

# IPA CONVENTION 2007

Credible India: Sustaining Competitive Advantage



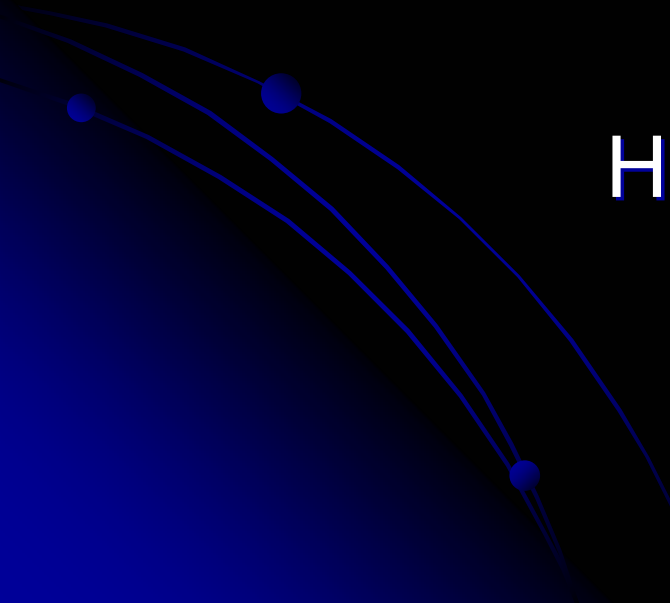
Future is Present

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# ***“Future is Present”***

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# Why am I here today?

I thought the invitation meant recognition of my profound knowledge of medicine in general and pharmaceuticals in particular.

I actually know what is:-

Antibody:

Bacteria:

Cardiology:

Coma:

Secretion:

Tablet:

Genes:

# Overview

- 💧 Pharma industry – growth perspective
- 💧 Enablers of growth
- 💧 How do we gear up **TODAY** to create talent pool for **TOMORROW**?
  - Need to innovate
  - Alternate strategies
  - Focus on NEXT PRACTICES

# Emerging growth perspective of Indian Pharma Industry

- Today at \$6.3 billion – will reach \$20 billion by 2015, becoming one of the world's top 10 markets
- Growth rate expected to be third largest globally

Source: McKinsey & Company's latest report

# Growth enablers

- Our manufacturing costs are one of the lowest in the world.
- With a scalable labor force, Indian manufactures can produce drugs at 40% to 50% of the cost to the rest of the world. In some cases, this cost is as low as 90%.
- Indian pharmaceutical industry possesses excellent chemistry and process reengineering skills. The strength in chemistry skill will help Indian companies to develop processes, which are cost effective.
- Our growing population can lead to increasingly skilled workforce deployable both in R&D and manufacturing.
- In contrast: Working population of the Western world is falling.

# Growth enablers

## 💧 Outsourcing:

- Being the lowest cost producer combined with FDA approved plants, Indian companies can become a global outsourcing hub for pharmaceutical products.
- Given the constraints on human resources, economic growth in the West can no longer come from putting more resources to work – therefore, they will outsource.

- 💧 Research suggests that the science and engineering streams are more popular with university students in emerging countries than they are with those in the Western world. In other words, although the West has a quantitative lead over emerging countries in terms of access to higher education, countries such as India will ultimately provide a better source of expertise in the scientific fields so crucial to Pharma.



**But do we have TALENT POOL  
to meet the growth  
requirements?**

# What do we see around us?

- Organisations are **struggling to find right resources** even at today's requirement levels
- Large scale **war for talent** has led to **poaching** that is reflected in high **employee attrition**
- We have enough **university graduates** – but are they all **employable**?
  - Are educational institutions customer focused?
- If we are **talent starved today**, how can we even think of tomorrow's growth!

# What has been our traditional talent strategy?

- 💧 Tap the obvious
  - Focus on graduates with relevant qualifications mainly from cities and towns
  - Poach from the competition
  - Work within geographical confines
- 💧 Conventional org structures
  - Pyramids
  - Multi-layered
  - Specialization centric
- 💧 Stress on individual excellence
  - People reliance versus process reliance
  - Scalability issues
- 💧 Culture
  - Aligned to hierarchical reporting
  - Supervision versus empowerment
  - Mutual learning versus telling
  - Growth is equal to promotion!

**Create *INNOVATIVE***  
***ways to broaden talent***  
***pool***

**PARADIGM SHIFT**

***"Autumn is a second spring when every leaf is a flower" - Albert Camus***

And we need to innovate **TODAY** because...

***FUTURE is PRESENT***

“A journey of a thousand leagues begins with a single step” - Confucius

# Why innovate?

- High aspirations, low resources a necessary motivation for innovation
- Imagination constraints versus resource constraints
- If we want to create a new India, we have to imagine that new India first, and then we have to fold the future in – strategy is about folding the future in, not extrapolating the past
- What got you **here** will not get you **there**

- C K Pralhad

“Doing the same things with an expectation of getting different results is other way of defining insanity”

- Einstein

# Key areas for innovation

- ◆ Shift from people reliance to process reliance – achieve scalability, organizational consistency, structured framework of maturity
- ◆ Delayer the organisation – is pyramid so sacrosanct...why not diamond?
- ◆ Deploy talent segmentation – different strokes for different folks.
- ◆ Encourage Learning Organisations.
- ◆ Create flexible organisations – Keep the core and contract out the periphery. e.g. PPO, BPO, KPO etc.
- ◆ Leverage technology – e-learning opportunities, information based decision making, traveling versus video-conferencing etc.
- ◆ Coach, don't poach
- ◆ Create multi-skilled people, not specialists in one area; build teams and rotate them, facilitate learning centers – pool of multi-faceted generalists – every position in the organisation does not require a specialist and every growth opportunity does not mean a vertical growth, lateral growth is equally real

# Key areas for innovation

- Catch them young: Work with educational institutions to enhance employability of students – sure-shot way to expand talent employability. Leakages lead to educated unemployment – a national wastage!
- Identify pool of people who can be deployed with some amount of effort – start working on today's unemployable population by providing them additional help – communication skills, industry exposure, explore 'bridge education' to help them transfer their insufficient academic education into highly usable skills STATISTICS
- Penetrate in the non-conventional talent segments e.g. part-time employees, house wives or in general women employees STATISTICS
- Broaden our search beyond the geographies that are in direct line of sight
- 'Talent' is a key business resource. Tomorrow's employees will expect more and DIFFERENT benefits from today. Understanding and responding to the differential needs of the employees will be vital.

# Summary

*FUTURE is PRESENT now and therefore we have to start folding it into our strategy NOW !*

People are going to remain at the center stage of this excitement and hence our strategies should center around them

The journey will be tough, sometimes risky and certainly interesting but not taking it, will anyway not lead us anywhere. As someone has aptly said, “ You can’t win a game that you didn’t even play”

*"Shoot for the moon. Even if you miss, you'll land among the stars" - Les Brown*

***“You have got to stay ahead of the game  
to be able to stay in it” – Kate Moss***

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**Thank You**