

Interview: Jonathan Hunt - CEO, Syngene International, India



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Jonathan Hunt, CEO of Syngene International, one of the fastest-growing and leading contract research and manufacturing organizations in the world, discusses the company's unique ecosystem of innovation, India's eye-catching talent resources, Syngene's partnership model with leading biotech and Big Pharma companies, the company's ongoing forward integration and its stringent approach to quality and regulatory compliance.

Syngene International is a leading India-based contract research and manufacturing organization that supports R&D programs, from lead generation to clinical and commercial supplies. What are some of main specificities of the company that you would like to highlight to our international readers?

Although we are based in India, we operate at a global scale. Our client base primarily consists of customers based in the US, Europe, Japan and various other geographies. As a matter of fact, around 97 percent of our revenues come from outside of India. While we are a US centric service provider, the fact that we are domiciled in India gives us a number of advantages - access to a rich pool of scientific talent, a relatively younger English-speaking work force and lower operating costs. For example, the rate at which India produces graduates with master's degrees and PHD's in chemistry or biology is astounding, and it has allowed us to build up our own scientific talent pool at an eye-catching pace.

Considering the global Contract Research Organization (CRO) market has grown at around 12 percent in recent years, we have consistently grown at about double that rate and significantly gained market shares over the past years. Around five years ago, we were a strong regional player with a track record of being one of the more sophisticated scientific service providers within the Indian context; today, we are starting to emerge as a strong player within the global leadership group of the contract research and manufacturing industry.

Syngene has world-class infrastructure with more than 1.3 million sq. ft. of research and manufacturing space in Bengaluru gathering together over 4500 employees, the vast majority of them being scientists. In this regard, I believe that there are few places in the world with this number of discovery scientists concentrated into so few acres: it is a real hotbed for innovation that emerges as a true life sciences ecosystem, more than a just a company campus. That is one of the strong reasons that is attracting many large clients to engage with Syngene.

After more than two decades working for Big Pharma companies like Schering AG and AstraZeneca, you took over the helm of Syngene in January 2016. What was the personal challenge that convinced you to embark on this new adventure?

First of all, I love the energy and dynamism of India. From a personal point of view, the opportunity presented through Syngene International was the challenge of guiding a relatively youthful organization through a period of significant growth. Syngene is growing at a rate of 20 percent in all directions, whether it relates to our service offerings, revenues, capacity and headcount.

Furthermore, we have only been a public company for two and a half years and my aim is to guide the organization through the early stages of being a fully formed, publicly traded company. This involves ambitious expansion but also internal maturation, while ensuring emphasis is placed on good leadership, strong governance and a deep-seated commitment to continuing our track record of excellent regulatory compliance. There is a lot of work to be done in building those inner workings of a business that allow for its repeated success.

Over the past few years, some India-based manufactures and service providers have experienced significant difficulties with regards to quality and regulatory compliance. What is the approach you have been fostering at Syngene?

With regards to regulatory and quality compliance, we have two main priorities. First of all, you need strong systems and processes. In this regard, we've invested heavily in digitizing our systems, through the utilization of technology solutions like the electronic lab notebooks for example, and through the creation of functional compliance systems and training people to support

them.

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The second important aspect relates to people. You have to ensure that from top to bottom everyone understands that integrity, ethics and compliance are binary: they are either maintained or they are not. You have to create a healthy paranoia in regards to these standards and we build that into every individual job. At Syngene, every business review, performance review and meeting, starts ritualistically with a discussion around ethical and regulatory compliance and safety standards. Somewhat uniquely for us in comparison with other Indian-based companies is the fact that from the very beginning we have built our systems and processes from the mindset that anything we do has to be compliant with global regulatory requirements be it the USFDA or the EMA or others. If it is not globally compliant, it is not happening.

We also invest heavily in skill development of our employees. We put our graduate recruits through a six-month internal training program, and many of our employees have grown up with the business. Additionally, we have particularly high standards due to the fact that we benefit not only from our own internal compliance systems but the compliance orders of every single one of our clients. We have more than three hundred active clients, all of whom have some sort of regulatory process or internal audit. As a matter of fact, in any given week, we have at least one client inspecting our systems and processes. As such, we benefit greatly from these audits.

After BMS in 2009, Abbott in 2012, Baxter in 2013 and Amgen and Herbalife in 2016, Syngene recently announced a new strategic partnership, this time with GSK. The latter are based on dedicated R&D centers, a differentiated business model where exclusive research infrastructure within Syngene's premises is set up for a particular client with a dedicated team of Syngene scientists. What advantages does this partnership model bring to your partners?

All of these partnership have a different focus and operating model; not all of these are the same: while some of them are more focused towards chemistry, others are fully integrated across all aspects of drug discovery.

However, the primary advantage in all of these strategic partnerships is that it allows them to access the very best of India, while having somebody else manage and deliver the scientific outcomes for them. So they don't have to worry about setting up the right infrastructure, having the right skill sets and local talent pool, managing the regulatory compliance environment and the way of operating in India. We manage all this and deliver a range of integrated drug discovery and

development services to them.

The second advantage is around the scale and size of our operations here in Bangalore and the access to emerging technologies in AI, deep learning, informatics, biologics which is creating a strong, local ecosystem for convergence of IT and life sciences and innovative scientific research.

What are some of the new partnerships models that you are exploring currently?

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While I don't expect there to be anything transformational, I do expect the current trend to continue, primarily with regards to fostering a seamless integration between our operations and that of our clients. What we do well with many of our clients is that we integrate so completely into their own R&D organization that its seamless. The best example of this is the integration that has happened between Bristol-Myers Squibb (BMS) and us within BBRC, the dedicated R&D facility for BMS: we operate on the BMS systems and from their perspective we are simply their colleagues in India. We have developed a significant amount of trust through a decade strong relationship and we are jointly committed to seeing this carry into the future.

So far Syngene is a global company but with a 100 percent Indian footprint in an industry where your competitors are global companies with centers all around the world. How do you see Syngene developing an increasingly global footprint in the future?

We set up a US subsidiary, precisely to act as an interface and ensure that we have a local representation in close proximity to the largest number of our clients. Besides increasing our visibility, the subsidiary will act as a front end for activities related to project management, alliance management, commercial interactions; however all the science will continue to happen from here in Bangalore.

It is always good to be closer to your clients for engaging in a more meaningful conversation. However, it is also important that we retain the vibrancy that currently defines us. That is incredibly important for many of our clients. India and more so Bangalore, is emerging as an incredible hot spot for innovation and research. While we deal with many mega corporates across the globe, we also have smaller single asset, innovative biotech startups in our client list. For these clients, our collaboration with them plays a much more critical role in their overall R&D strategy. For them it is very critical that there is not only an element of cultural alignment but also that we understand the startup mindset.

What are some of the growth options across the value chain that you are currently exploring?

While it is often the case that CMOs integrate backwards; due to the fact that we are a discovery focused CRO we have integrated in the opposite direction. Over the past years, we have invested significantly in building our manufacturing capabilities and capacities. We brought a state of the art commercial scale biological manufacturing facility online in the last year. In the next couple of years, we will bring online a commercial scale API manufacturing plant at Mangalore on the west coast of Karnataka. Our overarching objective is to be able to offer services relating to every element of drug development, from early stage discovery research to large commercial scale manufacturing.

It has been two and half years into the job, what shall we expect from Syngene within the next five years and what personal objectives will you focus on Syngene International's CEO?

We have an opportunity to emerge as a world class innovation focused, research organization on a worldwide basis. That is a fantastic thing in relation to the commercial opportunities and value creation proposition for the shareholders it will bring. It is also important from an Indian perspective: we offer access to world leaders and top tier talent both to our clients and to young scientists starting their careers in India.

Any words to conclude?

We offer the opportunity to our clients to create significant scientific value while offering the ability to access some of India and the world's best talent. The talent base that is accessible through us is absolutely world class.

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