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"VLife pursues a hybrid approach to growth"

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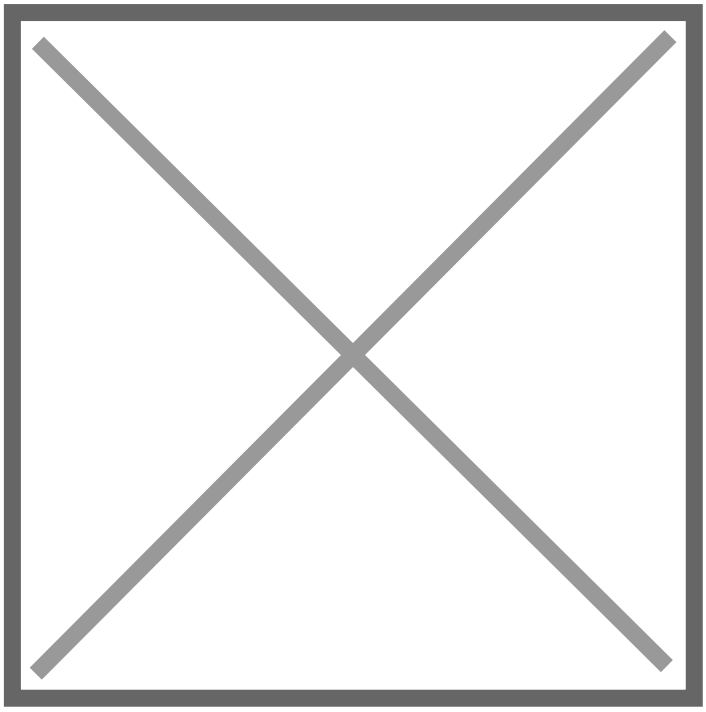

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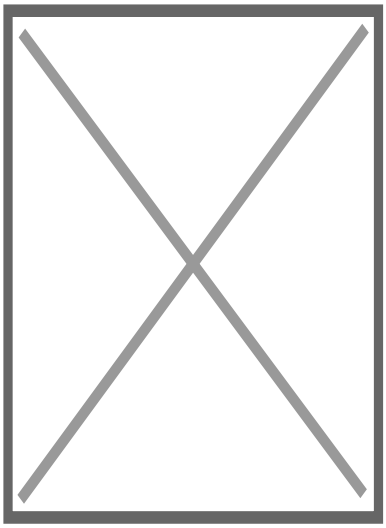

-Supreet Deshpande, CEO, VLife Technologies

In a freewheeling interview, Supreet Deshpande, CEO of VLife Technologies, spells out his company's business strategies, its global plans, the challenges and apprehensions in entering these markets. Excerpts:

Your company has adopted both organic and inorganic growth models? How have these models helped the company?

The organic model definitely creates a solid foundation for a company without which it is impossible to pursue inorganic growth model. With this model alone, the rate of growth however is relatively slower, especially if the domestic market is yet to mature. Our focus on the domestic market so far has resulted in better awareness of cutting edge technologies and benefits thereof, opening up a market which has significant potential. In tandem, the company requires to develop new markets for which local presence is critical, especially for the domain we are in. Creating local presence, building a sales organization, creating brand awareness are time consuming efforts. For such markets, the inorganic growth model helps cut down time for achieving entry and rapid consolidation. It is for this reason that VLife pursues a hybrid approach to growth.

As part of its growth strategy, VLife Sciences has gone into acquisitions in the US and the European Union? What were the reasons for the acquisitions and what have been the benefits?

The US and Europe constitute a significant share of the market for the technologies and products like ours. These markets are sizeable, mature, more informed and consistent over the years. Entry into the US and Europe is significantly resource and time consuming for a new company like VLife in spite of having significant competitive edge, because these are brand-driven markets. To overcome these challenges in these markets, VLife has short-listed three acquisition opportunities. We expect to complete and streamline at least one acquisition during the current fiscal. This acquisition will significantly enhance the market reach for VLife's technologies whose competitive edge is well established.

What were the challenges and apprehensions while entering such markets considering that they are matured and regulated?

Regulated markets have no bearing on the licensing of software technologies and product like the way it impacts the licensing of pharmaceutical pipeline candidates. These markets due to their maturity bring both opportunity and challenges. The challenges come from the fact that all our competitors are mostly local with well entrenched brands and decades of presence. On the other hand, significant opportunity exists because these markets are better positioned to appreciate the cutting edge technologies due to their long history of using such technologies.

Your business model is basically that of leveraging and licensing? How sustainable is it for your company?

VLife has developed cutting edge platform technology for drug and molecular design, visualization. While almost all companies need technologies like ours, their needs differ. The companies, who have elaborate research programs, require these technologies for a long period and hence prefer licensing. While the others require them either for short period or lack specialized resources to use technology in-house. To such companies, we leverage technologies in-house to provide special purpose research services. This model is perfectly sustainable because it is driven by market requirements, which are logical and realistic.

Why has there been a licensing of software products on an aggressive basis just in the US and EU while there are other markets which are more lucrative?

The US and EU have a long history of successfully building IP based businesses, which essentially require sustainable in-house research programs. Hence, there is both entrepreneurial and investor confidence in pursuing businesses which are research driven. Hence, licensing of technologies in these markets is more aggressive.

Will we be seeing a few more niche technologies for biotech?

Definitely from VLife's stable as we have matured three critical technologies over the last 16 months that are being converted into product form. These technologies have been assiduously benchmarked against existing technologies for the purpose and found to be distinctly favorable both in terms of accuracy of prediction and time required for their application like SCOPE and GRIP. We believe that these technologies will significantly change the way scientists have been doing their research so far.

Nayantara Som