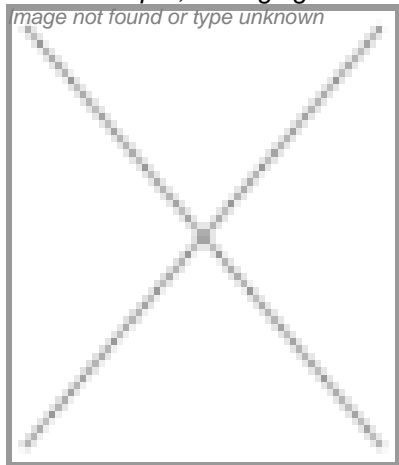
For the past one year ThermoFisher Scientific (TFS) looks at newer turfs to enhance its growth—both globally and within Indian shores. The Massachusetts-based company clocked a revenue of \$10 million this fiscal, with its Indian subsidiary itself achieving a double digit growth of around 40 percent and clocking fiscal sales of Rs 394.6 crore from its life sciences focused business. It was the number one Biosupplier in the Biospectrum-ABLE survey for fiscal 2007-08.

The company has revolutionized its product offering. A simple case in point being that 15 years ago the best mass spectrometry would take one year to analyze a protein and today this has been reduced to a mere 30 seconds!

TFS is also now looking at spreading its capabilities to newer geographies like India and China. Though a country like India accounts for just one percent of its total revenue pie, the region can certainly not be ignored. Projecting stupendous growth, its business in China today is thrice that of India. Its overall growth can be attributed to the spree of acquisitions and collaborations within a span of a year, opening up of new manufacturing facilities and inking major deals and programs with

government institutions.

—Amit Chopra, managing director, Laboratory products, Thermo Fisher Scientific



Acquisitions and collaborations—the global stratagem

The year 2008 was marked by acquisitions and collaborations for TFS. The underlying point behind the stratagem is not just doubling revenue but to broaden its geographical distribution and simultaneously widening its product portfolio offering. This business strategy has worked in favor of the company. TFS completed two acquisitions in India. While Qualigens Fine Chemicals, supplier of laboratory chemicals, was acquired from GlaxoSmithKline (GSK) in 2007, and Chemito, a supplier of analytical instruments for life sciences and environmental monitoring applications, was acquired in 2008. And this in a way pushed the company's annual revenues to double (Rs 395.6 crore) as compared to the previous fiscal figure (Rs 246 crore).

"Thermo was also looking for a good equipped team. This acquisition will be of great help for our chemicals, diagnostics and glass ware business," said Dr G Ramakrishnan, managing director of Thermo Electron LLS, India Ltd. In addition, Chemito manufactures its own analytical instruments, including gas chromatography, atomic absorption and UV-Vis spectroscopy. Chemito's analytical technologies and environment instrumentation divisions have annual revenues of approximately \$10 million and will be integrated into Thermo Fisher's analytical technologies Segment. Dr G Ramakrishnan also added that "Chemito gives us a manufacturing base in Nasik and strengthens our analytical instrument base in India. Chemito has developed a good training center and Thermo will be able to strengthen its training base and give hands on training to its customers."

On the global platform, the company has moved at a breathtaking speed and within a span of one month, the company has completed one acquisition and one collaboration. With these acquisitions, TFS got a foothold in anatomical pathology with the London-based, Raymond A Lamb. Clocking annual revenue of \$9 million, Raymond A Lamb will be integrated with the analytical technologies segment. TFS had then collaborated with biotech giant Genentech for the development of novel small interfacing therapeutics for Genentech.

Speaking exclusively to Biospectrum, Global CEO and President of TFS, Marijn Dekkers said, "RNA interference (RNAi), which is used for silencing bad genes, is one of the technologies that I am excited about. We are accelerating all our technology platforms towards this end." In December 2008, Thermo Fisher also entered into a program, to assist food testing and government labs for the analysis of melamine in food products from China (especially in milk products) in the wake of an alert from the United States Food and Drug Administration (USFDA) on adulterated milk products. TFS will provide the complete testing solution right from sample preparation, instrumentation and consumable along with food experts in the technology.

India-China, hotbeds for growth

There has also been a paradigm shift in geographical preferences. The global economy in the coming years will see the dominance of the yellow and the brown men. Recognizing the mammoth business opportunities these regions offer in the future, TFS has already started its ground work. While commenting on this Koos Van Der Steujit, vice president and general manager, TFS, India, said, "A lot of growth will be seen in India and China in the next few years. We aim to double our growth in these regions. TFS is already exploring opportunities in these nations and we will see a lot of actions here."

TFS has taken significant steps over the past few years to expand its footprint in India, beginning with the opening of a state-of-the-art demonstration laboratory in Mumbai that offers customers with its range of laboratory solutions. The company has also added sales and manufacturing facilities to support growing markets, including biopharma services and biospecimen storage, life sciences research and environmental analysis. Thermo Fisher India now has more than 600 employees and 20 facilities, including the new full-service clinical packaging and distribution facility in Ahmedabad.

Clinical trials pursuit in India

Despite grabbing a minor share of the pie, India continues to be the center of attraction for the company. With India

becoming the hub for R&D, the CROs and MNCs are flourishing in the country, TFS does not want to miss this opportunity. Its clinical trials business has been operative globally. However, it is only recently that the endeavor has been introduced in the Asia-Pacific countries. "These countries have a great potential that is why TFS is looking at setting up its clinical trials business here," said Koos Van Der Steujit.

Recently TFS announced the official opening of its new \$17 million facility in Ahmedabad to support the growing demand for biopharma services. The 150,000 square feet facility will focus on packaging, global distribution and logistics management of tightly regulated pharmaceutical samples to patients participating in clinical trials across the globe. It complements the company's existing clinical services operations in the US, Europe and Asia. "India continues to be a major market of focus for us as we expand our capabilities to support clinical research and development. Our customers are eager to outsource their clinical trials management to partners who know how to work within changing regional and global clinical trial regulations. Now, with the added capacity available with us, we will be able to bring a higher level of technology, quality and expertise to facilitate clinical trials that serve the needs of both multi-national and local pharmaceutical companies," said Marijn Dekkers

Stem cell research

ThermoFisher Scientific is concentrating on providing technology to high growth potential segments that include protein research and stem cell research. After the Thermo-Fisher merger, in the beginning of January 2008, TFS launched its stem cell excellence program, which will cater to the entire spectrum of stem cell research.

"Thermo Fisher Scientific has a continuous focus on providing integrated work flow solutions to some of the most promising areas in scientific research, such as stem cell research, IVF and cell culture," said Amit Chopra, managing director, Laboratory products, Thermo Fisher Scientific. The line of instruments cater to the needs like collection and preparation, differentiation, characterization, storage and transportation. The expanded stem cell excellence portfolio now includes Thermo Scientific HyClone Advance STEM reagents, kits and stem cell lines, as well as the Thermo Scientific Dharmacon Accell siRNA reagent for gene silencing and Nunc cell culture inserts for cell-based assays. A breakthrough gene-silencing tool, the Dharmacon Accell small-interfering RNA (siRNA) product line, has also been used within the Thermo Scientific Stem Cell Excellence program. The Accell siRNA enables uptake by stem cells and other difficult cell types without the use of viral or lipid-based delivery systems, which can be toxic to cells.

There is no looking back for the company now. Despite the recession and the credit crunch, TFS is optimistic that it will continue on its growth path but at the same time on a cautious note. "We will be cautious but at the same time invest in high growth areas," confirmed Koos Van Der Steujit.

N Suresh and Nayantara Som in Mumbai