

RESULTS DRIVEN

From process research and development for chemical synthesis at gram scale up to commercial production at multi-tonne scale, CARBOGEN AMCIS produces intermediate and active ingredients for pharmaceutical and bio-tech companies. Justin Bateman reports.



CARBOGEN AMCIS' services also include chemical development, documentation and regulatory support and the company is involved throughout the process including commercialisation and launch.

With facilities in Switzerland and Manchester, UK, CARBOGEN AMCIS has done work for nine of the top ten pharmaceutical companies – those who routinely outsource work. Rhona McIntyre, Commercial Director at CARBOGEN AMCIS, reflects on a challenging year for the company.

"For us, the recession has been something of a double-edged sword. The reduction in venture capital funding has hit the smaller companies hard so there's less money available to support their development programmes. In order to secure more funding they have to demonstrate value to their investors and the way that they do that is by showing progress of their later phase compounds. Given the funding constraints this has come at the detriment of early phase compounds so while the overall number of projects has shrunk, the value has gone up. Meanwhile, largely due to M&A activity, there's been a reduction in outsourcing for R&D from the large pharmaceutical companies so it's been an interesting year or so."

Differentiators

CARBOGEN AMCIS has earned a reputation for good delivery and providing good service. Having a successful track record in chemical development is as sound a basis for future success as any but these are not the company's only assets.

"We offer some impressive technological differentiators,"

says McIntyre. "In certain areas such as high potency we are one of only a handful of high quality suppliers to the pharmaceutical industry. This is one of the areas we've been investing in most strongly."

CARBOGEN AMCIS has also specialised in chromatography and has been gradually adding to its toolkit and increasing personnel in specialist areas. When the company first implemented techniques such as simulated moving bed chromatography, these were cutting edge.

"They're now far more main stream so this is an example of where we've been a leader in our field," says McIntyre. "Our high potency business was started along those lines as well. At the moment we're evaluating continuous flow technology and micro reactors as part of that, as well as a number of filtration technologies, which are very much in vogue at the moment."

Although CARBOGEN AMCIS is a European-based organisation its parent company is the Indian Dishman Group. This enables the company to do the service intensive and more technologically challenging work in Switzerland in proximity to the customers but later in the process also take advantage of the economies of scale and the lower cost offered by the Dishman Group in India and China.

"That's definitely a trend we're seeing from the large pharma's who are trying to reduce costs," says McIntyre. "There's been a lot of talk of it but it's only in the last six to twelve months that most companies have been actively pursuing this strategy beyond generic products. It is also mainly the larger companies with the resources to invest in identifying and

managing suppliers from Asia who have adopted this approach.”

Being in a relatively high cost environment CARBOGEN AMCIS is having to focus on operational efficiency to get the most value from its assets and people. Another big challenge is raw material sourcing which is becoming increasingly complex because of the number of different suppliers offering different products. The geography has also expanded so identifying suppliers that not only offer low price but can also assure good quality and reliable delivery on behalf of customers is also a challenge.

Taking on the world

Revenues come in from all over the world with around fifty per cent of the business coming from the US, while the remainder is made up of customers from Europe, Japan, Australia, New Zealand and South America.

“The key area in terms of growth for us recently has been Japan due to the changes in regulation there,” says McIntyre. “CARBOGEN AMCIS was recently approved as a supplier of commercial products to Japan and this is creating a lot of interest in addition to the general trend of increasing interest from Japanese customers in sourcing active ingredients from

the west. There’s also a cultural change in the way that the Chinese view pharmaceuticals and as China is growing another population equivalent of Australia every year, this is going to be a key market in the future.”

To take advantage of the domestication of the Chinese market, the Dishman Group is in the final stages of completing a new manufacturing facility in Shanghai too. Meanwhile, CARBOGEN AMCIS has been building a new high potency facility in India to make full use of the established, quality infrastructure of its parent company in a lower cost economy.

“High potency is a growth area for us and the new facility is coming on stream early in 2010,” says McIntyre. “The early phase work will be done in Switzerland and the compounds which require larger scale production will be manufactured in India. One of the big questions for the industry in general is where innovation is going to come from. In the current financial climate I can’t see how that is going to be supported so there needs to be a significant change in venture capital or in the regulatory framework from western governments. However, this is still a growth industry, despite these concerns.”

Changes

In the past, CARBOGEN AMCIS was focused on R&D with some manufacturing capability. Over the course of the last decade those two areas have joined up.

“The R&D side developed initially as outsourcing of FTEs, very much an extension of customers own internal resources” says McIntyre. “The market has changed and we are now much more outcome based across the board, bringing us more in line with the model of our commercial business, whilst still maintaining a high level of customer service. On this side, the key area that we’ve developed into is commercialisation – taking new chemical entities from the clinical phases and supporting them right through product launch. I think this is one of the key skill sets that differentiates us and has enabled us to make the best of the current situation.”

According to McIntyre, one of the critical factors that contribute to the continued success of the company is the staff, both in terms of the level of education and their ‘customer friendliness’.

“As we are a customer services business we have to be flexible and adapt to the needs of the customer and the project. So it’s important we have the technical framework, the expertise and the service culture to do that.” ■

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