Interview: Renaud Jonquieres – VP ASPAC, bioMérieux Industry, Singapore



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Renaud Jonquieres, Vice President Asia-Pacific of bioMérieux Industry, enthusiastically conveys the company's scope and significance in the Asia-Pacific region, the competitive landscape, as well as the key strategic objective to foster long-term growth.

To begin, please provide a brief overview of bioMérieux's history, including the scope that it encompasses and its footprint across the Asia Pacific region at large.

bioMérieux Industry is one of the two divisions of bioMérieux, tracing its inception back to 1992. This business unit has personal relevance to me as I had the chance to work in the team of Mr Alexandre Merieux during the six years he headed this new and fast growing division. The overarching vision was to fulfill a need in the industry to ensure that food or pharmaceutical products meet the highest level of safety at every step of the process – thus, the "One Health" credo.

At the crux of bioMérieux Industry's vision is to provide solutions for the prevention of microbiological contamination and ensure overall consumer safety. The latter not only includes consumer safety but also manufacturing practices, as even the most minute of mishaps at this stage could have large-scale implications for a business. A relevant case is the recent huge instant noodles recall in India from a major brand. This scandal inflicted a significant loss to the business while damaging the brand. We shoulder the manufacturers to prevent such incidences at the

manufacturing stage, with the overall health safety of the consumer at the core focus.

What is the significance of the Asia-Pacific region to this particular sector?

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The region represents around 20 percent of bioMérieux, accounting for both business units. BioMérieux Industry and bioMérieux Clinical are distinct, yet not fully separate business units, and both of who believe in the importance of the region. Among one of the main goals for the company is to invest in Asia, which we have accomplished since the 80s. Our presence in the region includes Korea, Japan, Australia, New Zealand, China, India and the ASEAN countries: Singapore, Thailand, Vietnam, Malaysia, Philippines, Indonesia and Myanmar. We believe in having a long-term commitment in the markets which we are present, through a combination of international and local talents driving our success.

Are there any countries where only Industry is present, without the Clinical segment? Or do the two business units always have a dual presence?

We are present with both business units in approximately eighty percent of markets, as the established infrastructure of bioMérieux Clinical generally helps provide the supporting resources necessary for bioMérieux Industry. There are substantial capital costs when opening a new market, thus it is far more advantageous to capitalize on existing resources. The clinical market is traditionally 15 to 20 times bigger than the industrial market as the latter is only developed once government investments in hospital infrastructure are placed, thus prompting for a pharmaceutical industry.

What is the significance of a small market like Singapore in the overall context of the Asia Pacific to bioMérieux?

Singapore is an incredibly significant market as it is very dynamic, fast-paced and global. Singapore is a convenient place for business as it is very network-driven and offers a plethora of contacts. It is also important to note that the bioMérieux regional headquarters is in Shanghai, which means that there was a specific and deliberate decision to invest in Singapore. Though our presence in Singapore does not have the volume in terms of headcount, we have placed strategic people here in terms of legal, HR, finance, and marketing, as it is a decision-making hub.

One of the key advantages of a presence in Singapore is the duality of research and manufacturing capabilities for renowned pharmaceutical and biotech companies. As our key customers are manufacturers, it is to our advantage to have a sales team in the field in Singapore in order to build

a closer relationship with manufacturers in ensuring a safe environment. Furthermore, Singapore has a reputation for being a showcase ground for Asia Pacific. This is the most ideal place to demonstrate the best-in-class technologies, which provides a large opportunity for us.

While Shanghai conveys the legacy, proximity and large market size, Singapore offers a favorable business environment. What was the logic behind not basing the regional HQ in Singapore?

Though the Singapore office only opened in 2008, part of my team and I are based here given that it has gained more traction in the industrial side. Nonetheless, our regional headquarters at large is based in Shanghai given that the location aligns with the company's long-term vision, as well as the history of the Mérieux family's closeness with China. President Xi Jinping himself came to France two years ago to meet with Mr. Alan Mérieux and visit the bioMérieux facilities. The company has shown a longstanding relationship and commitment to China, which is a huge country that is dramatically changing, especially in the healthcare sector.

In the specific context of the Industrial Application segment, what are your strategic objectives as vice president of Asia Pacific?

Developing the business quickly, but in a stable and profitable way, is a key priority – yet it is also proving to be challenging in the region. While the dynamism and speed of the region is an asset, it is also a vulnerability. Therefore, it is imperative that we are cautious not fall in line with the region's volatile business climate wherein 50 percent growth might happen one year, but a 10 percent loss the next.

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My specific role then is in identifying growth opportunities and then dispersing the strategy to the team, which includes local talents. In a fast growing business, the priority does not solely lie on the sale, but it is also imperative to have a strong infrastructure of people who can help define and execute the long-term vision.

What are the most attractive opportunities in the region currently?

The overall state of health in Asia is a real concern for the public, which is apparent from the perspectives of both the top executives and the end users. In countries such as China, Indonesia and Singapore, concerns about food and drug safety are rampant, compounded by the corruption scandals on a daily occurrence. This reality offers a massive opportunity for companies such as ours whose primary mandate is to guarantee the integrity and safety of food and drug products.

The rising biologics manufacturing sector in Asia also presents as huge opportunity for us, as this is an activity that is very prone to contamination. This is especially true for vaccines or parenteral products that go into the bloodstream, as these are products that are not terminally sterilized, making them more vulnerable to contamination at any stage of the manufacturing process.

Given the multiplicity of your experiences in the US and Europe, what do you believe are the key specificities needed to tailor the business to the dynamics of Asia Pacific?

Adapting to the local market is oftentimes a “Catch 22” reality. Our success was fundamentally built by our American and European solutions, with R&D and manufacturing centers predominantly based in those locations. Nevertheless, it is important to tailor our approach in Asia through investing in R&D and manufacturing in order to stay viable in the long-term. My team in particular chose China as the ideal location for manufacturing investments in order to gain flexibility and be more adaptive to customer expectations. As things are transitioning, some of our products for the pharmaceutical industry which were known to traditionally come from the US or Europe can now be manufactured and sourced directly from Shanghai. Moreover, establishing a relationship with our customers through in-depth communication is relevant to being adaptable. An advisory board had been set up for this purpose specifically in order to discuss current and overarching trends. In the long term, we will also incorporate some of these insights into our corporate development team in order to establish specific parameters to measure performance.

As one of the pioneers in the industry, how would you evaluate the competitive landscape for industrial microbiology?

BioMérieux is the number one company for industrial microbiology given that no other company has reached a comparable level of sales, dedication and investment. Many of the companies in the market differ in that they are not pure players of microbiology control space. Typically, these players are from life sciences sector who are searching for growth in other areas and have sold their technologies to the pharmaceutical industry, which enabled these big conglomerates in life science to also play in clinical and industrial diagnostics. There are also some local players within the space, but none have matched our scope in order to be considered key competitors.

The company in essence has carved itself a niche position as a pure player, which has given us credibility and a long-term relationship with our customers. Beyond our products, we also have top-caliber science to back them, as well as partnerships with key opinion leaders to solidify our stance in the scientific space.

What are the main things that excite you the most about the industry?

As a PhD student in the 90s, I worked on *Listeria monocytogenes*, a food borne pathogen that was starting to get under scrutiny because of large outbreaks in USA and Europe. Since that time the food industry together with the diagnostic companies made tremendous improvement in their way to detect this bacterium and thus save lives. As new pathogens are now unfortunately discovered almost every day, it is very exciting to be at the forefront of this scientific field, making sure that our daily food or medication is safe for everyone. Also we have the chance to live a technology revolution that allows us to improve every year the speed, accuracy and efficiency of our testing methods. For me, it is incredibly rewarding to be able to improve everyday lives through sustaining pharmaceutical and food processes.

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