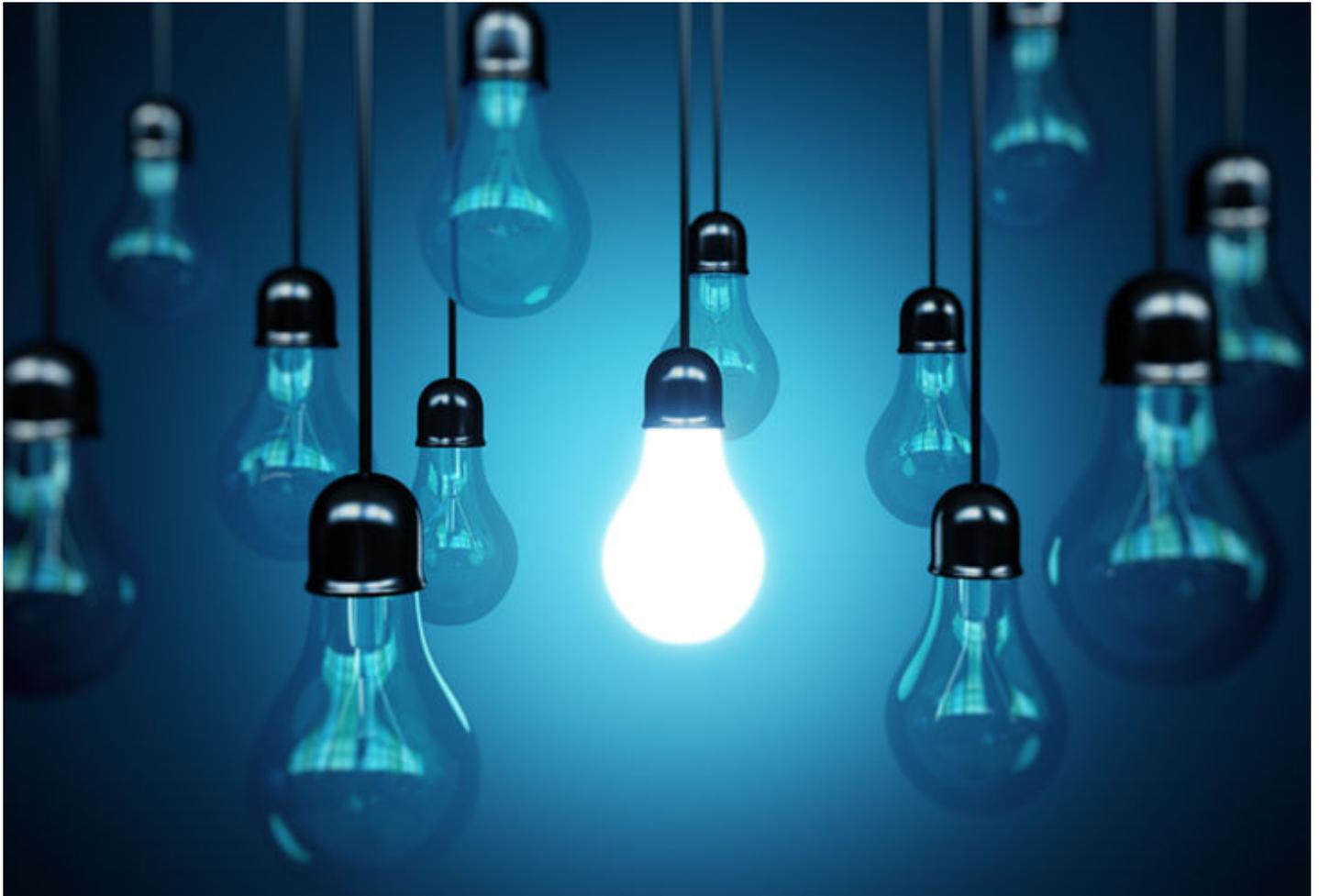


Empowering Indian bioentrepreneurs to be globally competitive

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About Author

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The last decade has been transformational for India's bioscience innovation landscape. There have been landmark success stories even before this decade; and accomplishments of Biocon, Bharat Biotech and Shanta Biotech continue to be an inspiration for today's entrepreneurs. However, these will always stand out as ventures driven by tenacious entrepreneurs who succeeded in navigating a difficult and nascent ecosystem. The last decade transformed biotech entrepreneurship from being a one-off ride for the rare adventurous soul to a wave of ventures that can form the core layer of a more whole holistic innovation ecosystem that is now emerging.

The efforts made are truly commendable and have resulted in sustainable momentum and a surge of entrepreneurial spirit. Specifically, DBT's initiatives commenced under the visionary leadership of Dr M K Bhan and continued under the leadership of Prof K Vijayaraghavan have created extra-mural funding possibilities that were erstwhile non-existent to negligent in India. BIRAC has played a very instrumental role in triggering the surge of young ventures. Together, well conceptualized funding programs such as BIPP, SBIRI and BIG have opened windows of non-dilutive funding that can be leveraged to explore an idea and develop proof of concept to defray part of the initial technology risk. This has empowered potential entrepreneurs from all three categories – experienced professionals employed in industry now being able to give wings to their entrepreneurial dreams, students willing to take the entrepreneurial route right after college and expats being encouraged by the changing ecosystem to return home to start ventures.

As we celebrate this success, it is pertinent time to step back and review what needs to be done today to ensure that a strong and sustainable innovation ecosystem is built on this foundation. I have discussed here some of the key elements that I believe are important to consider:

VC funding and scale-up funding

Venture capital for biotech product development is still elusive in India. While several global VC funds are present in India and domestic fund houses abound, most only have appetite for growth capital after the company fully develops the product and has achieved initial market validation. While BIRAC has funded about 500 ventures, there are not even five VC funds that biotech ventures can approach to supplement the grant funding and move to next stage of product validation. This gap in private capital needs to be urgently bridged to avoid impending mortality.

Market creation and overall industry engagement in innovation

Large Indian pharmaceutical companies are yet to engage in discovery and development in a significant way. During the last few years, Piramal's long standing discovery program was shut down and very few of the large pharmaceutical companies today maintain significant investments in new product development. While some of the leading ventures such as Stempeutics and Sathguru's client Tergene Biotech have been successful in partnering with large pharmaceutical companies to advance their innovation, this is not an easy option for most ventures to pursue. To build a holistic innovation ecosystem and to advance India's bioscience industry into the next sphere of innovation

led growth, it is critical that larger Indian companies with financial muscle develop greater appetite for innovation adoption in their own product pipelines.



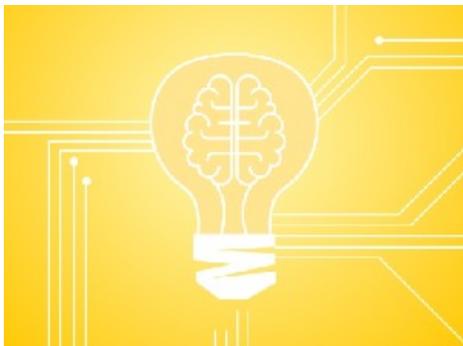
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Industry engagement in innovation advancement is also intrinsically linked with market creation. While we dwell on means to encourage large Indian companies to engage more intensely in novel product development, we also ought to ensure that the market structures evolve to adopt and reward innovation. Healthcare access and innovation adoption need not be contradictory objectives and can be simultaneously accomplished. Price controls stifle innovation and significant strategic thinking is required around means to ensure that market reward mechanisms evolve in India’s growing healthcare market while ensuring parity in healthcare access.

Creating a pro-IP environment and global recognition for India’s innovation engagement

Controversial IP decisions in the recent past have tarnished the country’s reputation on respect for IP. We now deal with a strong perception issue that India is not pro-IP. There were two significant IP decisions that led to this problem. While Section 3(d) and the Glivec case is a debatable issue and not a case of lack of respect for IP, there was limited to no communication from the country clarifying our stand while the company hurt by the decision went on a global PR spree. On the other hand, the second IP issue of compulsory licensing has been truly detrimental to the IP environment. It presents another angle to the problem of facilitating equitable access while not stifling innovation incentive. IP creation efforts of companies like Glenmark and Zydus Cadila have been submerged under this heavy debate surrounding the controversial decisions. India needs to urgently foster a pro-IP environment as well as develop global recognition for being a country that creates and respects Intellectual Property. Today, Curadev stands out as one of the only current generation ventures that has out-licensed to a global major like Roche. If we need to create a wave of such success stories, as a country we need to address the IP ecosystem and perception issues that are saddled on IP creating entities in India across young ventures and large companies.

Finally, with the current foundation of success in building momentum in biotech entrepreneurship, it is now time to raise the bar on the level of innovation engagement that Indian ventures are pursuing. The level of scientific innovation and new IP creation in most of the current breed of ventures is medium and only few have engaged in very high risk efforts on novel drug discovery and development. The inspiration in India for NCE and NBE development has been limited since most of the large Indian companies have been focused on incremental innovation over their generics portfolio.



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As an industry, our innovation thinking now needs to be globally inspired and globally benchmarked so that it can be globally valued. To seek our spot in the world’s bioscience innovation landscape, it is optimal time to make the leap into wider engagement in novel drug discovery and development and deliver solutions not only to India but to the entire world.

We are entering exciting times and have gained the attention of the world with articulate and forward looking leadership in the country. To achieve the bioscience industry’s growth potential in the next decade and gain sustainable competitive advantage, we will have to innovate-in-India to Make-in-India for India and the world. The entrepreneurial field for biosciences has been ploughed with a lot of hard work. If we can tend to it with care and address issues pertinent to scale up and commercial success, we can chart an enviable growth story.



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