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Signs that contract research organisations (CROs) in India are increasingly casting their eyes abroad as western entrants raise the competitive stakes in the domestic market were confirmed with the announcement that Bangalore-based Manipal AcuNova (MAL) had completed the acquisition of ECRON, a European CRO based in Frankfurt, Germany.

The terms of the deal were not disclosed. MAL said the combination of ECRON's more than 20-year experience in clinical research and the Indian CRO's special relationship with Manipal Medical University, the largest academic medical centre in Asia, would create a company supplying end-to-end services for Phase I-IV clinical trials to pharmaceutical, biotechnology, medical device and diagnostic companies. These would include project management, clinical data management, biostatistics, medical writing, central laboratories and bioavailability/bioequivalence studies.

Combined revenues for ECRON AcuNova are estimated at Rs 500 million (€8.74 million) and the merged company will have a total staff of 265, which it expects to grow year on year. ECRON AcuNova's global operations will continue to be based in Bangalore, which will also be the new company's Asian headquarters.

D A Prasanna, vice-chairman, managing director and founder of Manipal AcuNova, will head up the global operations while ECRON president Dr Klaus Wiedey will be president, Europe, with headquarters in Frankfurt. The US operations will be based in Princeton, where the Indian CRO already has a presence, and will be led by Dr Kohkan Shamsi, president and chief executive officer of the US operating subsidiary, AcuNova Life Sciences.

Built on quality

Dr Wiedey said the main reason for tying up with Manipal AcuNova was that the Indian CRO was "a company built on quality". Standard operating procedures should be harmonised across the merged company within the next six months, he noted.

The acquisition would benefit ECRON's clients in both Europe and the US, Dr Wiedey added, explaining: "The possibility of extending trials from Europe to India will make drug development faster. Trial data can be analysed with biostatisticians and data management professionals from India, speeding up submission to regulators like EMEA [the European Medicines Agency] and US FDA [Food and Drug Administration]. We can take up bigger complex projects with a broader range of services like central lab and PK/PD [pharmacokinetic/pharmacodynamic] service."

From the Indian side, Prasanna said Manipal AcuNova would bring to the table special access to teaching hospitals and an educational infrastructure in India. The CRO, a joint venture between AcuNova and the Manipal Group, was India's first university-backed CRO and has preferred access to Manipal Medical University's 19 teaching hospitals.

"Indian CROs do not have a track record in seeing a drug through development and into market," he commented. "Hence this merger will combine MAL's access to investigators and patients with ECRON's quality reputation, making drugs available faster. Clients will be able to conduct trials at West and East European hospitals and enter regulated markets."

Founded by Dr Wiedey in 1985, ECRON has a direct presence in Germany, Ukraine, Poland, Spain, the UK, Italy and the Czech Republic, as well as partnerships in other key European markets.

While the CRO traffic between India and the rest of the world has tended to involve western companies acquiring or consolidating operations in the Indian market, in the last couple of years there has been repeated talk of Indian CROs eyeing acquisitions outside their home base. Jubilant Organosys set the ball rolling in October 2005 when it paid US\$33.5 million in cash for the US CRO Target Research Associates.

By Peter Mansell