

Interview: Anand Tharmaratnam - President of Asia Pacific, QuintilesIMS, Singapore



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Singapore has pioneered multiple aspects of QuintilesIMS's global business, and the high profile merger has created interesting opportunities for the organization within the APAC region, beyond strong synergies at the global level.

It's a pleasure to meet with you Anand, as this is the first time PharmaBoardroom has met with QuintilesIMS since the merger. With that in mind, would you please introduce the new organization and explain the new strategic direction?

The hypothesis for this merger was based on the conviction that by combining IMS Health's strength in data management, technology, and analytics with Quintiles' clinical research expertise and the breadth and depth of clinical research we perform worldwide, we could bring greater value to our clients on both sides. If we consider some of the opportunities to leverage combined capabilities, there are three aspects that I would highlight at the global level.

First, if you look at how clinical trials are designed, orchestrated and executed, there are many opportunities for our clinical research teams to leverage our new data capabilities to design better, more predictable clinical trials. Better meaning more feasible inclusion and exclusion criteria and efficient site selection. With better data, we can more accurately choose the right clinicians in the right countries to select for a particular trial, increasing the number of patients per site which should help drive significant cost savings. More broadly, Quintiles and IMS both had very strong

capabilities in data analytics which did not necessarily overlap, so we can really do more with the same resources together than we could apart.

Second, both Quintiles and IMS Health brought strong businesses and capabilities in real-world research to the merger. IMS had historically focused primarily in the retrospective research area, while Quintiles had focused on the prospective observational research area. This combination enhanced our ability to provide client the full spectrum of real-world research capabilities as well as new innovations through our Real-World Insights group.

Third, our contract sales forces around the world working on behalf of our customers, have already benefited from access to comprehensive and high-quality commercial data.

From a financial perspective for 2015, if Quintiles and IMS Health had been one company, we would have had about USD 7.2 billion of revenue and about USD 1.7 billion of adjusted EBITDA.

QuintilesIMS is a Fortune 500 company and we have operations in more than 100 countries and more than 50,000 employees.

What impact has the merger had on the growth potential of the QuintilesIMS business in the Asia Pacific region?

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Everything I just outlined at the global level certainly applies to our business in the Asia Pacific as well, however, the merger has created a few opportunities which apply specifically to our business in the region. When I last spoke to PharmaBoardroom in 2008, about 80 percent of Quintiles' business in Asia came from European and American clients, for whom we ran trials in Asia. Around 2010, we sensed the strong emergence of pharma and biotech companies based in countries across Asia and we invested significantly in marketing and sales efforts, as well as a reorientation of some of our structures to capture this emerging client base. This strategy turned out to be quite successful, as today a significant and growing portion of the clinical development revenue we generate in Asia Pacific comes from Asian clients.

As these clients have further developed, many are now quite motivated to expand globally and launch their products in the US and Europe, and in this regard many have sought advice from us on how to do that in terms of clinical development strategy. As QuintilesIMS, we have a much greater ability to have more insightful and comprehensive discussions with these clients about how to enter the US and European markets, leveraging the consulting and broader technology capabilities that we now have.

What role has Singapore played within the global QuintilesIMS organization over the last few years?

Our organization in Singapore has led the way globally in developing new business models for entering two new different business areas.

About two years ago, we set up a dedicated medtech business where we started providing services to medtech clients who were primarily developing interventional-type devices which required clinical investigation. Over the last two years, this business has expanded rapidly and Singapore has become a center of excellence for medtech within the company. With the integration, we are working to leverage our enhanced consulting and data capabilities to strengthen this medtech unit and offer our medtech clients a well-rounded end-to-end solution for clinical and commercial strategy and development.

QuintilesIMS Singapore has also broken new ground for the organization globally with the creation of our Academic Research Group. Prior to 2016 we hadn't taken steps to attract investigator-initiated trials in academic research. This wasn't an area we had serviced in the past. Given all of the academic research being funded here in Singapore and across Asia more broadly, we decided to take a closer look at the academic research community's demand for multinational multicenter trials, and came to recognize that there was an unmet need for a suitable clinical trial service solution which academic research teams could find acceptable.

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To meet that need we launched in mid-2016 a new organization called the Academic Research Group. This new business has taken off very quickly as we have been able to offer a range of services to this client base that allow them to conduct multi-country trials at an attractive price point and service level.

We understand you sit on the board of the Singapore National Medical Research Council. In this capacity, what would you highlight as some of the strengths and associated success of the Singapore life science ecosystem, as well as the weaknesses that will need to be address moving forward?

Singapore is unique in being a small island country that has been able to invest in scientific research in a significant way with healthcare and life sciences being a significant focus for such investments. At the start of 2016, Prime Minister Lee announced the newest Research, Innovation & Enterprise plan known as RIE2020, under which the government commits to SGD 19 billion (USD

13.2 billion) in various areas of R&D and business innovation; 21 percent of the funding or SGD 4 billion (USD 2.7 billion) will go toward health and biomedical sciences.

The fact that such a large share is going toward healthcare and life science, and moreover that a significant share of that will be directed toward bench research, is really driving innovation within Singapore's academic research sector and the wider life science ecosystem involved in this research. I can attest to the fact that both from the QuintilesIMS perspective and my other activities that the innovation taking place is real, and a lot of it is steadily moving closer to commercialization. All of the necessary ingredients for Singapore to be a successful innovative R&D cluster are in place, and there are already a lot of very interesting startups working to bring their products to market.

That said, the real question is when will some of this innovation make it to market, and when we will begin to see it making a real commercial impact, i.e. when will the first billion dollar asset come out of Singapore? There are some skills and competencies that will need to be developed to get there. Singapore's capabilities are quite robust in basic research, but the capacities needed to translate research into something of commercial value are still developing. To take things a step further, Singapore will have to import talent for guiding products and companies from the clinic into the early commercial phase; this is already being done, but it must be continued to continue to strengthen the environment for startups. Steps must also be taken to ensure that as the leading startups and startup environment matures that there is sufficient available capital to fund them.

As you said, it's only a matter of time until we see the first blockbuster come out of Singapore. However, if we limit our time horizon where would you like to see things in five years, and what role would you like to see QuintilesIMS play?

Within the next five years, we should see a lot of the pre-clinical work being done in labs reach the clinic. There's clearly an opportunity here for QuintilesIMS to participate in the clinical development of Singaporean developed assets, and I believe this should begin relatively soon.

Beyond that, as we see more Singaporean and Asian companies looking to expand into the US and Europe, I'd like to see QuintilesIMS play a significant role in supporting their internationalization, leveraging our global consulting and data to accelerate their growth.

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