

# ChemOutsourcing 2010

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*A report from Pharma ChemOutsourcing Conference & Exhibition 2010*

**F**or the last four years, the annual meeting of ChemOutsourcing has been growing. What was once considered to be a local event developed for the east coast pharma companies has grown into a very large event and like CPhI and DCAT is being placed on ones calendars for the next year. With over 800 people attending and just under 100 exhibitors, the event has continued to grow each year since it began in 2007.

With an increase of over 10% in attendance, the visitors are coming from all over the globe. Europe, the US were well represented among both the visitors and the exhibitors but India and China also had their place among the group. This year, there was a different increase in the representatives from the larger pharmaceutical companies and the CMO's. However, this still seems to be one of the few meetings that do attract the smaller pharmaceutical companies.

The last few years have seen this event situated at a New Jersey shore resort and even the off shore hurricanes cooperated and staid out to sea. For both the exhibitors and the returning visitors, this helped every one move in quickly and with previous experience with the area made the transition easier for most. The organizers have tried to give as much networking opportunities to both the exhibitors and the attendees. They expanded the breaks to give the attendees more time to visit with the exhibitors and with a limited number of exhibitors, it helps. This year they also offered some additional services to help people schedule meetings.

Over the course of the event, I had the chance to speak with many of the exhibitors and the attendees. For the attendees, it was a mixture of service providers, large and small CMO's as well as representatives from both the large and the small pharmaceutical companies. The general feeling was that this was an event that is worth attending. Most of the people that I spoke with had come to attend the panels as well as to meet with potential clients and suppliers. In addition, keeping the exhibitor list small (they max at 100) allows one to have time to spend with all of them. In addition, the multiple receptions, lunch breaks and general opportunities allowed for plenty of networking time and meeting new people. The Casino night is a nice chance to spend some quality time with people and get to develop new relationships.

Each year the organizers try to tweak it just a little improve on the event and bring additional value to the visitors and the exhibitors. This year, EVONIK started a sponsored event describing their capacity including the recently acquired Lilly facility. This added a third reception which added to the networking opportunities. This year, they also increased the number of panels and with the sponsored EVONIK receptions, added an additional networking opportunity.

The CMO's were represented from both sides of the Atlantic. A number of the CMO's elected to use this as an opportunity to launch new technology or to push new areas. In addition, several companies commented that any networking opportunity was worth exploring. From the CMO point of view, the

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meeting has both their competitors and their customers. This allows them to showcase what is going on as well as to get a good idea of what is happening in the industry and all the other companies.

A larger number of the European companies were represented in this mix. I had the chance to speak to several of these companies. F.I.S. sees this as a chance to be with customers and push their capacities and new areas of expertise. With the recent venture into China, they have become a more diversified supplier of API's both small volume and large. NOVASEP returned again this year and emphasized their expanded capacities into biological separations as well as new chemistries including Ozonolysis and Carbonylations.

IRIX sent a full staff this year to the event. They can supply complex molecules for pharmaceutical marketplace as well as a full service of development capabilities.

BRIAN SCANLAN, Chief Business Officer for CAMBRIDGE-MAJOR, pointed out that the meeting had a good mix of customers and competitors. For CML, they are fortunate to have all their production suites currently running projects and have moved to 24 hour operation. For CML with the development business running flat, they are continuing to grow with the production units at 15-25% annually. In addition, they had the change to discuss some of the new investments such as a 2000 gallon (7.6 m<sup>3</sup>) hastalloy vessel and major additions on the analytical side including XRPD, UPLC, RC-1 and React-IR. BRIAN also mentioned that they will continue to invest and in 2011 they plan to add another mid-large scale manufacturing bay with 1000 gallon vessels and additional filter dryers.

Dr STEFANO CONSOLE, Director Commercial Development for CERBIOS was there promoting their High Potency capacity. Recently, CERBIOS announced the launch of its new capacity in this area and the meeting gave them the opportunity to discuss this with potential customers. With the regulations in Europe pushing to isolate cytotoxic products from HPAPI's, CERBIOS has decided to concentrate on the smaller segment of the HPAPI's market and not to develop the cytotoxic products on site. For their customers this avoids potential problems with cross contamination and regulatory issues.

CHIRAL TECHNOLOGIES continues to attend and exhibit at ChemOutsourcing because of the great opportunities to hear

first hand about the changing landscape within the pharmaceutical industry, as well as great interaction between attendees. Dr JOSEPH BARENDT commented that for them some of the most valuable interactions occur around the panel discussions where new – or under-represented – technologies are discussed in a neutral setting. We have gotten more qualified business leads from these events than most other shows combined. It also gave them the chance to discuss two of their new technologies which included their newest line of chiral phases for separation of optical isomers, and a new use for our protein columns which is promising to replace *in vivo* drug-binding studies with a simple test protocol. Also they are also in the process of expanding their service offerings to include the determination of absolute configuration of enantiomers.

Dr GARRETT DILLEY, Pharmaceutical executive, stated that "ChemOutsourcing provided a convenient forum in which to hold a number of high level meetings in a single location. Anecdotal reports on the state of the industry were decidedly mixed with results varying across geography and business sector. With that said, the steady attendance of the conference may be a sign that positive indicators in the industry are beginning to outweigh the negative ones."

There were a number of service based companies as well that attended such as BIOTEX DATA.

BIOTEX DATA is a biotech database company which focuses on small molecules.

HOWARD FOOTE, CEO of BIOTEX DATA said, "I thought the conference was very useful for our company. I met a number of people who were very interested in our Biotex SM database." Mr. FOOTE also said he was very impressed by the number of people in attendance at the conference and the broad scope of the panel discussions.

The importance of close customer relationships is paramount at ARCHIMICA and the PharmaChem Outsourcing Conference provides an excellent opportunity to foster these relationships. The intimate setting and panel discussion format of this venue facilitates maximum interaction among the participants, noted Dr JAMES SCHWINDEMAN, Director, New Business Development at ARCHIMICA. Further, with attendees from large, mid-sized and emerging pharmaceutical companies we are able to meet with our current customers and also interact with potential new customers.

ARCHIMICA announced at the Conference that an updated and expanded technical application package for the superb coupling agent, T3P<sup>®</sup>, is now available. This package includes detailed experimental procedures as well as novel applications. T3P<sup>®</sup>, 1-Propanephosphonic acid cyclic anhydride, is well established at large scale for amide/peptide bond formations and a variety of other condensation reactions, where its advantages translate into high quality products and improved process economics. The portfolio of ARCHIMICA commercial boronic acids was also expanded with the successful scale up and production of high quality Cyclopropylboronic acid at their facility in Frankfurt, Germany. Cyclopropylboronic acid complements the existing portfolio of over 150 boronic acids – aliphatic, aromatic and heterocyclic – that have been scaled up in ARCHIMICA facilities.

PCAS and PCAS-NANOSYN have now exhibited for the 2nd year at ChemOutsourcing and have been very pleased with the show. It was a good format to announce our new US based cGMP Kilo lab last year and then again this year, the purchase and integration of our Biocatalysis partner PROTEUS. As usual we were able to make some good contacts and of course have update meetings with our current clients. In addition, we find the panels interesting and instructive, including ways to prepare proposals and the best ways to handle problem situations during project management.

Dr PAUL VOGT, SIGNA commented that he thought the show equaled its usual quality in terms of speakers and topics. It is a wonderful opportunity to hear what industry leaders are thinking about the issues that face each of us in the pharmaceutical contract research and contract manufacturing business. The time given during the days and in the evenings for networking and one-on-one meetings is also a plus. It gives one time to balance the day between high level learning at the sessions and getting business done with your key customers. For SIGNA, it is the perfect place to see our current customer base and have the chance to discuss our technology with new end users.

Mr. STEVE BEAGLE of ROHNER saw this as a good opportunity to introduce cGMP Production of Novel Monomers and Custom Polymers. STEVE told me that "ROHNER CHEM is expanding its niche in the marketplace by increasing resources for Polymer Chemistry to include custom

synthesis of novel monomers and polymer-based biomaterials utilizing various Atomic Transfer Radical Polymerization (ATRP) techniques. ATRP is a superior approach to polymerization of complex monomers, whereby batch requirements with increased specificity, functionality and purity, may be achieved with less undesired by-products and improve a products' overall standard of quality.

ROHNER CHEM is able to offer custom manufacturing of highly complex functional polymers or biomolecules, e.g. phosphorocholine, under cGMP which are used for medical devices such as drug eluding stents and vascular catheters. They are positioned as a privately held leader in Polymer Chemistry for the global Medical Device community.

For UBICHEM, they feel that ChemOutsourcing is a very good forum for UBICHEM Pharma Services, because it is a relatively small event, with plenty of opportunities to meet our current or potential future customers, through prearranged meetings, the exhibition and during the enjoyable social events. This is

particularly important for us, because we are trying to raise the profile of UBICHEM INC., since introducing permanent representation in the USA in 2009. This event allows them to interface with both large and small pharmaceutical companies and promote a comprehensive range of small molecule chemistry services from its facilities in Hungary, a low cost area within the EU. Activities supporting projects from late discovery to Phase III include intermediate and cGMP API manufacture, process research and development, analytical method development and validation, and radio labelling including cGMP radio synthesis. UBICHEM also offer a range of functionalized building blocks through their Discovery Chemicals Catalogue, and have particular expertise in the synthesis of complex nitrogen containing heterocycles, sugar derivatives, and in Organometallic and cryogenic reactions.

SOLVIAS attended the 2010 ChemOutsourcing conference and promoted their new Crystallization Process Development and Manufacturing program which offers a seamless approach to

design and optimize a robust and scalable crystallization process together with multi-kilogram supply of API of the desired crystalline form produced under GMP. They found the conference to be a convenient place to connect with their customers and discuss their internal development programs and current trends in the industry.

The general feeling for the group was that this was a very good way to meet potential customers. The smaller size of the venue allows for more contact and opportunities to network. In addition, there are several receptions that also give more chances to mix with suppliers and customers. In addition, several companies found it to be a very good way to introduce new capacities or technologies.

This year there did seem to be a greater slant to the commercial side and a slight move away from the R&D portion of the business with an increased number of larger companies from both sides attending.

All in all, this event continues to grow and offer a unique service to the industry.