



## Life Sciences in India: Reaching New Heights

In November 2008, Korn/Ferry International held an executive forum in New Delhi to discuss the challenges and opportunities for life sciences companies in India, including how to quickly crystallise global trends and adopt best practices. This paper summarises the key discussion points as well as views from panellists comprising top executives from local and multinational pharmaceutical organisations. The panel was moderated by Mr. Jay Kizer, Global Managing Director of Korn/Ferry International's Life Sciences practice.

### A Landscape of Challenges and Opportunity

There is no doubt that the beginning of the Product Patent Era in 2005 led to a renaissance of the pharmaceutical industry in India. Leading Indian pharma majors began placing greater emphasis on research and development while MNCs returned to the fold with ambitious plans to build market share and brand presence.

Four years on, the biggest challenge remains one of talent management. Rapid growth and acquisitions have led to a shortfall in competencies and available resources, while simultaneously creating greater complexity in blending and integrating different global cultures.

Active hiring raises the secondary issue of aligning employees to the overall brand, vision and common goal of the organisation while mergers and acquisitions lead to concerns on integration of processes and culture fit. Dr. Satish Kulkarni, MD and CEO of Fresenius, noted that inter-cultural change management - taking local cultural issues into consideration while trying to incorporate global management practices - remains the biggest challenge to date.

Echoing the point, Mr. Daljit Singh, President-Strategy and OD of Fortis Healthcare said the issue of culture development occupies the minds of senior management throughout the day. "Our company has grown rapidly from 400 employees to over 8,000 within a few years. How does one develop a culture, a culture of service, of working in teams, about maintaining individual identities and delivering on it?"

**"There is a lot of enthusiasm and talented people [in the industry] but there is also a huge competency bubble that has been created because of rapid growth. As leaders, we have to manage this bubble and gradually imbed the skills so that in the long run you have a leadership team that can take the company to the next level."**

**Raj Airey, General Manager of Baxter India**

### Top Talent Management Challenges

- **Talent Availability – Developing leadership for the future and ensuring supply is able to fuel the growth**
- **Creating Sufficient Bandwidth – Ensuring there is sufficient work to meet the demand for talent**
- **Team Alignment – Aligning people and companies to an overall vision and goal amidst globalising business models**
- **Execution Ability – Continuous learning and new efficiencies**
- **Culture – Understanding cultural issues and culture development**

### A Better Tomorrow

Amidst this backdrop of acute talent shortage, what do companies need to do to achieve their goals? Engaging employees is definitely key. According to Dr. Naveen Rao, Medical Director of MSD Pharmaceuticals, "I read that there are three key points to ensure employees give more than a 100 percent at work; namely they need to have a shared purpose, need to feel good about what they're doing and lastly, have to know that tomorrow will be better."

“What we are doing in those three areas is to ensure that all our 60,000 employees are aware of our mission; to put patients first. So a shared purpose comes easier to us in the healthcare industry. If you talk about feeling good, our research-driven innovative products help improve and save lives so that makes us feel good at the end of the day. But the most important thing is to paint a better picture of tomorrow. We articulate a very clear mission and vision in India, which includes being a market leader, partner and employer of choice and have stayed true to those ambitions.”

**“The biggest challenge is availability of talent; India requires about 100,000 doctors per annum in the foreseeable future whereas just over 30,000 new physicians graduate annually.”**

**Daljit Singh, President-Strategy and OD of Fortis Healthcare**

Another key to ensuring success is finding a foothold on the global stage. The industry’s traditional focus on generics and ‘reverse engineering’ in India has limited the amount of innovation and research and development done there. However, with the expansion of its patent protection system, India is slowly gaining a reputation as a R&D hotspot and global competence centre for Western companies.

Having built an image as the “cheapest producer by launching many products,” the goal now is to make strategic investments in the areas of technology, sales and marketing to develop brands and provide services to customers that will ultimately enable the country to move further up the global value chain.

**“The world is shrinking with the exchange of products, services, currencies and people. We built the industry to meet our initial needs but we have to change the image of the country. We have to learn how to globalise our technologies. Ethics, talent, management and of course, investment is required.”**

**Dr J.M. Khanna, Executive Director and President, Life Sciences, Jubilant Organosys**

### **Taking India to the rest of the world**

Indian pharma companies are well-poised to make their mark on the world. In these turbulent times, the sector has shown comparative resilience as the domestic pharma market continues to experience healthy growth and demand for generic medicines in international markets continues to rise.

The growing incidence of lifestyle diseases, a large market of untapped customers, rising disposable incomes, greater penetration of health insurance and expanding medical infrastructure will continue to foster growth in the domestic Indian pharma market and fuel the R&D imperative. In addition, the country’s intellectual and scientific talent is second to none while the U.S. and MNCs continue to be attracted to the market from an innovation and outsourcing standpoint.

The most pressing imperative remains the need to address significant talent gaps. Finding suitable people and creating a strong pipeline of talent who can take on new and future challenges, is the only way India can keep its competitive advantage over the next decade and capitalise on global opportunities.

Drivers of Growth	Challenges
<ul style="list-style-type: none"> <li>• Demographics and Affordability</li> <li>• Patented Regime</li> <li>• Innovation in terms of market development e.g. diabetes and heart disease</li> <li>• Growth in healthcare and insurance services</li> <li>• R&amp;D and Outsourcing</li> </ul>	<ul style="list-style-type: none"> <li>• The War for Talent</li> <li>• Infrastructure</li> <li>• Ambiguous policies</li> <li>• Inward looking mindset</li> <li>• Government investment in healthcare</li> <li>• Funding and investment</li> </ul>

**“I see some of the greatest opportunities for India moving towards this global mentality, growing from reverse engineering to innovation. I really think that the intellectual talent is here, the opportunities are here to be grabbed, and the workforce will spur this country to really become a world leader over time.”**

**Jay Kizer, Global Managing Director of Korn/Ferry International’s Life Sciences practice**

### **About Korn/Ferry International in India**

With more than 90 offices in 40 countries, Korn/Ferry International (Korn/Ferry) is a premier global provider of talent management solutions and has been ranked the number one executive search firm in the world for the past three years. Headquartered in Los Angeles, the Firm has operated in India since 1995, and currently has offices in Bangalore, Gurgaon and Mumbai, from which it serves its extensive client base nationwide. For more information on Korn/Ferry’s Life Sciences practice in India, please contact Madhav Sharan at madhav.sharan@kornferry.com or visit [www.kornferryasia.com](http://www.kornferryasia.com).

**Bangalore** +91 80 4019 8282  
**Gurgaon** +91 12 4432 1000  
**Mumbai** +91 22 6651 5959