Interview: Vasily Bankovsky â?? Chairman of the Board & Founder; Svetlana Bankovska â?? Managing Director & Founder, Biosan, Latvia

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Vasily and Svetlana Bankovsky, founders of Biosan, talk about the companyâ??s philosophy to develop modern, exciting personal products for sample preparation in the field of genomics, proteomics and cellomics and about their ambition to grow domestically and internationally.

Vasily and Svetlana, can you give our international readers a brief overview of your background and the company?

Svetlana Bankovska (SB): I finished a masterâ??s degree of Science in Physical Chemistry in 1986, after that I worked for five years on the experimental production of the extraction of the enzyme L-asparaginase from the microorganism Erwinia caratovora in Latvian Academy of Science. I investigated the physical-chemical properties of this enzyme. The enzyme showed a good result in the treatment of childhood leukemia. But at the beginning of the 1990s the finance of this prospective project was discontinued in Latvia. I resigned from the Academy of Sciences and decided to join the business with Vasily Bankovsky. We founded the company Biosan. As an expert in this field, I was sure of the success of this direction. At the beginning of the business organization, I was engaged in financial management and commerce.

Vasily Bankovsky (VB): I completed a PhD in Microbiology and Biochemistry in 1985 and after that occupied a position as the head of Molecular Biology small group working in the field of genetic

engineering and as such, coming up with understanding the possible direction in the future of these disciplines; a vision of the future which is now the backbone of my profession.

Our company philosophy is to develop modern and innovative instruments in order to broaden the scope of research. We realized that having the same instruments as other companies in the US or China would not necessarily have brought Biosan to success, chiefly because Latvia is not in a strategic position within the global Life Science market. We had to develop our own idiosyncratic growth path. Over my 20 yearsâ?? experience as a scientist I came up with interesting innovative solutions in the field and I believe this is also my strongest point.

In 2005 you collaborated with Grant Instruments Ltd which also acquired 50 percent of the company. How did this acquisition change the development of the company overall?

SB: Grant is a well-respected and established company, both in the UK and globally. By partnering with them we have gained access to a global customer base and the expertise that they acquired over the years helped us penetrate new markets.

VB: At Biosan, we have a well-established portfolio of innovative products for sample preparation in the fields of genomics, proteomics and cellomics. Grant is an independent, privately owned company, and with its market-leading position in temperature-controlled laboratory equipment we gained an even stronger position.

What do you identify as the other main milestones in the companyâ??s history?

VB: When we started our business in 1992, we were a very small family-owned company. Back in 2000, a local private individual decided to invest about USD 300,000 in Biosan. We were only 12 employees back then and we had no idea as to how we could use up this money. Nevertheless, in three yearsâ?? time we were able to make good use of that amount and our turnover started to grow. We reached our first EUR three million annual revenue from our initial EUR 100.

Can you provide our international readers with an overview of your product offering?

SB: As I mentioned earlier, we grew out of the Institute of Microbiology and Virology, which was then responsible for the diagnostics of microbial and viral diseases â?? this is why it is part of our tradition to take care of this segment. In order to be successful in special diagnostics, special instruments are required. Because technology is in constant development, we try to update and adapt accordingly and present our vision as well as our equipment to every market we go. The latest trends are the result of diagnostics technology shifting on a level of detection of bio-polymorphism of genetic, metabolitic and cell diseases.

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VB: The reason why we decided to develop our business in this specific area is because we can diagnose the same disease on an immunological, biochemical and pathological level. It takes a long time for a disease feature to manifest itself. For instance, you can start diagnosing the disease on a pathological level only one year after the cell has been infected. If you diagnose it on an immunological level, you can intercept the disease even after two weeks. With medical devices able to carry out such research on DNA or RNA level you can track the development of the infection every day. This is how we achieved our success.

Can you please explain your concept of the â??World of Biotechnomicaâ???

VB: All our products fit into what we refer to as the â??World of Biotechnomicaâ?? which gathers together and categorizes product into lines. Each line represents a â??terraâ?• and offers the complete instruments line needed for a certain level of research (either molecular, cellular, genetic, and immunologic). The most requested lines are for genetic and immunology research and we are now working towards fully automatizing them.

The ultimate goal is my concept of the â??personal laboratory.â?? Scientists tend to have a very limited experimental time schedule, just as every instrument (pipettes, thermostat, shakers etc) have pre-setter according methodological description. We imagined ergonomic and multi-functional devices that scientists could buy for themselves that will help them save space on their desk, time and money.

There are four main features of Biosanâ??s products â?? multifunctionality, safety, sustainability and economics. Would you say this is your competitive advantage and, if so, how are you different from your other competitors?

VB: The technology and the innovation of our devices is our own idea. Our goal has always been that of minimizing mistakes during the detection procedures. I do not fear competition, I started looking at competition in a very positive way. If someone else copies our medical devices, then it means that they are top-notch and worth copying. Especially after being in the industry for 25 years, it would not surprise me if someone looked at us and tried to imitate our business in such a small market. I look at the monthly visitors to our website, for instance, and only in December we had 27,000 visitors â?? with the majority of them coming from Russia, China and the United States.

How would you describe the profile of your client base?

SB: I would say it is about 50 percent hospitals and the remaining half is universities and general laboratories. We tend to cover most industries within the life sciences spectrum. Some of our clients, for instance, deal with food analysis and we provide them with state-of-the-art instruments to conduct such analysis thoroughly.

How do you see the demand of your clients evolving over time and where do you expect the future growth to come from?

VB: We see an increasing willingness and eagerness to receive a smaller and cheaper version of the same medical devices as to fit in personal space. Most of our medical devices are fairly small and we will continue on this front as we identified the key to success. Now we are developing a robotizing sample preparation instrument, but this prototype are still bigger than I expected to launch to biotech and medical market.

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How would you describe the Latvian biotech environment given your extensive experience on the field?

VB: We have highly educated and skilled chemists. However, I believe that the pharmaceutical market is much stronger than the biotech industry. Estonia has a thriving biotech landscape. The issue is that we are experiencing a bit of a brain drain in Latvia considering that people prefer applying to jobs outside the country upon graduation. When sourcing talents, we use technical universities, but I must confess that sometimes it is a bit of a challenge.

What would you say was the recipe for your success?

VB: In 2013 we were bestowed the Red Jackets award for the best export brands in Latvia. This is mainly due to our step by step internationalization and export strategy which led us to being successful in some parts of Asia, such as Japan, South Korea, Singapore, Malaysia and Indonesia which altogether account for 25 percent of our revenues. Another 25 percent comes from Europe and an additional 25 from Russia and the CIS countries. Until five years ago, we experienced some significant stagnation, but last year we saw eight percent growth. We were able to grow so much because after 25 years Biosan brands and products became very popular. We might reach another half a million this year.

You have a long experience in the country and successfully started and managed a business. What would be your advice to young entrepreneurs coming to Latvia starting their business?

SB: I would advise them to come to Latvia because the government has put in place a business-friendly tax reform for those people who want to start their own business. Furthermore, we would like to set up a technology transfer center in the field of Life Science.

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