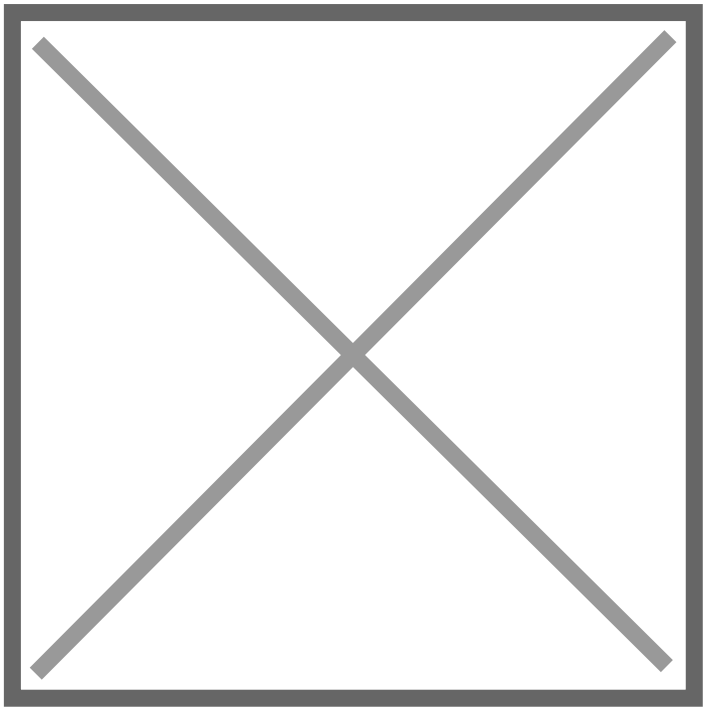


Leading from the front

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BioSpectrum Entrepreneur of the Year 2011

A mechanical engineer with a passion for tabla, Mr Supreet Deshpande realized that information technology could help biotechnology firms while working in the telecom sector. He set up VLife Sciences Technologies in 2002 and today the computational chemistry company is cited in over 250 international publications and has eight candidates in the pipeline, one of which is in the human clinical trials stage.

In less than a decade, Pune-based Vive Sciences Technologies has come of age. While recording profits the last few years, clocking a revenue of 1.5 crore, the company also created intellectual property. In a short span of time, its eight candidates are in the development pipeline, with three of them in late human clinical trial stage.

The mentor of the company, Supreet Deshpande, says that the road to success has not been without hurdles. These include feasibility of the venture, consistency in the inflow of funds, putting together a core team, long gestation period for investments and returns and above all the high probability of failure. Ã¢â?¬Å?However you need to have patience and perseverance, you must not succumb to disappointments because there are aplenty in this business. Above all, have faith in God,Ã¢â?¬? he says.

Supreet has immense knowledge about the field. Their strategy of finding out new indications for existing approved drugs is unique and something that made us invest in their company. Their drug for diabetic foot ulcers has generated a high level of confidence among investors. The fact that they have received three rounds of funding is commendable, especially for a drug discovery company in India. To my knowledge, there are very few companies in India that are into drug discovery and have received so many rounds of funding "

Mr Nitin Deshmukh
chief executive officer, Kotak Private Equity Group

An enthusiastic tabla player, Mr Deshpande learnt to play the instrument at the age of three and has given solo performances in over 35 countries. He cites an anecdote from his childhood days that gives a glimpse of his entrepreneurial capabilities. Ã¢â?¬Å?Once in order to get a theme right, I did riyaaz for 11 hours every day for seven days until I mastered it. Nothing in this world is difficult. If you keep trying you will overcome the obstacles. The universe is hand-in-glove with your struggle and determination,Ã¢â?¬? he says.

Pursuing an idea

Mr Deshpande started his career with Bajaj Automobiles and then moved to Mahindra & Mahindra as the head of international marketing. He shifted to Pune when he was asked to join Mahindra British Telecom (now Tech Mahindra) as its business strategy head with the task of identifying other avenues of growth for the telecom business with focus on software. He says during this period, he noticed that one of the inefficient processes pertained to the drug discovery field. Mr Deshpande interacted with a group of scientists whose primary focus was to convert complex algorithms into software, which could then be applied to telecom. He understood the co-relation between businesses and information technology, and the role of the latter in preempting failure and help to save on finances. He then came up with a business case to get funding from the Mahindra-British Telecom corpus. But when they chose to focus on telecom, Mr Deshpande did not give up on his d

He discussed his plans with the same team of scientists who had sown the seeds of his business venture. His communication skill helped him a lot. According to his team members, he is aÃ¢â?¬Å?brilliant communicator and possesses enormous energy to present his viewsÃ¢â?¬?.

"The most appealing quality is that he brings in significant positive energy during any discussion or meeting. He has the unique ability to convince persons interacting with him with his view points. He is very vocal about his views on any matter and is also a good listener. He also constantly encourages creation of intellectual property for the company"

Dr Sudhir A Kulkarni
vice president, discovery, VLife Sciences Technologies

Dr Atul Aslekar, who is now the director of VLife Sciences Technologies, was based in Japan and keen to return to India. Ã¢â?¬Å?I told him about my plans and with him came the first set of funds. We put in our savings as seed capital for our company. The total seed capital, including those from angel investors, was ₹2.5 crore,Ã¢â?¬? he says.

In 2002, VLife Sciences came into being with the core team comprising Mr Deshpande, Dr Aslekar and Dr Sudhir Kulkarni, who is now vice president, discovery, of the company. The company recently appointed Ms Yogini Garud as the head of finance when they realized that the purse strings of the company needed to be handled by a different person.

The journey towards success

Like any other company, VLife rolled out its business with service-based projects that continued till 2006, as the concept of computational biology was still in its infancy in India. Prominent clientele in the initial years included Glenmark and Reliance for their polymers business. In 2006, the company received its first round of private equity funding from Kotak Private Equity Group (India Growth Fund). The team then started prototyping technology and invested the money to use this technology to create their own intellectual property for drug discovery. Since the beginning, Mr Deshpande never felt the need to depend on external sources, except for experimental studies. Today, all the tools and and intellectual property belongs to the VLife Sciences team.

Manish Gandhi
"Gurpreet is meticulous, full of confidence and extremely focused. Despite being an engineer and not being from the field, he has taken the company on a good growth path, raising funds from investors and has an extremely good team in place. The drug on diabetes ulcer is relevant in the Indian context, and it is commendable that a company of their size can take a candidate right up to clinical trials in such a short span of time. His case should be a learning lesson for all small entrepreneurs. It is not just funds that are important for the success of a venture, but a fantastic idea and business plan is also important"

Mr Vishal Gandhi
vice president-life sciences & technology, Yes Bank

In 2008, when the company had some discoveries and software technologies to offer to finding customers, Mr Deshpande decided to separate the discovery division into a separate company called NovaLead Pharma. Kotak was given the same percent holding in NovaLead as VLife Sciences. Kotak has 23 per cent stake in both the companies.

When discoveries at NovaLead reached a significant stage, the company raised more funds. Though Kotak showed interest, the company looked at the investors Ã¢â?¬Å?Tata Capital came on board NovaLead with a fund of ₹25 crore, but we took only ₹13 crore from them,Ã¢â?¬? says Mr Deshpande. The company raised funding to the tune of ₹22 crore in eight years and was able to develop eight drug candidates, of which one has reached the human clinical trial stage. The company has been reporting profits for the past four years clocking revenue of ₹1.5 crore year-on-year by licensing technologies and servicing projects.

"Gurpreet is a passionate entrepreneur with a clear vision. Though by profession he is an engineer, he is heading technology and research

company and I experience his amazing knowledge in legal and commercial field with complete outside the box thinking. I think the research work undertaken by him and his company should be recognized as social entrepreneurship rather than a commercial venture"

Ms Yogini Garud
head, finance, NovaLead Pharma

He believes that willingness of investors to take risk by investing in a start-up is critical. Ã¢â?¬Å?I can never say that my investors never took risk. Mr Nitin Deshmukh of Kotak had the courage to take risk in a business like ours. Same for Tata Capital,Ã¢â?¬? he says. Ã¢â?¬Å?When Mr Deshmukh came in, our technology was just a thought. There were no such companies operating in India in this field. There were no academic institutes doing such activities in India during that time.Ã¢â?¬?

Business strategy

Today, the company looks at three forms of revenue streams, namely licensing of technology, servicing for a fee and investing in developing intellectual property (at NovaLead). The innovative part here is that licensing of technology to scientists can span from one year to five years or can be as short term as a week depending on the customers' demands. Ã¢â?¬Å?Our idea is to enhance the return of investments for the pharma and research companies. There is no point burdening a company with a technology that will become obsolete after some time,Ã¢â?¬? explains Mr Deshpande.

"In my opinion, Supreet has a unique and interesting blend of passion, perfectionism and perseverance in his personality. This coupled with an inspiring vision makes him an excellent leader. With an astute eye for details, Supreet has a good hands-on approach for organizational management. He has the creative mind of an artist that brings a new dimension. He tackles the business challenges head on and has an ability to maneuver testing situations"

Dr Atul Aslekar
director, VLife Sciences Technologies

The company has eight candidates in the pipeline. With new chemical entity (NCE) research being a high risk business, the company follows the drug re-purposing pathway, which is looking at identifying different therapeutic indications for an existing drug already approved by the USFDA. The lead candidate Galnobax for diabetic foot ulcers is entering human trial stage, while others are in different stages of validation. The idea is that by the time Galnobax passes phase I trials, other candidates will hit clinical trials.

The market size for this product is between $8-$20 billion. The global diabetic population is estimated to hit 285 million by 2025, out of which 15 percent will have foot ulcers at least once in their life time.

Human data for Galnobax would be available by December 2012 that will decide whether the company can become a billion dollar company in the next two years. The next lead candidate is an anti-wrinkle application for age-related wrinkles. Ã¢â?¬Å?The strength of each candidate is very important and you just cannot look at one candidate,Ã¢â?¬? he says.

"Supreet is a strategic visionary with creative genius and an inspiring and passionate leader. His desire to achieve perfection and the best in technology is limitless. He is demanding and leads from the front."

Mr Kamlakar Jadhav
VP, technology, VLife Sciences Technologies

Pillars of success

Besides the core team, Mr Deshpande attributes the success of the company to his employees. Ã¢â?¬Å?When we set up the company, we had young talent who came on board and have now become pillars of our research and technology work,Ã¢â?¬? he asserts.

To keep up the interest in research among his team members and to retain them, Mr Deshpande mooted a novel initiative by setting aside a certain sum of money for Ã¢â?¬Å?scientific questsÃ¢â?¬? that may or may not translate into revenues.

The company now has 18 people. Mr Deshpande says that he does not expect the total strength to go beyond 50, even when the company is at its peak. Ã¢â?¬Å?Our business is not headcount-oriented but resource-oriented.Ã¢â?¬?

The vision

His vision for the company is that all stakeholders should get their return. The patient should get the end-benefit, the company licensing the product should not lose money, service providers should get a fair deal, stakeholders (employees) should have confidence and a sense of ownership towards the company and investors should get a fair return on their investments.

Mr Deshpande also believes that an entrepreneur should have an open mind to question and learn from his colleagues. Ã¢â?¬Å?Success or failure is never in our hands. But doing the work whole heartedly is in our hands. That's what makes a difference,Ã¢â?¬? he concludes.

-Nayantara Som in Pune