



## From IT to BT

*"The biotech industry is like the motion picture industry",*  
says 20<sup>th</sup> century Reputation guru, Charles Fombrum.

Much like the motion-picture industry, says Fombrum, biotech companies make large, up-front gambles on a product long before they know whether the product can recover its cost relying on "blockbusters" to recoup investments lost on hundreds of failures. To fund these gambles, investors bank on the reputation of players. Movies, for instance, are packaged for investors with known directors and stars with the combination expected to make for better box-office draw. In similar ways, biotech companies have taken to partnering with reputable drug companies, creating packages for players, products and marketing rights. As with movie packages, here it's the combined reputation of companies that attracts investors.

One of the "hot" industries of the day, biotech enjoys great popularity and tremendous reputation capital. Since 1988, investors have sunk more than \$ 4 billion into biotech companies. This, despite the fact that few companies in this sector have shown a profit so far.

Clearly, reputation drives biotech research internationally.

While not quite at the hub of bio-technology yet, India too is poised for a biotech revolution. The sector is growing at an impressive pace. According to the Confederation of Indian Industry, the biotech market in India is expected to reach \$1.8 billion this year. It is poised to grow 10 times over the next 5-6 years. The exponential growth is attributed to easy availability of trained manpower, vast knowledge base, growing multinational collaborations, indigenous R&D efforts and well developed user industries like pharmaceuticals and seeds. It is also based on the fact that this is one sector receiving active support from a well-focussed and well-intentioned government department of bio-technology. Prospects in the fields of vaccines, diagnostics and bioactive, therapeutic proteins in animals and human health and hybrid seeds, tissue culture raised plants, bio pesticides and bio fertilizers in the agriculture sector are opening up vast opportunities.

So is biotech going to take over where the Infotechies left off to place India on the global map? Is it going to be a case of 'From IT to BT' as an economic growth driver? Is this an appropriate analogy?

Here lies the concern for biotech in India. The sector remains wrapped in mystery. There is no clear understanding on the uniqueness of this sector. Moreover, there is no comprehensive strategy by sector leaders in India to forge better knowledge of the basic multidisciplinary nature of this field. There is a virtual absence of communication on biotechnology and its diverse applications, ranging from medicines to microbial processes to plant based research.

There is also a lack of understanding of the long-term nature of this business, which often sees 8-10 years lapse between conceptualisation to commercialisation. Between the two come problems unique to each phase. These could range from research and technology to manufacture, marketing, management, or bio-safety and regulatory issues.

Biotech is different in its fundamentals. This is a whole new world, completely distinct from the classic green revolution success story in the 1960s. A more diffused and hybrid world, formed through multidisciplinary and networked teams, making use of very different instruments and very different methods and scientific approaches with a complex relationship between science and technology transfer.



Also, unlike the green revolution model where a simple science breakthrough (high yielding dwarf varieties) could be transferred in an essentially directed and top down way through a vast state infrastructure, in biotech the innovations are more complex and the routes to application less obvious.

Beyond process distinction, the very structure of the sector too is multi-dimensional. It finds itself divided across geographies, scale, financial size and the public-private fence.

Anyone involved with biotech is quick to remind you, there is no one biotech science or industry. Generalisations are impossible, and may be misleading. There are different types of labs trying to do different types of things with different networks and with different impacts.

Disaggregating biotech is therefore an important starting point in any analysis attempting to look at patterns and prospects in the biotech sector. In structure, the biotech sector can broadly be divided into university and public research institutes; start up companies; established local companies and high profile multinational companies

Each of the four groupings differ in their key focus areas, concerns, funding, structure, staffing, network, etc. As such, the degree to which each of these different groupings can deliver biotech products and services which will benefit the economy is dependent on different factors, ranging from public support of research to clarification or regulatory procedures to intellectual property protection to market share dynamics.

The challenge then is to understand the interplay of these dynamics, and then seek to build informed public opinion that reflect true understanding of the sector rather than hype steeped in mystery. Just as there is no one biotech science or industry, as a consequence there is no one position in respect of a wide range of policy positions.

This calls for a back to basics communication campaign. A campaign that starts at the very beginning with educating stakeholders on the uniqueness of the sector before going further into intricacies. Besides, since the very nature of the business is steeped in risk, it needs its own customised communication strategies to deal with the risk factors.

Gone are the days when pure sciences could live in a cocooned world oblivious of public perceptions and policy directions. Times are a changing. With hard-nosed businessmen rubbing noses with scientists, biotechnology firms luring mega-investors, and the sector posing as a potential growth driver for the economy, scientists need to emerge beyond the comfortable confines of scientific journals to mould public opinion on their work.

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