Damaso Molero â?? General Manager, 3P Biopharmaceuticals, Spain

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Damaso Molero, general manager of 3P Biopharmaceuticals, a leading Spanish CDMO, highlights the growth of the company and the need to continuously increase capacity to meet market demands. Furthermore, he touches on the innovation ecosystem in Spain and how 3P works with clients, rather

than for them, to achieve long-term success.

You have a background in small molecule manufacturing but moved over to biologics when you helped start 3P Biopharmaceuticals (3P). What challenges did this bring along with it?

When we set up the company it was a completely new concept for me, but I was extremely motivated to understand the innovative technology within the biologic field. This was crucial to understanding the capacity of what we could achieve and what the company could bring from an innovation standpoint in the biotechnology sector to the region of Navarra.

It was crucial that I absorbed new information as quickly as possible while ensuring I understood the market situation of biologic production. Biotechnology is a very broad market, so seeing how 3P fits in is a key step for success.

The company is now eleven years old. Where do you stand now compared to when 3P was first established?

We must first look at the evolution of the company. The original idea was for 3P to be a pure manufacturing plant for biologic molecules, but what we have done is incorporate the idea of product and process development into our operations, moving from a CMO to a CDMO.

On a positive note, many of the initial biomedicines we helped develop in the clinical phase have reached the market or will soon be launched. Nevertheless, this has meant that we again are shifting, going from a strong R&D based company to the majority of our business being manufacturing. It is not easy to find the perfect blend of success when balancing these two arms of the company

What is your strategy to manage the two business arms cohesively?

We have hired a team that, although they are market leading experts in what they do, have cross sectional knowledge within R&D and production. This allows us in the development phases to cover a large range of steps and ensure scale up is easily achieved so we can manufacture in a commercial scale or produce for clinical studies. Furthermore, we are always looking for the best ways to optimize the process and create efficiency for ourselves and our clients.

Collaboration is very important for R&D. How does 3P use this to its advantage?

Unfortunately, this is not at the desired level. We do collaborate with many institutes and universities in Navarra and Madrid, such as the University of Navarra, though what we find is these excellent students do not possess the experience needed to go directly into 3P.

To cover this gap, we are hiring from abroad, and now have 15 nationalities working for us. If we combine this diverse international knowledge, with the young and ambitious local students, we will continue to develop expertise in all facets of the business â?? engineering, quality control, quality assurance, manufacturing, biochemistry etc.

How can Spain reach its full potential and possibly become a biotech hub?

Spain has a strong potential in the biotech field. But of course, investment from 3rd parties is essential, not only from private investors but also from national authorities. If we compare Spain to other key nations in Europe, we are at the bottom of the list, though this is improving.

What I do notice, is that there is a gap between universities and institutes with the commercial market of biotechnology players and pharmaceutical companies. It is important that the commercial side of the business works to close this space. Also, at a younger age during high school, we must see the Spanish curriculum adapt its teachings with the innovative technologies of the market, so students grow up understanding basic industry trends and practices.

The world of biologics is a truly international marketplace. Where do you see the potential now and in the future?

Despite a growing awareness of this market in South America and Asia, Europe and the US continue to be the most important players, and this is where we have positioned ourselves.

This is due to the fact that entry into biologics comes at a high investment and EMA and FDA regulations are quite predictable. Therefore, playing in these regions gives us the stability we need in the long-term, unlike the newer market entrants. Additionally, the European and US biologics market size continues to grow as innovative therapies take hold and biologics take preference.

Is the US part of the companyâ??s 2020 plan?

Yes, a part of it. We are looking to gain valuable knowledge of the US market through our clients and we are active in events. We know the long-term goal will be US market entry, though in the meantime we must ensure that we do not lose the opportunities coming from Europe.

Capacity is crucial for a contract manufacturer. How do you keep up with the demand of the market?

Every CDMO in Europe has the same issues; the market is growing quicker than our capacity can keep up. This means that there will always be business and we must be looking at ways to grow our capacity to meet our clients â??needs.

In fact, over the last couple of years we have seen a large amount of consolidations in the CMO and CDMO field, as companies look to quickly grow their capacity. Furthermore, a few years ago companies were only looking to outsource, though today many are investing into their own production sites and CDMO business arms.

Do you see these large CDMOâ??s as a threat to 3P?

They are competition for us, but we see them as less of a threat and more as an opportunity. The large companies, such as Novartis and Boehringer Ingelheim, are investing into their own sites but still require external CDMOs, so we will always be required. Furthermore, the consolidation has not changed the fact that capacity for the biologics field is still not enough, and 3P is always receiving partnership requests.

What plans do you have to increase the companyâ??s capacity?

In the first 10 years of the company, we invested around 1.5 million EUR each year, though in the last few years this has kicked up drastically, and between 2013 and 2017 we invested 8 million.

2018 has been a strategic year where we have invested some 5 million EUR, and we have plans to invest another 3 million EUR in 2019. This is all in pure capacity upgrades, and we see this growth as a continuous process as the needs of our clients and potential customers only get stronger every year. Nevertheless, the strategy of 3P now is to consolidate our staff and asset increases and look towards the optimization of our organization and processes.

What differentiates 3P from other CDMOs in its class?

It is all about how we manage the project, as although it is a simple concept, it is not so easy to put in place. We have an internal saying at 3P â?? we do not invest to work for a client, but with a client. Why? Because we know after many years that to develop a project, such as a biosimilar or innovative molecule, it is quite complex, and one encounters many challenges that can spring up at any time. Our clients know and perceive since the beginning that 3P team will be capable to manage any difficulty that will appear. Difficulties that we do not know today but they will appear for sure.

By working with clients and putting their interests above anything else, at the end of the day, we will face fewer issues. If this is not the case the project may miss the deadline, go over budget, and possibly not reach the outcomes first set-out, or even fail. Customers are our partners, and we must look to be with them in the long-term.

Where do you envision taking the company in the long-term?

We want to grow the company and be a larger player, being much more competitive and probably having other locations, one being in the US and another in Europe. Additionally, we have always used external providers technology. We want to now develop our own technologies using our expertise, so we can diversify the risk of the business and provide better services for our current and potential future partners.

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