Steve Bagshaw CEO, FUJIFILM Diosynth Biotechnologies, UK



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Heading FUJIFILM Diosynth Biotechnologies' operations globally, Steve Bagshaw speaks out about the excellence of science in the UK and how it fits the company's plans to build up a solid presence in the development and manufacturing of new advanced treatments. He further explains how the company has been able to build up its reputation as a CDMO starting from zero to where it is today: a partner of choice to large and small players.

What are some of the main trends and growth drivers you observe in the CDMO industry globally?

From Big Pharma to the small biotech players, more and more companies are looking at outsourcing more of their development and manufacturing business in an effort to conserve resources, maximise utilisation of their own capital, time, people and headcount.
The CDMO industry on its side has continued to raise the bar in its service offering, bringing in some very innovative asset arrangements. FUJIFILM collaborates with MSD in Ireland in a similar setting: we took over half of MSD's site there and market it on their behalf. This is a new model in which the pharmaceutical companies retain the desired control over their operations but are able to partner in an effective manner on the management thereof.
In the last few years, we have seen changes to the CDMO model, one which FDB has fully embraced. There is definitively a focus to create long-term partnerships with the companies that we work with.

We observe a rising protectionism in countries such as the UK and the US, where you have your operations in. How do you see this rise affecting operations of CDMOs?

It is clear that tax and regulatory regimes have an effect on where people want to source from for their business. I think we can rest assured that in the future as well pharmaceutical companies will continue to partner in the markets they have a commercial activity in. This allows them to work around lack of harmonisation and the trend towards protectionism. However, even though countries seem to raise barriers, there is increasing harmonisation between the FDA and EMA, something that is very welcomed by companies. All players strive towards harmonised standards they can be audited by.

It remains true that protectionism and new tax systems are an issue forcing companies to reconsider their supply chains, and how to minimize risk within it..

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How does FUJIFILM want to position itself in the future?

We aspire to be leaders, and the partners of choice on every aspect of the growth of a product. We set out as technical experts for pre-clinical work and strive to support our clients' development process in our facilities, all the way up to commercialisation. Today we have a commercial track record we are proud of. We worked very hard on building up our infrastructure and our resources to guarantee best results in traditional mammalian microbial development and production.

We have identified gene therapy as being the field we have now to move towards in 2020, it will surely be the space you have to operate in to be successful. This is why we invested in our facility in Texas, creating one of the largest gene manufacturing facilities globally. We already serve several clients in Phase I and Phase II from there. Although none of them are in commercial stages yet, we are building a track record in Texas and look to expand our reach to support companies developing gene therapies in Europe.

Furthermore, we will be expanding towards viral vector and cell therapy production, two fields where demand is high for outsourcing support. Our outlook very much revolves around how we can complement our strong position in traditional biopharmaceutical activities with services in new advanced therapies. Here in the UK, we are engaged in close dialogue with the Cell and Gene Therapy Catapult, and we will be maximising our exposure in the UK and the US through our activities in the UK.

Our intent is to be a leading player with a full-service offering, that major pharmaceutical and small biotech companies alike see us as a partner that meets their needs however they might define those. To us, it is thrilling to be a trusted partner, recognised by those with famous names in the industry, but we are just as proud to work with biotech companies that are almost virtual but lead by scientists that carry a true belief in their ability to make a difference to the world.

How did you build up this reputation in such a short period of time and what differentiates FUJIFILM from its competitors?

The life sciences industry is built around a tightly-knit community so it is all about talking to the right influencers. From the day we started out in the 1990ies to the first decade of the new century, we built up relationships that relayed on trust and delivering upon our promises. Thanks to Fuji's financial support, we were able to grow fast and work with large players quickly.

I reckon our reputation grew through word to mouth to a large extent, and the excellent technical solutions we were able to provide. We know that most new partnership decisions are based on this logic of word to mouth, and we are hence very focused on catering to the needs of the client, not the other way around. We are able to display flexibility in addition to high levels of technicality, and that really makes the difference to our customers.

Then there is the criteria of price, which is always a criteria but not the only one. It holds importance and we cannot be complacent when we see rising competition of the likes of Samsung.

I also see our strength in our capacity to invest ahead of the curve so to speak, keeping our asset base to a pace we are always ready. As all players, our goal is the long-term creation of value.

Can you tell us more about your three sites, here in Billingham near Newcastle in the UK, in North Carolina and in Texas, and how they are complimentary to each other?

Our sites in North Carolina and in the UK are the ones displaying our deep understanding of the microbial space. FUJIFILM moved into the mammalian space 15 years ago and we have since established a strong partnership between both sides. We started partnering with companies for their pre-clinical, then phase I and II business, confident that they would then also bring some of their commercial activities to us once they were convinced by our work. This logic worked out and we have developed our capacity.

Here in Billingham we also work on our cell line development and undertook one of the first big investments for single use bio vectors for mammalian. We hence also have the capacity today to scale out quickly rather than scale up and can easily augment batch sizes while maintaining the same scale.

In North Carolina we have a longer commercialised list and in Texas our site is quite different as we there really seized what we saw as an amazing opportunity. We acquired Kalon Therapeutics site it had developed jointly with the State of Texas and the University of Texas. Impressed by the vision and flexibility as well as the customer intimacy in use there, we made a partnering offering and step by step bought off the facility. We still work in close relationship with the University and the State today, on government influenza programmes for instance.

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on our UK site. We are currently investigating new ways of standardising mammalian production.

We often hear that the UK is an amazing place to discover, develop and produce science. To what extent would you agree with this statement?

The UK is very much a reference market globally, and also a reference in science, especially in cell and gene therapy. The Cell and Gene Catapult is considered as being world-leading and many countries aspire to create a similar entity.

Secondly, the UK has an incredible strength and depth in biomanufacturing and bioscience from an academic side. British universities are often ranked second or third in their field globally. It hence comes as no surprise that our teams here are largely staffed with British university graduates who bring in their excellent science knowledge here.

It is actually challenging for us to attract talent to the North-East of England, but once we bring people here, it is easy to retain them. The quality of life in the area is very high and appeals especially to those who have spent some time in the “Golden Triangle” before. In my point of view, it is as follows: everyone in our industry has to put the hours in, and if it does not give you any pleasure, it will reflect on the quality of your work. My goal at FUJIFILM is to ensure that we create a space here or on our other sites, where people want to work. Our clients see this in their interaction with our staff, and this reflects positively on us. We know that we are judged on every single project we work on, so our goal has to be to provide the best customer experience possible. In order to achieve this, we have to maintain our high levels of retention. So those are our immediate priorities.

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We are very dedicated to take up the challenge of bringing science forward. Ultimately, we want to create something which we still jokingly call “Bio Billingham”. In order to remain at the forefront of new developments, we leverage upon our people in the market place and their feedback on what is up to date in biopharma and engineering.

We already took FUJIFILM’s name around the world in a very short time period, keeping a close contact with our customers is key in this. We did it once in films and cameras, coming from nowhere and becoming a true leader in the industry, and we plan to repeat this achievement now. We aim for a positioning in the top three CDMOs globally.

Moving forward, we will be leveraging on organic and inorganic growth, acquisitions such as the one in Texas from Kalon Therapeutics are always on the table. Over the next five years alone we plan to invest USD 25 million into the expansion of our current assets.

A final message for the readers of PharmaBoardroom?

At FUJIFILM, we love working with the life sciences industry. Our clients are those dreaming to change the world, and this is a daily driver to us. We see this industry has holding the potential to make a difference and we are proud to be part of it.

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