Deepak Birewar – Chairman & Founder, Inventys Research, India

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Dr. Deepak Birewar, founder and chairman of the dynamically growing CDMO Inventys Research, highlights the crucial importance of innovation in the company's strategy to outperform its competition and strengthen its relationships with leading customers globally. Whether it relates to custom manufacturing or the company's own product portfolio, Dr. Birewar moreover reveals how Inventys has consistently been able to develop and implement cutting-edge technologies at a commercial scale – at times even exceeding customers' expectations.

Can you first introduce Inventys to our international readers, explaining its focus and key milestones reached over the past ten years?

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Inventys Research focuses on providing customized manufacturing services for specialty chemicals, advanced intermediates and APIs as well as agricultural intermediates / actives. Originally purely a custom manufacturing provider, we have gradually complemented our business with our own catalogue of products over the past three years. We have developed 36 new products including six generic APIs and thirty intermediates / specialty chemicals. The first ones of the Catalog Product were successfully introduced to the market at the end of last year.

We are currently concentrating our efforts on providing our own products to emerging countries, as our production capacity has not yet been approved for use in highly Regulated Markets. We received an Indian FDA manufacturing license in April this year. We are on our way to get the outstanding approvals at the beginning of the coming year at the latest with the objective to start servicing Japanese, US and European markets. We are targeting WHO-GMP approval before the end of 2018.

While the Indian API industry used to dominate the world a few decades ago, the rising Chinese competition has slowly eclipsed almost 80 percent of Indian API companies today. What has been your secret to reversely thrive despite increasing Chinese competition on the global market?

Considering our size, what sets us apart is our drive for innovation. For some of the intermediates, Inventys' extremely strong engineering – one of the best in the world in fact – has been an important factor. For many of the advanced intermediates, our success has relied on our absolutely cutting-edge technology, often offering unrivalled and unique chemistry. For example, one of the custom manufacturing assignment we were able to obtain more than 98 percent yield, while the competitor could not cross 70 percent yield.

Even another custom manufacturing project, we were able to scale up technologies for complex products where a large Chinese competitor completely failed. We did this despite the Chinese having invested over ten million dollars in this endeavor. Thanks to innovation, we have therefore developed a reputation of becoming the first ones to make medium-scale manufacturing possible for some complex technologies.

Indian companies are usually very conservative when it comes to investing in R&D. How do you explain that Inventys is in contrast putting such high value in it?

As for Inventys, innovation is the key success factor. We believe, without innovation, you are not even a contender – in today's fast changing world of global competition. Research is a cornerstone of our growth strategy. We heavily invest in technology and science. In 2017, we invested more than seven percent of our revenues in our R&D, which represents a remarkable commitment for a company of our size and set´s us on top of the list of our competitors. If we actually consider the resources channeled to Inventys' new R&D & Pilot plant facilities over the past three years, those investments equal to our one year's revenue! As a matter of fact, almost all our profits (and some more) of the last ten years have been invested in R&D & related facilities.

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Nevertheless, we are confident that these investments will pay off: our goal is to triple the size of our company within the next three years.

It is important to note that the Indian government has been a great support in encouraging R&D investments, though not enough of the Indian companies seem to be taking an advantage. For example, the Union government used to offer 200 percent depreciation in the first year itself *[decreased to 150 percent since April 2017 – Ed]*on companies' funds spent on R&D. This scheme emerges as a significant incentive for Indian companies, as in India the corporate tax rate typically revolves around 32 percent.

As size matters in the CDMO sector, there has been a lot of consolidations over the past few years – India becoming the second country in the world with the most M&A deals between 2012 and 2017. To grow to a larger scale, do you similarly plan to partner with other companies?

Several companies outside India have already showed a great interest in partnering with us, as they want to leverage our expertise in scaling up technology and efficiently designing/constructing state-of-the-art world-class automated manufacturing capacities. As part of these potential partnerships, we would still own these upcoming plants, but they would be the main investors in these projects. For us, this kind of agreement represents a smart way to increase our overall production capacity without having to allocate substantial resources to this effort.

As a privately owned company, how do you ensure that Inventys' good governance practices are aligned with the best global standards?

As far as business processes and governance standards are concerned, we have been lucky to inherit the best practices from my father's company – Multi Organics – which has a record of more than four decades of providing impeccable governance standards. Nevertheless, when it comes to qualify for the Japanese market, for example, we do intend to have certain Japanese expertise, while our management team works towards reaching such high standards. In this regard, we are proud to rely on prestigious management team member, Dr. Johannes Lubosch, who used to work for multinational companies in various functions overseeing our Strategy for Product-Portfolio, Technology-Development as well as Health, Safety and Environment (HSE).

Can you give us an overview of your customer basis for custom contract manufacturing services?

We have been working with the world's leading innovators for over a decade, although currently most of our CDMO efforts are centered on innovators' mature products.

For a few of our products, we started cooperating with our customers even before these products' introduction into the market: we therefore developed the laboratory samples and are now about to enter the launch and growth phase for those products. As we own an integrated site, we can offer full gamut of services from Lab Chemistry to scale-up and chemical process development to plant design, construction, and operation conforming to world class GMP standards.

As you are now developing your own product portfolio, what do you think would be the key success factors to be successful in this respect, moving forward?

Offering quality with consistency and long term reliable relationship is the key. Backward integration and a sustainable Supply Chain based on business partner in various regions to be independent from local developments like in China, positions us as a true alternative source for many MNCs. In that regard, some potential customers have already tested the quality of our products, while we know how to position ourselves on the global market in terms of pricing and cost management.

Looking forward, strong sales execution will be a key success factor moving forward, and we are currently developing our marketing and sales capacity in order to successfully enter strategic markets.

Where do you see the company in five years?

We firmly envision establishing ourselves as a company that can service highly regulated markets for APIs with back-end integration and diverse technologies implemented. In five years, we will have several innovative technologies implemented on a large scale in our cutting-edge plants. We plan to provide state of the art commercial scale *Fluorination* in 2019. Also in this this year, with a new plant already under construction, we are about to start manufacturing products through the Nitrile-synthesis, a high temperature catalytic continuous reactions, Bromination, Iodation, etc. We are one of the few companies consuming Cyanide on a large scale.

What is the pleasure you take out of being both a scientist and a successful businessman?

Being able to generate jobs, while implementing new technologies is, in my opinion, the most important aspect of being a scientist and businessperson. To build plants and manufacturing products at a commercial scale – is most exciting since you can see ideas coming to life.

What would be your final message to our global readers on behalf of Inventys Research?

If they are seeking a technologically-advanced manufacturing company, on which they can rely in terms of quality, reliability, responsiveness, and consistency – to an extend they can feel it is their own factory – then they should consider reaching out to Inventys. Inventys can provide these custom-manufacturing services – using world class facilities – while operating responsibly and ethically.