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'We are very serious about entering the Indian market'

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Please tell us about finesse, its business area and product offerings.

Dr Paldus: Finesse makes measurement and automation solutions which means we manufacture and designs both the biosensors for bioprocessing as well as for the automation system in bioprocessing. We have done that in the upstream for cell culture and fermentation for about 10 years now and we have recently developed our very own glass bioreactors and rocker bioreactors. We will be launching our single use 3L plastic bioreactor at the end of this year. So that we can also offer full lab scale solutions. We partner with all the major single use bioreactor vendors like GE, Thermo Fischer Scientific, Merck Millipore, ATMI pall etc on automating their bioreactors for end users. We create and provide single use sensors for their bioreactors as well.

Where we are going into our roadmap is we have made this universal controller for the upstream, now we will be making the controllers for downstream. So early next year we will be launching universal controllers for automation imaging filtration systems which will again be compatible with filters from Millipore, GE, etc and eventually we will move onto the chromatography automation as well.

What is the purpose of this visit?

Dr Paldus: The purpose of this visit is to really open up the Indian market. We have been looking at expanding in the Indian market for about Five years now. This is our first official position in India. We are very keen because we believe the Indian market recognizes the single use and the importance of automation for robust and repeatable processes. The market is now ready for the kinds of products that we offer, whereas five years ago, when we explore this market we did not think it was the case then.

By the end of this year we will have an office in Pune and will be looking to grow our Indian operation. We did this in China two years ago when we started, now we have four people in China and the office is growing. Now that the Indian market is ready, we would like to do the same here.

What are the challenges that you are facing in establishing the office in India? How you are overcoming those?

Dr Paldus: The first challenge is to establish a branch office in India, our lawyers are working towards that, it needs major administrative work. We are working on the legal aspects of that. Next would be to find an office and finally to recruit good

people. Emerson which has an automation platform that we use (Delta-V program), has large developmental center in Pune. One of the huge benefit of having an office in India, is that we will be able to find service engineers.

How are your products different from your competitors? Are they affordable for small scale and medium size companies?

Dr Paldus: Our products are priced competitively, may be plus or minus 20 percent than our competitors. From a feature set, however, we have some unique features that are competitors don't offer. Since we have developed our own smart parts and those are electronic microcontrollers for the fundamental actuators in a process, for example mass flow control for gas and the pump control, we have a dynamic range and a precision that is much higher than our competition, so that means we can much more accurately deliver the mass transfer and since our sensors are single use they are much more accurate. It can then also measure the control loop that we can create, it is much tighter, significantly tighter and is continuous. A lot of people have non-continuous pumps so they get bolus that's a shock to the cells in the bioreactors, we continuously dose or micro dose. The other thing we can do is Gravimetric feeding and in order to reduce the cost of the system we have created a software that can interleave four containers of one scale which saves time and money. It's a combination of better measurements and better actuators like pumps, pinch valves etc at a low price point so that our customers can overall optimized to a global optimization of the process.

How your products will fit into the prize sensitive Indian market?

Dr Paldus: Our products can be competitively priced. We have already done that in China, Singapore and Korea. The challenge with our products is that because these are based on Emerson's Delta-V platform, which is very robust but also can be very expensive. We are actively working with Emerson in a partnership to allow a cost structure that will be beneficial for the Indian market. Emerson is really established in India, they have a good understanding of the price and needs for the Indian market and we are working with them to find a good solution for this market.

How do you look at the Indian market for your products?

Dr Paldus: We see the market that is young and new but has the potential to be one of the largest market in APAC. We are very serious about entering the Indian market. Earlier, there were different ways of approaching bioprocessing in India and we believe those approaches are now converging to the approaches where our solutions can be beneficial for our customers.

What are your plans for the Indian market?

Dr Paldus: We would like to actually be able to support and help our users create Smart factories, where finesse can bring a combination any vendor equipment including our own with automation for seamless production facility so that the customers can build the facility as roughly 1/10 th of the cost involved in a traditional facility. So our goal is to enable a paradigm shift in biological production in India through this smart factory platform.

In what other locations is Finesse present?

Dr Paldus: All our software development is done in the Leicester, UK. We also have an office in Boston where we do service and project management work. We are actively expanding in China, where we have a full service center. We serve other parts of the APAC region from our office in China. Our goal is to see what kind of technology we can develop here in India because the country has very strong engineering resources so we would like to see what kind of services we can collaboratively develop here.

How did the company perform in the last fiscal? What are your expectations in the present fiscal?

Dr Paldus: The last fiscal year Finesse did about $20 million dollars of business. This year we are going to do $36 million dollar. The company is growing very rapidly. Primarily because of APAC, which contributes 30 percent and Latin America contributes 15 percent. We also have increasing presence in Brazil, Chile, Columbia. We are seeing a lot of growth in outside the traditional western countries.

Why do you think APAC contributes large part to your business?

Dr Paldus: I think that in bioprocessing APAC is becoming more mature and also there is native innovation in this region. In the past, it was transfer of technology for the local production, but there was no creation of new biomolecules and biological in these countries whereas now there is significant number of innovators and technologists who now are making more and more complex processes in order to develop the next-generation products. So there is a lot more innovation which need more sophisticated automation, so we are seen an incredible amount of innovation in APAC especially in the area of continuous

processing.

Are there any collaborations in the pipeline with the Indian companies or the MNCs present here?

Dr Paldus: Not yet. That is one of the things that we would be starting to explore.
Mr Ulhe: We have initialized few projects which are in the initial discussions and hopefully we will have 2-3 projects soon.

Please tell us about the current market trend in the bioprocessing industry.

Dr Paldus: We are definitely seeing a trend in single use worldwide. We are also seeing increase in titers and productivity which are leading to a decrease in the overall volume of the bioreactors used in a bioprocess or the associated infrastructure like mixers or media preparations, and concentration which is not allowing as much as scale down on the downstream side.

We are observing a lot of challenges now where people are producing more protein that they can purify. We are also witnessing a use in hybrid solutions where the upstream is single use and the downstream is stainless steel. Because they don't really have continuous processing or cycle time and people are unwilling to split batches so there is also a philosophical approach to how you actually process regulated drug product. Also, there is a move towards continuous processing. People are trying to aggregate unit operations in a bioprocess. We are seeing much more commonly is now the harvest function being aggregated with the cell culture function and then we are seeing some limited aggregation with other downstream purification steps, we expect to see more of that in the next 4-5 years.
There is also a lot of interest in very small scale cell culture for personalized medicine, these are stem cell therapeutics or genetically modified products for diseases like leukaemia. This is particularly visible in the APAC, for example in Singapore for developing these new cell therapies.

Who all are your clients?

Dr Paldus and Mr Ulhe: Our clients include Roche, Genentech, Novartis, Therapure Biopharma, Sanofi Pasteur and Aventis, Shire, Biocad, Boehringer Ingelheim, Bristol-Myers Squibb etc. We work with both small companies as well as MNCs.

How much do you think India will contribute to your business?

Dr Paldus: In India, in the first year it will be very small because we have quite much to do. We have to build our brand, create awareness about the brand and also build customer recognition of the brand. There might be a tiny little baseline from the past from the visits talks and the conferences but since we really don't have a large installed base we have to work on getting that base installing base and reference customers and projects. We do expect within five years it will be $5million.

Mr Ulhe: Although all the big MNCs have footprint in India, but I think the value add what we have, that is, not only our products or controllers are superior but we have the largest experience I would say, because we have used all sorts of brands and have done more than 400 installations both small scale or large scale. We are more experienced in setting up the bioreactor facility and the automation, and that is the key drivers for us.