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MANIPAL ACUNOVA

How to retain your customers

CLINICAL research organisation (CRO) Manipal Acunova seems to have hit upon an innovative way of making customers stay with it. So far, it has managed to get three of its clients to invest between Rs 1 crore and Rs 5 crore in the company.

"Strategic investors would hold 2-5 per cent for 4-5 years, or till their major projects are executed," says D.A. Prasanna, CEO, Manipal Acunova. While he did not talk about his clients, he said their strategic stake will give his company stability as customers are likely to come back with more work. Among the CRO's clients are Quintiles, Ranbaxy, Biocon and Novartis.

The Manipal Group and Acunova Life Sciences each hold 30 per cent in their joint venture. The remaining 40 per cent is to go to financial and strategic investors, and venture capitalists. A VC arm of an Indian bank has paid about Rs 15 crore for a stake of less than 10 per cent. Prasanna says a VC stake does not allow a company to slack up.

The company has raised Rs 50 crore in the first round of funding. It has research centres in Bangalore, Mangalore and Manipal. It plans to build an 18,000 sq. ft clinical trials management facility in Bangalore by the end of this year.

In the second phase of expansion, 12-24 months from now, the company wants to raise Rs 50 crore to buy out or take a stake in a CRO or clinical IT company in the US or Europe.

The CRO provides services like bio-availability and bio-equivalence, clinical trials from phase one to four, and clinical data management. The group's 17 hospitals employ 1,300 doctors and treat 1.2 million patients a year. ■

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