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India has the right formula for success

(pix) Brothers, Sunil and Prashant Shah are celebrating the success of their first year in business - and what a business, something truly a bit different.

The brothers, who were born and brought up in Cambridge and both attended The Judge business school, launched Oxygen Healthcare at last year's ERBI conference at Hinxton, with the aim of becoming the new drug discovery engine for Cambridge.

But they have already achieved quite a lot more than might have been expected from a primarily commercial endeavour.

Their idea was to capitalise on the talent for chemistry in India, in effect, shifting drug discovery services for Cambridge companies to the subcontinent, where labour is a third of the cost.

This may not sound very nice as far as Cambridge chemists are concerned, but the brothers reckon it will allow many more start-up biotechs in the city than might otherwise have been the case.

At the same time, Oxygen's staff in India are involved in a number of community projects to help their neighbours clamber out of poverty. All-in-all, it's a thoroughly laudable business model.

"We knew India was good at chemistry," Sunil says, "but lacked project management. So, a year ago we went out to find premises and we now have 30 scientists working there, with the company already in profit."

He added: "I wanted to do something connected with India, and there is a biotech boom out there. We went on a few trade missions with Trade & Industry UK (the Government-funded export organisation), and looked at what we could do.

"We decided not to partner, but to own a lab ourselves so we would have direct control. We don't know of anyone else with this business model."

Oxygen is a Skype subscriber and uses the service to communicate, free of charge, with its Indian staff, at the same time there is a webcam set up.

Head office is on Cambridge Science Park, in the new CSP Innovation Centre, where the Shahs have a single office, which is all they need.

"We feel the chemistry is just the starting point for us," Sunil says. "We wanted to see if the business model could work, and it does, so we are going to expand our operations in India. We are buying land on a research park for a purpose-built lab."

The plan now is to be instrumental in setting up a portfolio of biotech companies in Cambridge, with much of the lab work in India, discussions are already underway with VCs.

"There is still a massive void in getting funding for research for early-stage biotech companies, and there is more intellectual property in the UK than money to fund it," Sunil says. He reckons that by lowering the risk via costs in India being just a third of those here, he has a tempting offering.

The brothers have largely self-financed their own business, both re-mortgaging their homes in Cambridge, although they do have a bank loan. They also have a dozen customers, all Cambridge biotech companies who have spotted a winning idea.

Oxygen scientists in India as well as growing in number, are now thoroughly

entrenched in community projects. Two staff spend a day a week at an orphanage, others have helped build a community centre, they have created a science class, and are operating a TB programme which involves going from "slum to slum".

"They feel good about it, and they don't get much opportunity to do this sort of charity work while they are at university," Prashant says.

The Shahs couldn't be more pleased with the way things are going, and, as Sunil says: "These days, everyone needs to have India as part of their business strategy."

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