

# Integrating Science and Creativity

## Acquisition of DuPont Nutrition & Biosciences Extends the Portfolio of IFF into the Pharma Market

*On February 1, 2021, DuPont's Nutrition & Biosciences business (N&B) officially separated from DuPont and merged with International Flavors & Fragrances (IFF). Now, the new IFF offers even more innovative solutions beyond flavors and fragrances. With 2019 pro forma sales of more than \$11 billion the US company is a global leader in ingredients and solutions for global food & beverage, home & personal care and health & wellness markets. Michael Reubold asked Dago Caceres, Global Strategy Manager for Pharma Solutions at IFF, about the strategy ahead for the company and its pharmaceutical division in particular.*

**CHEManager:** *Mr Caceres, as a global supplier of consumer ingredients, the new IFF seems well-positioned to unlock value for customers. In a nutshell, which so-*

*lutions and products does IFF offer?*

**Dago Caceres:** IFF offers a broad portfolio and capabilities that inte-

grate science and creativity, to bring great value to our customers. Thanks to our newly expanded portfolio and capabilities, we have already discovered multiple connection points amongst the four business divisions Nourish, Scent, Health & Biosciences, and Pharma Solutions.

The division Nourish combines IFF's Taste division with N&B's Food & Beverage segment and offers enhanced capabilities to provide innovative solutions to food and beverage industry manufacturers.

Scent creates and pioneers fragrances, scent solutions and cosmetic actives across the fine perfumery, personal, fabric and home care industries.

Our division Health & Biosciences is one of the most advanced biotechnology platforms in the world and



Dago Caceres, Global Strategy Manager, Pharma Solutions, International Flavors & Fragrances (IFF)



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works closely with customers to deliver safer, healthier, and more sustainable solutions for products and their processes.

And Pharma Solutions, which has increasingly innovative capabilities in the pharma and dietary supplements market due to the complimentary portfolio we are now bringing to the table, provides excipients, ingredients, and technologies to support pharmaceutical and dietary supplement customers in a highly regulated industry.

*What is N&B bringing to IFF in terms of products, applications, and market presence?*

**D. Caceres:** It is well known in the industry that many of the active pharmaceutical ingredients or active nutraceutical ingredients in the market today have unpleasant sensory attributes, like bitterness or gritty mouthfeel. Previously, we had limited capabilities in curating the overall sensory experience, as our emphasis was on excipient performance to produce high-quality medicines, mainly in oral delivery forms. Our portfolio offers taste making capabilities, particularly for tablets and capsules.

Now, our expanded portfolio helps broaden our capabilities, especially when developing patient-friendly alternative delivery formats, such as liquid suspensions, gummies, and orally disintegrating tablets — just to name a few. A pleasurable sensory experience is a critical component for dietary supplement products on the market, and it has become a progressive focus within the pharmaceutical industry as well. Drug manufacturers are seeking ways to increase patient compliance — especially for drugs tailored to pediatric and senior populations.

Our elevated portfolio, capabilities and expertise in the flavors and taste masking arenas provide endless opportunities for drug and supplement manufacturers. It is early days after the integration of the two companies, but we have already witnessed strong customer interest to better understand how the heritage N&B and IFF portfolios intertwine to bring differentiated offerings to customers.

*In which areas do you expect significant synergies, for instance in R&D, market approach or geographic presence?*

**D. Caceres:** There are multiple examples and areas where we do expect

significant synergies, but three in particular come to mind:

First, from the geographical standpoint, Pharma Solutions' ability to introduce to pharmaceutical and dietary supplement customers the breadth of offering that IFF brings to the table to improve the overall patient experience. There are certain geographies where Pharma Solutions has been historically strong and regional cus-

*“IFF’s portfolio provides Pharma Solutions with multiple opportunities to work with other divisions.”*

tomers can benefit from the expanded portfolio.

Second, from the technology standpoint, there are multiple opportunities to provide more holistic solutions to customers that would allow them to differentiate in the marketplace. The key will be to prioritize and work on the ones where we see the strongest market pull.

Last, there is a lot we can learn from each other in terms of best practices to improve the overall customer experience.

Pharma Solutions is not an isolated business unit within IFF. On the contrary, IFF's portfolio provides Pharma Solutions with multiple opportunities to work with other divisions to develop even more advanced, marketable products. Each business division may lean on the other to leverage and better understand our customers' needs.

Having said that, our participation in the healthcare industry is also a strategic component to the IFF portfolio as a whole — since the merger, our participation in the healthcare market has only expanded and strengthened.

*How much science is involved in your R&D efforts as compared to customer-focused, application-oriented innovation?*

**D. Caceres:** It is a balance, and getting that balance right is critical. We have the capabilities and fundamental science knowledge to develop disruptive excipients and ingredients that are novel to the pharmaceutical industry. Having unparalleled solutions in our portfolio allows us to advance ground-breaking scientific discoveries.

However, listening to customers is also a priority. Customers often desire minor modifications to their existing products or want to thoroughly understand excipient functionality and how its properties will affect their own processes. A few decades back, the focus on the excipient's contribution to the final drug's overall quality was relatively low and emphasis was given to the active pharmaceutical ingredients. Today, excipients are playing a more prominent role, and customers want to understand their functionality and how the variability of our products affect their formulation robustness. From that perspective, we continue to develop intimate knowledge of ingredient functionality to carefully modify products based on customers' specific goals.

One last point: the fundamentals in the pharmaceutical industry are quality, reliability, and consistency — that is not going to change. The higher quality you have, the better control you have of your product to provide performance consistency. And the more reliable you can be as a supplier, the better positioned you will be with customers. With IFF, our emphasis on those three criteria is — and will continue to be — remarkably strong.

*In addition to customer needs, which market trends are driving your business activities and growth?*

**D. Caceres:** As mentioned, the emphasis on quality, reliability and consistency are paramount, especially through a global pandemic. Each ingredient in medications and treatments must be scrutinized and delivered according to the highest quality and compliance standards.

There are three other important drivers for business growth. The first one is the cost-in-use of excipients.

We provide innovative offerings to ensure customers are using our excipients in the most successful, cost-effective way for large volume draws. For example, in tablet production, granulation is a time-consuming technique that can potentially result in product cross-contamination and loss — making this a costly method. Our advanced polymer portfolio enables matrix tablet manufacturing via a direct compression process, which is a less complex, more cost-effective way to produce high-quality tablets.

The second key driver is differentiation. We work closely with customers to help target specific delivery systems and develop tailored applications to succeed in a competitive market. For example, we have a number of advanced analytical capabilities at our disposal to openly collabo-

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rate with customers and assist according to their specific needs. Helping customers stand out with an effective, high-quality product is critical to expanding not only their business growth, but ours as well.

Biotechnology continues to become more relevant in pharma, and we see high potential for science-driven technology providers like us to make existing biomanufacturing processes more robust and cost-effective. There is plenty of potential in this area and we can leverage expertise from our H&B division.

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