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Unity Lab Services plans launch in India

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As part of Thermo Fisher Scientific, Fisher Scientific India has been a channel partner for not just the parent company's products, but also for other principals in the biosupplier domain, as it has a revenue share of 20 percent in the entire group. Mr Amit Agarwal has worked with Thermo Fisher Scientific group for 15 years in the US, and took over as vice president and country head for Fisher Scientific India last year. Speaking with *BioSpectrum*, he outlines his plans to make the company a preferred channel partner for its customers and explains how a focus on tier 2 and tier 3 cities will ensure sustained growth.

How would you describe Fisher Scientific's offerings in the Indian market?
Mr Agarwal: About seven years back, we bought a business called Collagen, from GlaxoSmithKline, and that is how Fisher Scientific came into being. It was a primarily a chemicals' company. Using that as a platform, we tried to reach out to different verticals like pharmaceuticals, life sciences, biotechnology, government and academic labs. Since we are a part of Thermo Fisher Scientific, we sell their products along with those of other brands like Corning, LabConco, BD, and IKA. We also have a small healthcare business that focuses on healthcare products for small labs. Additionally, we cater to industrial manufacturing units in food and agriculture. However, that is not our focus area.

How does Fisher Scientific align its activities with Thermo Fisher Scientific's operations, while supplying other brands?

Mr Agarwal: Thermo Fisher is the parent corporation that includes Thermo Scientific, Fisher Scientific and Unity Lab Services, which is yet to be introduced in India, and smaller brands like Cole Parmer, Nunc and Nalgene. Every product that we make is branded as Thermo Fisher Scientific. These products are then taken to the market by us. We do not deal with R&D and manufacturing, but are the channel that sells internal products along with other brands. Our value proposition is choice and convenience. We like the customer to first consider the Thermo Scientific product, but if they prefer some other brand, we offer them that product as well. Retaining the customer base and building a relationship is important to us.

Do you see any particular trend in the supplier industry?
Mr Agarwal: Over the last couple of years, sale of equipment and instruments has slowed down. However, consumables in life sciences and biotech products are showing a healthy growth. From a segment perspective, despite the economic slowdown, the pharmaceutical and life science segment is growing at 8 to 10 percent. It is a mixed bag, as some products are seeing the impact of the slowdown, whereas others are growing strong.

What is your outlook for the next year?
Mr Agarwal: There is a hope that things will improve with the 12th Five Year Plan and its allocations for the life science industries. Though, we have not seen it yet, but we expect that by the second half of 2013, government grants would start coming in and things will change.

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What are the challenges that you are facing?
Mr Agarwal: First challenge is the infrastructure. When we want to ship out products to customers, I have observed that the capability that service providers have in the US is lacking in India, partly because of the infrastructure issues in India. The other challenge is again related to the infrastructure, as it is difficult to reach out to customers in remote areas. Once you get into tier 2 and tier 3 cities, it starts getting tough, and you need to rely on distributors. Sometimes customers want to deal directly with the company; and in situations like that, it gets challenging. We are now trying to improve our existing supply chain setups as well.

What kind of pattern have you seen with tier 2 and tier 3 cities?
Mr Agarwal: Things are definitely picking up in this regard. There is more focus on development of such cities, and part of it is engaged in developing research institutes in smaller places and towns. Also, a lot of pharmaceutical plants are now opening in smaller cities, which offer more space and tax breaks. The customers are moving to these locations. For us to grow, we have to have a focus on tier 2 and tier3 cities as well.

What do you think differentiates Fisher Scientific from other competitors in the market?
Mr Agarwal: I think it all boils down to the fact that we are a one stop shop. It is not just different types of products but also different brands. We make it very easy for the customer to work with us. In one purchase order, a customer can buy everything, which dramatically improves the way we can transact, and all of it can come in one shipment. And, this is our value proposition across the globe. Speaking of the entire group, there is no other company that has more self manufactured products and distribution channels than us.

What are the plans for Unity Lab Services?
Mr Agarwal: We have plans to introduce Unity Lab Services in India soon. We are focusing on putting together a service portfolio in India. We have the capability and we are trying to build on it. Some of these services are already being offered to the customers in India, but not under this particular brand name. We are trying to put it all together and are trying to make it happen by the next year.