

Interview with Joseph Lam , Managing Director, Beacons Pharmaceuticals

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As one of the few surviving Singaporean manufactures, what has been the key to success?

Our history spans more than 40 years and our success lies in our ability to manage costs. Furthermore, over the years we have managed to establish a strong brand and earned the reputation of quality generic products; hence it was not been difficult to keep selling our brand.

While keeping an eye on our generic business locally, we are also building a global strategy to penetrate frontier markets that have lots of potential but are not very typical, like those in Central Asia or even East Asia. For these interesting markets, good assessment for partnerships or business opportunities are critical. We are keen on being present in other markets, like Indonesia, Middle East and even developed markets, as well; it is just a matter of waiting for the right time, opportunities and possibility of the right partner. Our overall strategy is to leverage on our Singapore brand equity, in-house technology and good business practices to engage risks in these less venture markets.

In order to diversify our company, we adopted another side of the business— contract manufacturing. We do this contracting for some Singaporean companies, however the majority of the activity is for companies overseas. Over the past few years, this part of Beacons has experienced double-digit growth and is currently the biggest part of our business, One of our client is rank the fastest US growing F&B company, and our success lies with our ability to help, innovation and focus on our clients' need to manage their cost of production. For assistance or enquiry, one can be directed to sales@beacons.com.sg

Compared to neighbouring countries such as Malaysia or bigger markets like India or China that are also looking to increase their contract manufacturing capabilities, Singapore is rather expensive for those activities. Why is it still worth to manufacture in Singapore?

Singapore has different advantages compared to the other countries in the region. The reputation of the "made in Singapore" brand, the variety of present and future free trade agreements , a vibrant and clear legal environment as well as the assurance of a stable economy and government are the unique attractions of Singapore. Everyone knows there is valuable equity and trust in Singapore and given that the law is strictly enforced, security here is incomparable to the neighbouring countries. For example, we have no complaints of competition or intellectual property rights issues with all of our contract clients

Apart from your generic business and contract manufacturing, Beacons is also pushing its in- house project, the SPAH system. Can you please comment on what sets SPAH apart, as well as the

business opportunities that it can represent for the industry?

The SPAH system is a great opportunity to innovate manufacturing, it is a system that we have developed in-house and although it has taken time to actualize, the dedication is still very much present.

Historically, the pharma industry has been focusing on products and it seems as if the production processes have in turn been neglected. The beauty of the SPAH system, though it is a building technology, it allows full innovation on the production process itself; and if apply appropriately will result in accumulative cost saving, product market failure risk mitigation and the fast assurance in the whole lifecycle of the product, impacting business model and results significantly. Essentially, the difference between SPAH and any other system is that it has the ability to change your production capacity quickly and cost effectively whilst following all the regulatory requirements, allowing companies to either ramp up quickly or mitigating product's dying cycle. In short, SPAH enabling technology allows products with shorter time-to-market. products and process that are responsive to changing or volatile market, regulatory and business environments.

How do you plan to commercialize SPAH?

Our plan is to either provide turnkey projects even financing it and to collaborate with them in contract manufacturing. SPAH Beacons is offering four very special value chain propositions: design, build, operate and even finance MNC new and old production facilities.

MNC or start-ups need to grow and a good strategic option could be to separate their sales and marketing activities from the production side, something similar to what the IT industry, like APPLE INC., does. They need to focus on R&D activities, sales and marketing and outsource manufacturing. Big pharma and others need to realize that it will be beneficial if they focus on their core business and leave the manufacturing to other companies that can do it just as good or better than them. This is where Beacons can play an important role because we are willing to design, build, purchase and operate the plant to minimize the risk of the failure of the drug, which such solutions or partner are rare if not unavailable.

What additional new type of technology has been incorporated into SPAH?

The technology is modular and standardized, so the design is applicable for Oral Solid Dosage plants but also perfect for biotech and the food industry. It can be built in 7 to 8 months, which is faster than even the quickest traditional method that takes 9 months to 1 year. This expedited construction is very exciting because the shorter time it takes to build, the faster the companies can launch their products. At least 20% savings and additional revenue can be assured, through these technologies.

You have been pursuing this project for a long time and it still not a reality. Why the avid persistence?

Within the past years I have been pursuing this system with my private money since I am convinced that is a big innovation like this cannot fail. SPAH creates new forms of manufacturing that can improve the industry. If this project takes off, it is going to be a huge business and will create value for everyone in the industry: the consumers will get the best innovation and companies will be able to launch their products faster, they can achieve their financial targets while sharing risks. It is a win-win situation for the customer, the industry and Singapore.

SPAH has already been featured in the news. What has been the interest of the industry stakeholders?

There is interest in the industry, but it takes time. In order for companies to truly see the benefits of SPAH, Beacons is willing to work with any trustable company to licence the system out, subject to terms and agreements of course, for free. Essentially, I am open to provide consultation and am negotiable. I am sure of the system's success hence I am willing to share the technology and knowhow with the condition that there is acknowledgement that the technology is Beacons ownership.

If we come to Singapore in 5 years, what we can expect to see at Beacons?

I will keep persistent in my vision. By that time the right business model will be developed and an improved structuring of the company. In the next 5 years I expect to have built 2 fully functioning plants.

What is your final message to our international readers?

I believe that the industry shall change its mindset and not focus all of its efforts on the right molecule, but rather on understanding that first, the right processes and business model need to be adopted too. So, I would like to invite the industry players to improve on their overall return rate and corporate performance by using SPAH Beacons technology. Expediting the launching of their drugs will in turn increase the possibility to find a blockbuster, and once found, their previous drug launch losses will be compensated. With SPAH they can increase their chance of success, mitigate their failures, breakout and lead the competitors.

Early Adopters of SPAH and SPAH strategy will have significant first mover advantages, other than enjoying project and operation benefits—cost, speed, assurance— which can be easily validated, they can become one of the game changers or killer application in the future drug launch business. Talk us for surprising possibilities!

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