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'Identifying committed core team crucial'

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Prior to this, Ms Kavitha and Mr Sohang had jointly cofounded the biotech start-up Inbiopro in 2007, which was acquired by Strides Arcolab in 2010.

A new beginning
"After we exited Strides as founders of Inbiopro in 2012," comments Mr Sohang, "we realized that our own biotech journey was incomplete. We wanted to see our products reach the end-users, and do a lot more than churn out me-too products. Hence we decided to focus on R&D platforms that can lead us to biobetters and ultimately in to new therapeutic drugs."

"Since the cost of taking a biobetter to market is much higher than biosimilars and competes with the innovators' products, we had to think global, by partnering with large multinationals with established presence in the regulated market as well," he adds.

Investments and capital
During Theramyt's inception, the founders invested personal capital and raised a Series A for Rs 27.6 crore from venture capitalists including Accel Partners, IDG Ventures, Aarin Capital and KITVEN (Karnataka Information Technology Venture Capital Fund).

With over $100 billion worth of biologics going off-patent by 2020, the biosimilar market is estimated to be at least $12 billion by then.

While biosimilars would account for growth, it would mostly be a cost-driven market. According to Ms Kavitha and Mr Sohang, it is important to differentiate beyond cost. Improving on existing products as well as developing better products with continuous innovations in technology is the key to Theramyt becoming a game-changer.

Equipped with previous partnership experiences, and having a strong network with the biopharmaceutical companies that are developing biologics in the regulated markets in the US, EU, Australia and Japan, the founders recognized the obvious progression of the biopharmaceutical industry while establishing Theramyt Novobiologics last year.

"Our business module is fundamentally divided in to biosimilars and in-house R&D platforms that can convert these biosimilars to biobetters or new biological entities. We are working on platforms that will improve existing biologics either through efficacy or through formulations and alternative delivery systems. And all products would be developed in our proprietary expression systems. In the meanwhile, we are partnering with biosimilar players to develop and license out biosimilars of their interest. But we are not a CRO," elaborated Ms Kavitha.

Initial challenges

Speaking on the many challenges faced while establishing the new start-up, Ms Iyer Rodrigues commented, "The process for securing funding took longer than envisaged, mainly due to the confusion arising from the suspended pharma policy on foreign investment. However, the VCs showed a lot of faith in our team and in our business model. So they patiently supported us through the approval and legal process."

"Secondly," she continues, "getting certifications from the Pollution Control Board (PCB) was another challenge. The whole process took a while and we had to realign our timeline and budget based on their delayed approval. Thirdly, the unclear regulatory environment is a challenge. But I am sure this is a process and as the industry matures, we can all together figure out what is best for the industry and ultimately what benefits the people."

The team

Theramyt's core team, comprising Dr Maloy Ghosh, heading the R&D as CSO, Dr Sunit Maity, heading product development as VP and Mr Anirban Bhattacharya, CFO and CS, was already in place before the company approached VCs for funding.

The core team formulated the company's strategy through many rounds of discussion with various advisors.

The company's focus on disease areas is driven by application of their technologies and covers anti-cancer followed by rheumatoid arthritis, metabolic diseases and cardio-vascular diseases (CVD).

Theramyt's R&D platforms are a combination of science and technology with a clear final goal of productization.

"Most of the scientists and engineers in our team have prior experience in niche R&D companies and hold a number of patents. Many of them have doctoral and post-doctoral qualification. Unlike our previous organization, this time we are IP driven," adds Ms Iyer Rodrigues.

For the next 18 months, according to Mr Sohang, the company will primarily focus on building R&D platforms, and not seek any commercial collaboration.

For biotech entrepreneurs

For young biotech entrepreneurs, Mr Sohang advises, "While building a company, it is important to identify a committed core team that covers the various aspects of business. This must be supported and supplemented by a strong advisory board. At Theramyt, we have shared equity with all members of our core team as well as with our scientific advisors. Further, we already have a detailed ESOP policy for high performing individuals in the organization."

"Biotechnology burns huge capital for all its R&D and has a much longer incubation phase than classical pharma or most other start-ups. Not only the founders but also the investors need to have a deep understanding of the capital requirement and develop strict financial discipline in to the operations," emphasized Ms Kavitha.

She further adds, "Today, it is easier for youngsters to get in to IT and biospace since the ecosystem is a lot more favorable. We have more incubation centers in the country and the government has invested a lot in to it. Currently, the government's provision through various investments is quite appreciable. DBT's various programs like BIG, SBIRI and BIPP, professionally run by BIRAC, are really encouraging not just the biotechnology ecosystem, but also innovation. At the same time there are some counter-productive clauses from organizations like DSIR on benefiting from certain exemptions that a startup needs. It is important for the various departments of the government to get on the same page and evaluate what is best for the industry."

Public-private partnership works!

When asked about public-private partnerships, Ms Kavitha optimistically adds, "The Biotechnology Industry Partnership Programme (BIPP) has been a big success. It is a great way to fund innovation and research for companies like us. We'll be accessing grants through BIPP. We intend to work with various academic institutions like IIT, NII, & NCL, and leverage some of the expertise they already possess."

The future

According to Ms Iyer Rodrigues, Theramyt's technical team is going to be around 35 people for the next two years and scale up to about 50 in four years' time. They are currently 23 in number.

"Our current infrastructure measuring 16,000 sq ft and in the process of GLP certification, should be adequate for the next 5 years. We are on the right track to reach our first set of milestones by the end of 2014," says Ms Kavitha.

"We want to develop IP from our technology platforms and generate strong proof of concept data before we approach potential collaborators. We also have a defined list of products that we want to develop in to late stage and look for marketing partners for various geographies," summarized Mr Sohang, who currently coordinates all the business development activities.

Although a start-up, both the founders are acutely aware of the need for all-round development of the organization, and have invested in an extensive human resource development as well as organization development program with various partners.

Both concur that combining empowerment with a collaborative work culture can make Theramyt in to a high performing organization driven by clearly articulated purpose and core values.

The company's name was coined by its scientific advisory board, which is a portmanteau of the words, 'therapeutic' and 'might'.