

State of the Laboratory Information Management Systems (LIMS) Industry

Clinical laboratories have seen a huge increase in process complexities. Increased regulatory compliance risks and an ever burgeoning amount of data. These fundamental challenges have led to the growth of laboratory information system (LIS) or laboratory information management system (LIMS). LIMS is primarily a software system or application that facilitates a modern laboratory's operations. Key features include workflow, data tracking support and data exchange capabilities. According to a report by Global Industry Analysts, Inc., the global Laboratory Information Management Systems Market is expected to reach US\$1.4 Billion by 2015.

Pharmaceutical laboratories need to be world class to support an industry which is growing at a rate of about 4% CAGR and is estimated to be \$650 Billion globally. India is estimated to ship \$16 Billion worth of Finished Dosages or Active Pharmaceutical Ingredients by 2014. A large number of these players operate out of Hyderabad and its suburbs. During the 2001 period, many plants in India producing API or Finished dosages were obtaining US-FDA approvals. This was very demanding in terms of data to be stored and made available for analysis. “Drug Industry is most demanding in terms of quality requirements since this is consumed by human beings when they are sick. Also the legal system in US and Europe were very stringent on quality & integrity of analytical data” elaborates a CEO at a Hyderabad based Laboratory Information Management Systems (LIMS) firm. The global LIMS market was estimated at USD350Mn and in India was estimated at USD12Mn with a projected growth rate of 25-30%ⁱ.

Since 2001 firms in India have been delivering information management tools that help laboratories comply with strict regulatory norms and the entire process - discovery, research and development, pre-clinical, clinical and quality management endeavorsⁱⁱ. The clusters of these firms exist in Hyderabad and Bangalore. The initial success and high acceptance in the market to Indian firms has been due to their implementation and adoption of harmonized quality practices. Expansion for Indian firms has meant growth in US, Europe and Asian markets. In a very short time after making their US entry, Indian firms have found mention in prestigious LIMS (Laboratory Information Management Systems) top 50 comparison studies in the US market.

Improved Quality

A large number of players have got ISO certification. While certification has helped increase credibility and value of the end product; it has also meant an adherence to strict quality processes, which in turn have led to continuous improvements that has benefited customers. Robust management systems have given Indian firms the confidence to open up to vendor assessment audits smoothing empaneling with multinationals.

A transformed employee engagement, implementation of best practices in - recruitment, competency management and employee satisfaction were additional advantages that firms have leveraged as their management system built on global best practices matured.

In Expansion Mode

LIMS player's foray now includes laboratories operating in pharmaceutical research, biotech research and the petroleum industry. To help customers achieve a higher 'Return on Investment', ERP integration capabilities have been added for popular solutions including SAP. The resulting increase in demand for Indian products has meant a need to increase infrastructure investments by these firms. Some have started secure Global Support Centers that supports customers 24x7 on mission critical products and provides Remote Infrastructure Management. Firms in this new expansion have invested in training space to help customers shorten learning on their systems.

The expansion has had further strengthening of the space as teams are more motivated due to improved facilities and growth opportunities for all. These positive influences have in turn positively affected customer care and maintenance support leading to increased customer satisfaction.

Future Outlook

Industry leaders predict a paradigm shift coming up in the LIMS industry, "information automation is no longer a luxury, it is a necessity"— they explain. Forecasts are towards two new emerging trends:

1. Seamless integration for information management, error reduction and efficiency improvement

2. Handheld devices transforming laboratory's operations

In line with these trends, innovation at Indian firms has included solutions on integrations and facilitation of laboratory operations through a number of interfaces including smart phones.

Concluding Remarks

With increased growth of CRAMS (Contract Research and Manufacturing Services) will further drive growth in LIMS as the outsourcing entities will require systems that help them track the various stages in the process. LIMS suppliers will thus benefit from a robust local market and their international forays. Further they may be able to leverage cost arbitrage benefits and provide remote infrastructure and maintenance services to global markets.

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ⁱ <http://pharma.financialexpress.com/20090415/management02.shtml>,

<http://www.biospectrumindia.com/biospecindia/news/157623/market-lims-india>

ⁱⁱ ibid