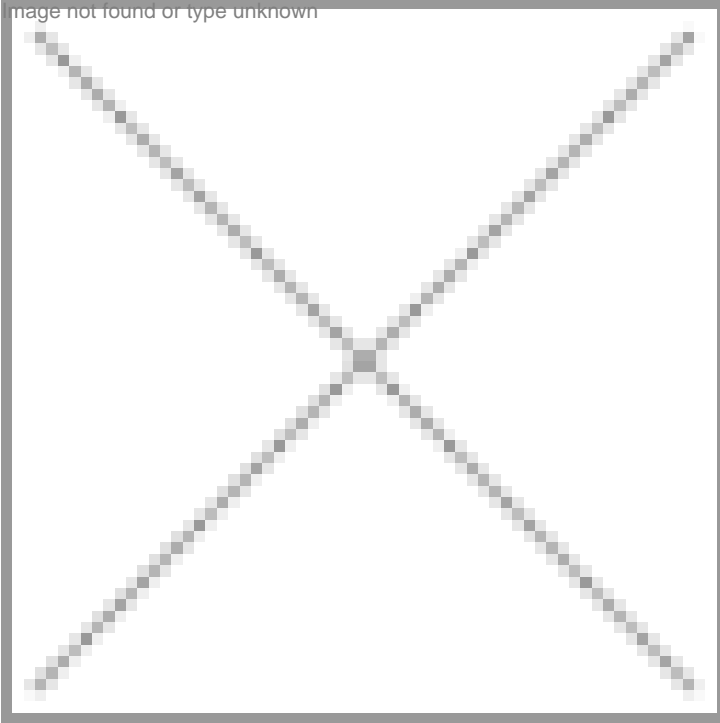


Bigger role for smaller firms

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Bigger role for smaller firms

Small companies will have a greater role to play to bridge the gap in discovery process by reducing time and cost in product development.

The global life sciences industry has transitioned to a growth phase, and has started to deliver results. In the second and third quarter of 2007, the life science companies have registered a healthy growth. Business confidence is on the rise amongst life science companies as they have developed a strong product pipeline, which have very good market potential.

The industry, it seems, has drawn a long-term strategy to make these products more user-friendly, develop combination therapies to enhance their effectiveness. In the changing scenario, the small companies have a greater role to play to bridge the gap in the discovery process by reducing time and cost in product development. There is a clear indication of growing partnership in terms of mergers and acquisitions across the globe between the big and small companies.

The scenario is changing in Asia as well. With the growing economy in the Asian countries, the opportunities are opening up. At the same time the costs and wages are also increasing for skilled and talented work force in a high technology industry such as life sciences. Companies in the west are looking at smaller emerging and developing markets like Malaysia and Thailand for outsourcing activities. These developing markets will take an active participation in the knowledge-intensive life sciences industry.

Nitin Naik
(Nitin Naik is director of healthcare technologies and life sciences consulting practice, Asia Pacific at Frost & Sullivan, Singapore)

The challenges

Factors like long gestation period and no quick returns on investments are still coming in the way of venture capitalists to invest in life sciences companies. The companies need to showcase their unique and niche position with emphasis on product application and commercialization aspects.

Trends for pharma industry in 2008

- Outsourcing & off-shoring to continue
- Global licensing
- Layoffs and lean operations
- Growing importance and dominance of generic companies
- Challenging times for wholesalers
- M&A / consolidation
- Eliminating hospital infections
- Prevention of medical errors
- Emergence of new global players
- Additional pressure, limelight and scrutiny of US Pharma industry due to elections

Source: www.pharmanewsanalysis.com

Technologies that will make a difference

During 2008-2010, biologics serving treatment of autoimmune diseases, infectious diseases, and neurological disorders will be in focus. However, this will be possible only through a series of incremental advances, such as the development of targeted therapies that match pharmaceuticals to genetically appropriate patients.