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'Start-ups are an ultimate test of one's professional DNA'

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'Start-ups are an ultimate test of one's professional DNA'



CromDx is a molecular information platform integrating molecular biology lab and clinical or biological informatics together, in developing and launching population specific diagnostics tests, prognostics assessments with basic and translational research.

Recently, the company crossed the Atlantic Ocean and established another center in New York, USA.

"We started out with an intent to bring key stakeholders including physicians, clinicians, researchers and patients on the same platform. We always believed that molecular diagnostics is a very unique industry which is capital extensive and skill intensive," voiced Mr Sanjay, an IITian, who holds an MBA degree from the University of New South Wales in Australia.

Promising industry

Mr Sanjay says that he has a strong belief that Healthcare and Life Sciences are the future.

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"The whole world is looking for solutions to critical healthcare conditions. Then there are risks in epidemics and endemics for which the answers lie in life sciences. We always believed that we can bring cutting-edge technologies at affordable prices to India, and we have been successful in that. We also strongly believed in research and innovation. However, there are very limited success stories in R&D and innovation. We are determined to change the mindset," he opined.

The company works in the healthcare areas of oncology, cardiology, nephrology, neurology, carrier testing and pharmacogenomics.

In line with the National Healthcare Policy of low-cost affordable treatment to all, CromDx envisions transforming patient care, and improving healthcare, and living standards in the country.

CromDx has built products (diagnostics kits, for example) for international markets such as Kuwait for testing the population for any carrier diseases.

Mr Sanjay further elaborated, "We are actively corroborating with a Sri Lankan company for clinical interpretation of the results in oncology therapies. Ours is a strong, research-focused company with pan India market reach. We have unique model where we work with leading research institutes in India, and help them with good research outcomes. The cost of these research are spread. In a nut shell, we have a very unique model where we are continuously innovating and developing products at very limited budgets."

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Currently, CromDx has 30 indigenously developed products and services. It is also in the final stages of launching products in colorectal cancer and liquid cancer biopsies.

Herculean task

According to Sanjay, the success mantra is quite simple. "We have a unique way of developing products, and have pan India market reach to take it to the customers. And we do it continually, effectively and efficiently," he added.

Initially, the company faced challenges doubly in getting professionals with right skills, and, of course, the money, for setting up its operations.

Sanjay explained, "VCs and the money markets look for success stories which is not much in this space. It was a herculean task in terms of generating money at the right time from friends, family and well-wishers. Finding the needed manpower and scaling up were also major challenges."

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The start-up was successful in raising venture debt from IntelleGrow, a social venture debt company.

"We had unique ways of subsidizing our research process, and thus customers funded our research," said Sanjay.

Collaborations galore

At the moment, the organization serves leading hospitals in Northern India and Hyderabad.

It boasts of partnerships with All India Institute of Medical Sciences (AIIMS), Central Drug Research Institute (CDRI), Maulana Azad Medical College (MAMC), National Institute of Immunology (NII), Kempegowda Institute of Medical Sciences (KIMS), and the Kuwait Government.

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Many opportunities have also rose from Mauritius and Nigeria for possible collaborations. All of its partnerships are in the oncology and cardiology space.

"We have floated proposal to various state government for new born screening, and nutritional deficiencies assessment in new born babies," said Sanjay.

In the US, it aims to establish collaborations with John Hopkins, MD Anderson Cancer hospital, and pharma behemoths like Pfizer, GlaxoSmithKline, and Eli Lily among others.

Start-up mistakes

Mr Sanjay clearly mentions that failures are bound to happen while beginning a start-up.

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"In our case, there were no industry benchmarks. Also the trained talent pool were limited. We made errors in our estimation of fund requirements and utilization. We could have been more prudent. But then that is part of the game," he commented optimistically.

As an experienced entrepreneur with 20+ years' of experience, Sanjay advised, "As Olympics ultimately test one's skills, endurance and will power, start-ups are the ultimate test of a person's professional DNA. Working in constraints and right frame of mind for decision-making is the key. Business plans are important, but endurance and 'last man standing' attitude will take places. Start-ups in life sciences are at a very exciting stage, and is ready to take off. Start, and keep innovating. Don't worry too much about your competitors. Patience is the key. You will find money, resources and talent. And do not sell your start-up for the next 5 years unless you are fatigued."

Growth & expansion

This year the company is planning to launch products in the wellness industry and nutrigenomics space.

CromDx is now looking at 5X growth on its topline. It intends on expanding in the Middle East and Africa through distributors and channel partners.

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"We would be doing Rs 10 crore this fiscal, and in the next 5 years we should be in Rs 500 crore setup," Sanjay pointed.

He added that innovation is a major key. "Otherwise your high-intellect workforce will not have enough challenges. We have made small, task groups with specific topics to explore. It could be a new product, process improvement, or having efficiency in delivery systems. All are innovations. This approach helps in collective thinking, and each individual is a stakeholder of success and failure of projects. We find this is as an efficient mechanism to utilize the team's all-round skills and keep the motivation factors very high," he stated.

Government vs start-ups

According to Mr Sanjay, one of the most important factor for start-ups is providing them with tax holidays.

"Government policies are crucial. Tax sops and 'Make in India' strategies are being discussed but delayed in implementing. Start-ups are employment generating engines. The government needs to invest in it. Taxes and statutory compliances make certain things highly complex. The government needs to simplify it and make it attractive for start-ups to thrive. There are no

government policies though it sees our area as a priority sector. Imports duties and taxes are a detriment for the industry. The cost of production in India is more due to higher input costs and offsets the manpower advantage," he observed.

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He feels that Western countries are more inclined towards taking risks compared to India. "In India we look for success stories. If there are no success stories, or if you are in the sunrise Industry, it will be a daunting task to thrive," Sanjay stated.

Happening trends

Adding on the current trends in the industry, Mr Sanjay emphasized, "People are taking a serious view on alternate therapies and preventive healthcare. But this is not yet a culture. The government is also realizing that money spend on preventive healthcare is better justified than spending on clinical care and diseases. There are 300 drugs to be launched in the next 3 years which would be based on genotyping or molecular diagnostics. Right now, clinicians and physicians are finding genotype-based tests aiding in decision-making. The market is finding its feet. Eighteen months from now, it would start exploding."

Mr Sanjay says that NCR, Pune are on top of the list as emerging start-up destinations in the country. "Vast potential is available in other metros like Kolkata. This is because of the availability of good support system, and market accessibility is also really good," he noted.

He also adds that start-ups can venture into upcoming areas like Stem Cells. "The devices and point-of-care solutions are also upcoming areas. Healthcare IT is important as there is huge amount of data that has to be managed, analyzed, and correlated," stressed Mr Sanjay.

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Raising start-up cash

Are there any unusual ways of raising start-up cash? Well, Mr Sanjay says there are no secret formulas for it.

"Collaborations are important and can fund start-ups. A few ideas would be government funding initiatives such as BIRAC, NMITLY, and BIG, which can help initially. If it is R&D centric, working with government collaborations will be a benefit by getting the R&D subsidized. Getting into the revenue mode is very important, and no VCs will look at R&D with a gestation period of 3 to 4 years," he remarked.

Commenting about handling start-up stress, Mr Sanjay added, "Your team is an important stress buster. Keep them informed and keep it transparent. And do not stop communicating, otherwise, it builds up a lot of stress."

Mr Sanjay on strategies to becoming the next billion-dollar Indian start-up:

Ã¯â??Â§ Plan your business in stages. Visualize how you will be a successful company in the domain and how it will look like in the next 3 to 5 years, and what will be the competencies and skills required
Ã¯â??Â§ Always start small and build revenues. You will find money for expansion in India.
Ã¯â??Â§ Think innovation and R&D. Your products and services has a life cycle of maximum 2 years. You need to innovate and improve. Let it be a part of your business plan. How to fund it is a different issue, which, of course, has solutions
Ã¯â??Â§ Be prepared to share your wealth with your team. They will make you or break you.