

Thinking ahead and beyond

*With the ambition to become the powerhouse for pharma and biotech companies, Fabtech Technologies reflects an undying spirit. **Arshiya Khan** maps the moves of the company*



Headquartered in Mumbai, Fabtech Technologies is one of the leaders in building pharma and biotech projects internationally, and arguably, the country's biggest makers of modular prefab partitions and isolators.

As you enter the conference room it is well adorned with medals, trophies and certificates from top regulatory agencies. Completing the arc of the room are profiles, prototypes and designs etc, next to which the vision of the company is engraved 'to become an international powerhouse, providing best of pharmaceutical projects internationally with state-of-the-art in-house manufacturing capabilities of critical equipment.' The roughly scribbled numbers on the white board catch your sight—\$100 million (Rs 500 crore). When asked what numbers are these, Aasif A Khan, Managing Director, Fabtech Technologies, avers, "That's what we are aiming to achieve."

The beginning...

The journey of Fabtech began in Mumbai in 1999, with a 1,000 sq ft facility manufacturing laminar air flow benches. Starting with manufacturing cleanroom equipments in 2001, it gradually moved to modulars in 2003 and isolators in 2006. Today, the company has a facility of one lakh sq ft, with machines equipped from Europe and Japan. With the idea of making laminar airflow units (LAF) for its export projects, the company gradually moved into the domestic market with modular prefab partitions, which was always the target area and a dream since 1991 when I first visited an American maker of panels in Syracuse, New York, says Khan.

The company has not only grown in terms of turnover, team strength and geographical foothold, but also product portfolio. Khan tracks the number growth, "We have grown from Rs 45 crore in 2007, to Rs 53 crore in 2008 and this year we closed at Rs 72 crore." Though he projected the growth to be somewhere at around Rs 80-85 crore. However, he justifies, "The growth scale is OK, as the potential still remains."

Modelling their business the right way

Khan's belief of exploring new areas and learning from the mistakes of earlier contenders brings them here. Complimenting this is their interesting business model, which differs from country to country. "Our ability to adapt to different business conditions holds us in good stead," he remarks.

Fabtech has grown organically with no alliances or joint ventures (JVs) so far. Instead, they hire consultants to design their products. As Khan feels, "JVs or alliances at times can be restrictive. The biggest advantage of the organic growth is that we can sell internationally without any market restrictions."



A sterilising tunnel at Fabtech

Today, they are present in the US, EU, China, Middle East, Africa, Afro Arab, East Europe etc. They move smartly in emerging countries like India, China or the regulated market of Europe. He cites the example of China, which holds a lot of potential. Khan says, "We follow the 'high volume low margin' game for the non pharma sector, which enables us to cater to the domestic market. We export hi-end products to China from our Indian facility, and our tie up with Laser Cleanrooms for laminate partition for the Middle East helps too.

Khan explains, the company is working on building stronger marketing networks and cheaper manufacturing options for its non-critical components while maintaining its world-class quality. "Since we had exported partitions to China for a few projects, we know that there is a vacuum in China for quality engineered products." However, he feels, "This can be cemented by using Fabtech's high quality of engineering and technical expertise coupled with the economics of China." He details the China model; we provide them sheets, filler materials from India and use their labour. It becomes very competitive. This combination can be very effectively used, especially in standard non pharma applications where risers, service panels and non standard designs are not needed. Besides, this also gives them access to huge Chinese and South Asian markets.

The company has now started manufacturing containment solutions, the reason purely being the potential that the segment offers. "We aim to become a specialist construction company," he says. Though containment solutions are tricky and considered to be the 'domain' of the West till date. He believes the turnkey project, HVAC design expertise, strong R&D, equipment integration capabilities coupled with validation strength and exposure to process equipment of any kind and origin brings the containment/isolation system design easily to them.

Weaving challenges into opportunities

Challenges and opportunities are like two sides of the same coin. And it is no different at Fabtech as well. While mastering in partitions, getting into isolators was an easy way through, but still giving it a cutting edge has been the task at Fabtech. What brought them through, Khan feels, is a multi disciplinary qualified and experienced team in the discipline of pharmaceutical and mechanical engineering, environmental control, instrumentation and process control. He feels that the challenge has always been in introducing and selling successfully ahead of any one else, novel concepts, designs, product innovations to the discerning users in the market of different mindsets, from India to Middle East to Persian Gulf to Africa to CIS and now to Europe and USA. Secondly, he states that while you deal and experiment with the new markets and products, which requires a lot of capital, we also had to focus on maintaining healthy balance sheets while tapping the cash consuming regulated markets, which was indeed a task and we have done that too.

Coupled with this, Khan also boasts of the company's sales and after sales service all throughout India. The company's four international locations in the Middle East and the UAE ensures smooth execution of projects. He further stresses on the product line, "We are committed to provide total solutions in area of pharmaceutical and biotech facility design, execution and qualification to cater to quality conscious clients who desire to have correctly optimised facilities that conform to the current norms specified by the international regulatory agencies like the US FDA, MHRA of UK (and consequently EU), TGA of Australia etc." Speaking on the same lines, he stresses on the recent milestone of getting approved by none other than Pharmadule, Sweden, and that too amongst American, European manufacturers is an achievement. However, he says the biggest milestone is still to come.

But, the story does not end here! Khan's similar, yet different way of thinking has earned the company partners, associates and milestones indeed. The case in point is, at a time when companies are tapping emerging markets, Fabtech seems to be focussing on the highly regulated markets of EU and US. He gives a strategic reason, "Thinking ahead is the idea. We are very firmly entrenched in most of the emerging markets—others are now beginning. The foray into US and Europe is part of the strategy to take competition to the birth land of modulars and isolators." Not forgetting the recessionary blues, Khan feels that this was needed, as the last few years were so busy that there was virtually no development in India. Every industry needs a slowdown, which results in the generation of new ideas, new technologies and improved R&D. This unusual circumstance gave us breathing space to think within and outwards and develop quality products.

Tracking trends

Realising the growth of biologics, Fabtech is set to hit the floor with its range of isolators, as Khan feels, "R&D spend, increase in cytotoxic drugs manufacturing in India, the onslaught of biotech etc, all make good commercial sense to be in this segment. The take-off of the biotech segment will boost the growth of the isolator market too. We decided to take the initial steps towards developing the isolation technology around three years back." He goes on to say that after 'domesticating' modular panels, which in the early 2000's was considered a product of European domain; the company thought that isolators for them would be a natural extension. Though, isolators was very critical in application, design, etc. but the reception the company got was tremendous, which enabled early success. He further highlights, "Our repeat projects with the likes of Pfizer, Novartis, Astra Zeneca, Biological E, Ranbaxy makes us the fastest growing partition and isolator company in India. Most of the projects we do are for the biotech sector." To further fuel the growth the company has also installed a very high quality in-house testing, actual validation of every system prior to dispatch. "Our better understanding of guidelines and standards, close interaction with our customers to understand their needs, has led us a long way. This is indicative by the fact that almost 70 percent of our business is repeat." Khan avers that meeting the challenges thrown by their demanding clients and their international product certification makes Fabtech the preferred choice.

Designing the road ahead

Starting with a strong focus on exports, Fabtech entered Argentina with Glenmark, South Africa with Ranbaxy as clients, as these companies were comfortable with them, informs Khan. However, gradually the focus shifted to the domestic market and only increased over time. The diverse approach and geographical foot print bought with it intense competition. However, not bogged down by competition, Khan feels, "We have been our biggest competitors. Our 'thinking ahead and far' philosophy combined with our market aggression is the edge." And their next promotion campaign 'no wonder every body wants to be us!!' quite indicates the same. With a clientele ranging from Ranbaxy, Strides to the interiors of rural India that any one would like to boast about, Khan still desires for more. He states, "We want to become faster and more aggressive." Elaborating on the road map he says, "Fabtech is moving towards achieving its next target of becoming a specialist construction company. Doing inner box, outer box, containment solutions, and these will drive the growth." Expanding its manufacturing base in India and widening its reach amongst customers, Fabtech is going at a speed that would make its rival's envy.