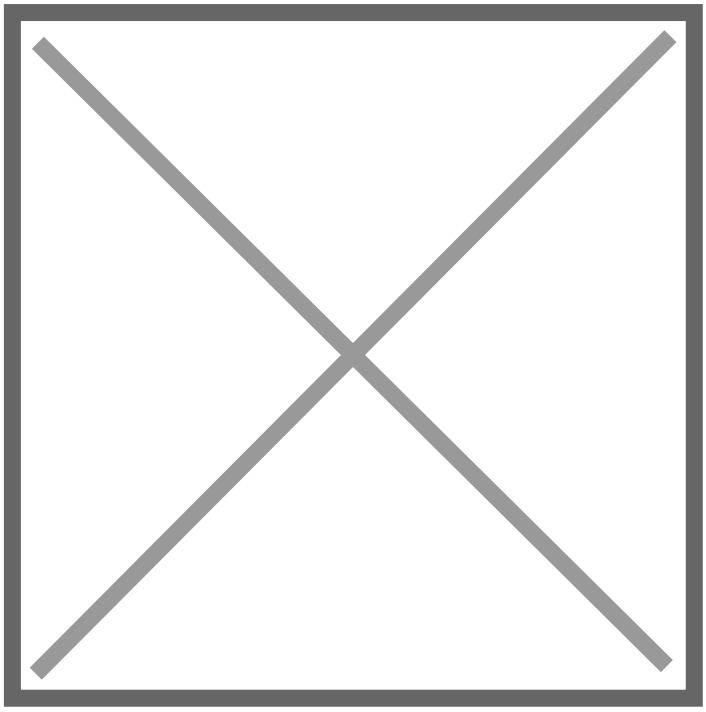
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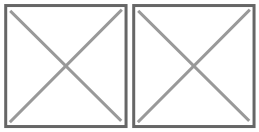
Anthem Biosciences on high pace growth

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With the right business model and a planned strategy, Anthem Biosciences is well positioned to benefit from the opportunities available in the contract research space. Having strong project pipeline from large multinational pharmaceutical majors, the start up is all set to cross Rs 65 crore in the current financial year.



Some businesses start with years of planning and some are just meant to happen. In this current marketplace, most new businesses start as a result of years of market research and business planning. Venture capitalists, founder(s) and consultants get together with ideas, and they work on the process in order to maximize profits. Despite this, while most of them take several years to reach their growth capacity and churn out significant revenue, there are some marked examples of businesses that started out organically as an idea of one/several individuals. Started in the year 2006, Bangalore-based Anthem Biosciences is an example of an idea and an opportunity getting executed and exploited. The founders did not spend too much time discussing it. They started with the right planning and in short time the company was up and running.

The genesis

After working for over two decades, and having pioneered in setting up new businesses in their previous jobs, the founders of Anthem had reached a point where the next level of growth for them had to be outside their former employer. It is a natural evolutionary process, for some to set up something on their own. There are always ideas that one has when working in a job, which never get taken up due to various factors and just fade away. Most of them never have the opportunity to try them out and see if there is really some substance in them. They had such an opportunity, they took it, and Anthem was set up.

People behind Anthem come with diverse background. Anthem Biosciences toppers are Ganesh Sambasivam, K C Ravindra and Ajay Bharadwaj. Its other business Anthem Cellutions, which mainly deals in enzymes, nutraceuticals and food additives, was founded by Malay Barua, Rupesh Kinekar and Ajay Bharadwaj.

The people at Anthem Biosciences bring years of experience to the company. It is a team of experienced chemists, biologists, engineers and businessmen. “Ganesh was the Chief Scientific Officer of Syngene, a Biocon group company and Ravindra was heading manufacturing at Biocon. So there is a lot of complementarity of skills. Three of us bring research, manufacturing and business experience with the company. In Cellutions, Rupesh was handling Business Development at AB Mauri, he had worked in Biocon before and Malay Barua was heading the enzymes business in Biocon. We know each other from a very long time, says Ajay Bharadwaj, CEO and co-founder Anthem Biosciences.

“We never talked about it at Biocon. I was in Biocon for a very long time, more than 21 years. I was a part of the very initial group. So, I was the President, Business Development at Biocon and any growth further beyond that had to be lateral it wouldn’t be vertical within Biocon. The next position I could grow to was not open. So I had to go out of the company. I must

also emphasize that I have a very good relation with Kiran and Biocon," adds Bharadwaj.
Anthem Biosciences started in July 2006 and within three months formed the enzymes business division. They are two distinct businesses, but part of the Anthem family. Commenting on the idea of setting up of Cellutions, Malay Barua, Head, Anthems Cellutions says, "Novozymes acquisition opened our eyes to a very good opportunity. We had good knowledge and affinity for this business. Our passion for enzyme business actually led to this move. Novozymes is number one player in the enzyme space so we thought why not create the number two. And with decades of experience in this segment we thought that we can start."
Raising operational funds wasn't difficult. The founders convinced State Bank of India to lend them money. However as most budding businessmen do, Anthem owners did not approach venture capitalists, although the company did talk to to a lot of VCs. "The decision turned to be good because the economic downturn had made the VCs very restless, so getting them on board would have created a lot of tension," Bharadwaj says.

Company Offerings
Anthem Biosciences, is a DRAP (Discovery Research Alliance Partner) for its clients. The founders hate to call Anthem an "outsourcing company" and instead refer to it as "research support and services." The company offers value added services at any stage of the drug discovery process, including integrated early stage development of a drug from concept to proof of concept. Dr Ganesh, CSO and co-founder, Anthem Biosciences says, "We have expanded the research support business beyond just a pair of hands, by offering significant intellectual contribution to the projects entrusted to us. The services include early stage chemistry, building blocks, medicinal chemistry (hit to lead to lead optimization), route scouting and process optimization, in vitro and in vivo biology, GMP and non GMP kilo and pilot plant. We have a number of integrated development projects for small biotechs as well."
In a span of three years, the company has built competitive teams to undertake entire discovery projects in different therapeutic areas such as oncology, anti-infectives, cardiovascular, inflammation, metabolic disorder.. Anthem provides analytical support for discovery services, chemical development and manufacturing. Its control team is capable of developing robust analytical methods for various services.
Anthem Cellutions has contributed 25-30 percent of the total revenue in 2008-09 to the group. Anthem has some very good plans for Cellutions but does not want to reveal it now. Barua however shares, "We will be looking into adding more portfolios in this business. Right now we are formulating niche products using our expertise."
He further says, "We don't do any manufacturing, we are a research and services company. We don't have the typical CRAMS model."

Growth targets & strategy
Anthem has achieved a revenue of Rs 45 crore for its first full year of operation. The company hopes to cross the target of Rs 65 crore for the current financial year. According to the founders, so far the company is on track.
Its focus is delivery centric and not just scale and customer acquisition. The company is continuously adding new dimensions and capabilities to its portfolio, which keep pushing the envelope in this whole research support services space. Bharadwaj comments, "We had a good start. That is not always easy. Our strategy would be to keep it sustained. So our focus will be to build on this good start and also establish platform technologies to set us apart. We will also be looking at hiring quality people. We have more than 200 people now, 170 of them being scientists with good years of experience in the pharmaceutical industry."
"The company has very clear plans of using the internal funds for financing further growth. Currently, the focus is to grow through internal accruals and debt. Our banks are very supportive and internal generation of cash is enough to allow us to fund the next growth cycle, adds Bharadwaj.

Investments and future plans
The overall investments in Anthem have been to the tune of Rs 40 crore. "Having worked in this domain for years we are very sure about what we are going to do, what the infrastructure is to be put in, what will be our area of expertise and we did exactly that. We are spot on budget, not a rupee less or more, says Bharadwaj.
Anthem has significantly invested in new biology infrastructure and is now adding some platform technologies, which will further set Anthem Biosciences apart from its peers. For its enzyme business the company is planning significant investments to cement its position as a biology led enterprise.
"We are putting new platform technologies so we are building bigger and better labs. We are putting up a new building. One of our big focus is also doing integrated development projects—starting with target given by the clients to convert them into optimized leads and do the in vivo and in vitro testing. The more we add in terms of infrastructure the more our clients will give us integrated projects," shares Sambasivam.
The management in Anthem do not believe in spending too much time and energy in client acquisition. They say, "Once having done that the real focus of delivery gets disillusioned. We are over 96 percent successful in our projects. Our business model was that we need not be the biggest company but we certainly want to be the best." Anthem is flexible in its approach to evolve efficient models that suit each client. Thus in this crowding segment of CROs, Anthem has successfully distinguished itself as a top tier organization with a highly skilled team, quality services and on-time performance.

Anthem is located in an industrial park in Bangalore covering five plus acres with a built capacity for more than 250 researchers. Currently, the company employs over 200 people and plans to hire more. The CRO started with debt financing from State Bank India. The equity investors are Dr Ganesh Sambasivam, K C Ravindra and Ajay Bharadwaj. The company also has a small equity investment from its marketing alliance partner in the US, Davos Pharma.

Jahanara Parveen