

# Interview with Edward Canary, Eli Lilly

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*Lilly has invested over one billion EUR in its Kinsale site to date including a recent 330 million EUR expansion that positions Ireland as a key location for Lilly's biotech pipeline. How has this operation developed over time?*

Eli Lilly first invested in Ireland in 1980. The company initially developed a classical, small-molecule, organic synthesis business that supplied intermediate products for the Lilly network. This mission evolved early on to supply final bulk product to our global markets and ultimately Kinsale became a key launch site for new Lilly products entering the market.

The small molecule manufacturing and supply business remains core to Kinsale's mission. We strive to be the most valued supplier of Active Pharmaceutical Ingredients (API) for Lilly's launched products. Through ongoing investment in our people and facilities, we have become a centre of excellence for chemical synthesis and the commercialization of new molecules. Several new medicines are currently undergoing development work in Kinsale and new manufacturing technologies such as process analytics and continuous processing are being deployed in Kinsale in collaboration with our colleagues in Development.

In 2006, Lilly announced that Kinsale would become the main centre for the manufacture and supply of active ingredients for its new biopharmaceutical medicines.

To support this changing mission, a significant investment in biopharmaceutical manufacturing and commercialization facilities was made and operations began in 2011. This investment allowed the site to diversify into technologies to produce monoclonal antibodies (mAb's) and provides the capability to further develop newly discovered medicines in partnership with our colleagues in the US. The most recent investment builds on the successful start-up of our biopharma operations here in Kinsale.

***What makes Ireland attractive for a continual climb up the value chain as a pharmaceutical investor?***

There are several factors, but the first is certainly access to talent. The talent pool in Ireland is phenomenal! For us and I am confident our peers will agree availability of talent in the local market is an extremely important factor in making investment decisions.

There is also a very strong, long-standing partnership in this country between government, industry, and academia. That partnership nurtures the talent pool that I spoke about, and it also ensures that Ireland Inc. is aligned around a focused value proposition. This alignment has led to real improvement in both productivity and development of technology. Ireland has a pro-business environment and there is a long-term commitment to provide certainty. It is important for our company and certainly this industry to have confidence in long-term alignment and in the partnership many have worked over time to create.

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***You have been in Ireland for two years, having spent the majority of your career in the U.S. How would you contrast and compare these two environments? Has anything particularly surprised you about the Irish market?***

The concentration of pharma companies in Ireland, particularly in the Munster region provides a significant opportunity to collaborate on a variety of topics. In my current role, I have the opportunity to participate in industry consortiums which are very active and engaged across the sector. Several members of our Kinsale staff participate in forums focused on quality, safety, environmental, logistics, productivity, and continuous improvement.

I mentioned this theme earlier but the connectivity and working relationship between industry, academia, and government is very positive. I can see many examples where this alignment has and continues to contribute positively.

***What is on your mind day-to-day as the head of this operation? What are you working to implement, and what challenges stand in your path?***

As the site's mission has evolved, the complexity associated with our organization has increased. We have the opportunity and responsibility to support two technology platforms in both a supply and commercialization mission. That requires a degree of specialization and capability that we have worked hard to build over the past several years.

We now have the opportunity to advance our late stage pipeline and leverage the long history of strong performance in the supply portion of our business. We are always looking for continuous improvement in all aspects of our business - continuing to look internally and externally for opportunities is always on our agenda.

We are very excited about our pipeline. Lilly has 13 molecules in late-phase testing that cover a wide range of therapeutic areas. At Kinsale, we are interacting with a large number of partners and constituencies. We have to continually prioritize, ensure we are staying connected and keep our focus on areas that we can influence.

***Where will the site be in five years?***

We have just successfully commercialized our first biotech product. I would be careful to note that this particular drug has not yet been approved-but nonetheless, this recent success demonstrates that we are making great progress toward our goals, and with our help, Lilly is moving to submit this and other products later this year for regulatory review.

Where do we want to be in five years? Firstly, we will continue our excellence in small molecules. 50% of our pipeline today is comprised of our traditional small molecules - we see this part of the business continuing to be very important for the organization. We also expect to see the biotech business mature over the next few years. The 330 million EUR biopharmaceutical facility we are currently building will be operational and I fully expect to see other products move through the commercialization process and become valuable products for patients around the globe.

So, five years from now, we will have helped Lilly to launch a significant portion of its most promising compounds, our biotech business will have matured and we will have strengthened our value-add with our drug development and regulatory colleagues.

From an Irish perspective, the biopharma sector needs to stay connected with all the key stakeholders that have helped build a strong foundation. We can't be content with the success of the past - we will want and need to continue innovating and driving continuous improvement

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across all key areas.

***In our recent conversation with Mr. Brendan Jennings at Deloitte, he said that if Ireland had a knighthood system, the first people to be knighted should be the local pharma plant leaders—because they have personally fought for and won the investments that have enabled Ireland to climb up the value chain. Would you agree?***

I would certainly give tremendous credit to our management team here at Kinsale for their work in establishing this site's performance history and reputation within the industry and within Lilly. As I participate in a variety of industry forums, the dedication and passion from my peers is evident. It is clear to me that they have a fantastic set of experiences, care deeply about patients and this industry, and they work hard to continue moving forward.

Kinsale has also focused on developing talent for the broader organization. There are a number of tremendously talented people who initially developed their skills in Kinsale and have gone on to senior level leadership roles in multiple areas of the company. This provides a unique perspective and invaluable context during strategic decision-making processes. There are also a number of leaders who had the opportunity to learn and develop through assignments at Kinsale — I am one of the more recent examples.

***Do you believe companies like Lilly, already deeply invested in the country in terms of production and drug development, will be interested in engaging with Ireland at an even earlier stage of the R&D cycle?***

The Irish pharma industry is building off of a very strong foundation and our recent movement into the commercialization space has been very successful. We should keep in mind that this commercialization activity is only a few years in the making and will likely need a few more cycles to fully mature. For the time being, I see us continuing to play an important role in the process development / commercialization space.

A further move up the value chain is certainly possible, but any significant movement will require the cooperation and alignment I discussed earlier. Industry, academia, and government will need to continue working together to ensure we maximize the return on our current efforts and work together to develop the next set of strategic possibilities.

***How has Ireland's attractiveness for Lilly been affected by the recession?***

Ireland continues to be a very positive place for us to do business and our industry continues to be an extremely important part of the Irish economy. Cost competitiveness is important and will continue to be a key factor in future investment decisions. There are elements where Ireland is more competitive now than a few years back and it continues to be an area that will need focus and attention.

If we return to the key theme of our discussion— Ireland's movement up the value chain—we find that through the recession, the investment factors have not changed: highly capable people, proven record of performance, and partnerships within the country have continued to attract companies like ours.

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