

Life Sciences

Pharma India 2030

Trends and Talent
Executive Insights



Amrop India

Leaders For What's Next

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Overview

India's pharmaceutical industry is at a crossroads. Over the last few years, growth rate in Rupee terms has decelerated to mid-single digits. The rate of introduction of new products has also undergone a marked slowdown. Meanwhile, whilst volume growth is also slowing slightly, it continues to be reasonably robust.

Conventional go-to-market (GTM) models are being disrupted and the mode of interfacing with customers is changing dramatically, driven by market shifts and tech trends. For pharma players, greater adaptability and flexibility will be the key to success in this dynamic environment.

India's pharma leaders are only too aware that they'll need to proactively respond to remain competitive.

This means re-evaluating business models — product offerings, channel mix and engagement with patients. However, the industry talent pool has not evolved in line with the changing industry dynamics and disruption, leading to a mismatch between talent availability and capability requirements. What can we do to address this?

Views from the round table.

To unpack the views of industry and senior HR leaders, Amrop India organized a Focus Group Meeting to discuss key trends in the Pharma industry and their implications on talent capability and the needs of hiring organizations. This paper captures key inputs from the round table discussion.

We sincerely thank all the participants who shared their views on the future of the Indian Pharma industry. A special word of thanks to Mr. A Vaidheesh (VP-South Asia & MD GSK Pharmaceuticals and President of OPPI) and Mr. Bhasker V Iyer (Operating Partner, Advent International) for their guidance in conceptualizing this meeting.

We also thank the Organization of Pharmaceutical Producers of India (OPPI), Indian Pharmaceutical Alliance (IPA) and the Indian Drug Manufacturers' Association (IDMA) for their support.

Round Table Participants

1. **Mr Bhasker V Iyer**, Advent International (Moderator)
2. **Mr Sanjay Banerjee**, Amrop India (Moderator)
3. **Mr Abhay Srivastava**, Cipla
4. **Mr Anandh Balasundaram**, Menarini Pharmaceuticals
5. **Mr Anil Matai**, Zydus Cadila
6. **Mr Ashok Bhattacharya**, Takeda Pharmaceuticals
7. **Ms Emrana Sheikh**, Johnson & Johnson
8. **Mr Kanish Malik**, Glenmark Pharmaceuticals
9. **Ms Meenakshi Priyam**, GSK Pharmaceuticals
10. **Ms Preety Kumar**, Amrop India
11. **Mr Sanjay Srivastava**, Boehringer Ingelheim
12. **Mr Sharad Tyagi**, Boehringer Ingelheim
13. **Mr Sudarshan Jain**, Indian Pharmaceutical Alliance (IPA)
14. **Mr Tushar Joshi**, RPG Lifesciences
15. **Mr Vipin Paulose**, Glenmark Pharmaceuticals



Executive Summary

Key Trends in the Pharma Industry

- 1. Changing Government and Regulatory Landscape** – As healthcare becomes an important policy agenda item, working effectively with the government will shape the future of the sector. Tightening of policy and faster regulatory approvals are increasing competition, requiring companies to be right 'first time'. With increased vigilance from regulators, a focus on quality assurance and control has become even more critical.
- 2. Shifting Industry Dynamics** – The industry is witnessing a series of changes: a shift from "Make in India" to "Develop in India", increased globalization, rural markets gaining attention, a focus on value addition versus pricing, and change from a competitive to collaborative mind-set with the merging of sectors, especially Medical Devices, Pharmaceuticals and Disposables.
- 3. Emergence of New GTM Models** – Pharma organizations are evolving along the lines of FMCG/Consumer players: managing multiple channels and consumers is becoming increasingly critical. The rising role of pharmacists vs. physicians, and patient empowerment are drivers.
- 4. Digital - Backbone of Transformation** – Digitization will be instrumental in reshaping the sector and integrating the ecosystem. To remain competitive, companies need to demonstrate agility in responding to the changing relationship dynamics triggered by new digital players, and invest in data and analytics capabilities.

Talent & Capabilities

- 5. Evolution of Existing Skills & Capabilities** – Skills and capabilities in existing functions need to be upgraded to respond to market shifts. Cost leadership will be a core competence in focus across functions. Next level skills need to be built into key account management, sales and relationship building, quality assurance and control, etc.
- 6. Adapting to New Emerging Skills** - To remain competitive and relevant in the changing environment, organizations must realign their workforce to new growth models and emerging skills especially in the areas of digital and advanced analytics, and market access.
- 7. Developing a Talent Pipeline for the Future** – Companies will need to focus on importing talent from outside the industry across levels, setting them up for success. Investment in brand building and the Employee Value Proposition will be important to improve the industry's attractiveness and attract and retain talent from other sectors.
- 8. Investment in Training and Capacity Building** - The ongoing market disruption has fuelled demand for new skillsets and changed expectations from the workforce. A focus on reskilling existing employees through Learning and Development initiatives geared towards future skill requirements will be essential.

Key Trends in the Pharma Industry

Changing Government and Regulatory Landscape

1. Healthcare – Centre of the Government Agenda

Healthcare is an increasingly important policy agenda item for the government, with a significant increase in healthcare budgets. Going forward, working effectively with the government will shape the future of the sector. The industry needs to display greater consciousness of the needs of the government and society than before. Companies will be required to focus on evolving Public Private Partnerships (PPP) models to participate in more government and public driven healthcare programs.

2. Greater Vigilance from Regulators

With increased vigilance from regulators, a focus on quality assurance and control has become even more critical, especially for players catering to developed markets. One of the key challenges facing the pharma industry is compliance. For sustainable growth, companies need to work in a more compliant and ethical way, with greater transparency in operations and customer interactions.

3. Tightening of Policy and Faster Regulatory Approvals

Market competition is intensifying due to faster regulatory approvals. This requires companies to be right 'first time' and build deeper capabilities around understanding of sciences in house. Moreover, with the tightening of policy, the cost of failing is very high and companies need to focus on risk management.

“Government is a key stakeholder for the sector that influences how healthcare delivery will evolve. How we work with the government will help shape the industry.”

Sudarshan Jain
Indian Pharmaceutical Alliance



Shifting Industry Dynamics

1. Shift from “Make in India” to “Develop in India”

The industry’s focus is shifting from “Make in India” to “Develop in India”. Going forward, New Product Development and Innovation capabilities will be crucial for driving growth. Pharma companies need to cater to the needs of Indian disease profiles and focus on the discovery of new treatment options, since research in some of these areas has not so far attracted proportionate attention.

2. Increasing Wave of Globalization

Globalization has been a key industry trend for the past several years. Ever more global leaders are coming to India - and vice versa. Today, Indian pharma players have a footprint in more than 200 countries, which is expected to increase further. As globalization intensifies, the depth and breadth of market penetration will increase with companies operating on a broader canvas.

3. Rural Markets Gaining Attention

Currently, while around 70% of the Indian population resides in rural areas, the provision of Healthcare services is inversely skewed towards urban areas - at around 70%. Moving forward, both rural and urban markets will become important and Pharma companies will need to focus on the development of channel infrastructure to reach smaller cities and rural markets.

4. Changing Mind-set – Collaborative vs Competitive

The industry is witnessing the harmonization and merging of sectors, especially Pharmaceuticals, Medical Devices and Disposables. Going forward, players will need a more collaborative and adaptive approach. Connectivity with the wider ecosystem across the value chain, such as with hospitals and distributors will be critical for growth and success.

5. Shift in Focus – From Pricing to Value Addition

Pricing sensitivity is a key point of convergence between domestic and global markets. Value for money is increasingly critical. In order to maintain a competitive edge, companies need to focus more on ‘value generation’ than plain vanilla pricing. This will be increasingly driven by health economics models.

6. Greater Focus on Cost Optimization and Cost Management

Industry players will need to operate with a cost-optimization mind-set, with keen management of both manufacturing and sales/marketing spend. There is considerable scope for companies to develop cost transformation initiatives, especially when required to cater to various government schemes such as Ayushman Bharat and Jan Aushadhi Yojana.

“The industry needs a shift in mind-set from competitive to collaborative – collaboration with diagnostics, hospitals and distributors. This will be a critical factor for success in the future.”

Ashok Bhattacharya
Takeda Pharmaceuticals

Emergence of New Go-To-Market Models

1. Shift in Decision Making – From Physicians to Pharmacists

Today, traders/pharmacists play a greater role in influencing purchasing decisions as compared to the once-predominant role of physicians. Consequently, Medical Representative (MR)-based distribution models are getting disrupted. Players are re-evaluating traditional MR models and their impact on current systems and processes.

The traditional role of an MR as the communicator of marketing content is also losing relevance and the expectations from the role have changed considerably. Today, an MR is expected to possess skills across Sales, Medical Knowledge and Relationship Building. However, it is becoming difficult to find talented professionals that singly master all of these.

2. Empowered Patients Driving Consumerization

The industry is becoming more consumer-driven. Patients and family members are more empowered and better informed. They ask a lot of questions of physicians, retailers and pharmaceutical organizations. In response, pharmaceutical organizations are evolving along the lines of FMCG/Consumer organizations, wherein managing multiple channels and consumers is becoming increasingly important. This will be driven by both push and pull strategies.

The industry will witness adiversification of portfolio mix with increased focus on the OTC segment. Acquiring capabilities and talent for this segment will be important. We expect a rising import of talent from other sectors, such as FMCG.

3. Evolution of New Channels along with Existing Trade Channels

The historical power of trade channels (especially of the organized bodies) continues, with their increasing role in influencing purchase decisions. However, e-pharmacies have also registered strong growth in recent years. They are becoming an important segment of distribution channels, eroding the relative strength of conventional channels. Players need to build capabilities relevant for both existing channels and evolving newer channels. Managing multiple channels effectively will be vital to stay relevant and ahead of the curve.

4. Focus on Innovation Even as Branded Generics Continue to Dominate

India has traditionally been a branded generics market with a large number of established players and high competition intensity. We are seeing an influx of entrants in this segment. Going forward, while the overall focus on branded generics will continue, the model and game will change. Patented products and innovation will play a more prominent role. A more comprehensive and integrated approach will be required to compete in this segment.

“We are seeing a rise in the power of trade channels. E-pharmacies are coming up and taking away trade. Companies need to start building for this shift to stay ahead of the curve.”

Meenakshi Priyam
GSK Pharmaceuticals

Digital Disruption

1. New Digital Players Disrupting the Industry

Technology and Digital have formed a disruptive force in the pharma sector, affecting the way healthcare is delivered and how patients interact with players. With the influx of new digital start-ups, existing relationships are being redefined as new partnerships are being built. There is a diminishing role for traditional intermediaries as digital apps allow direct access and engagement with patients.

These disruptions offer an opportunity for collaboration between pharma and digital players. New entrants such as Practo, NetMeds and 1mg are already focusing on building new partnerships and converging healthcare/pharma and digital ecosystems. This trend will accelerate in coming years.

2. Digital will be the Backbone of Transformation

Historically, Pharma has been something of a laggard in the digital space compared to other sectors such as FMCG. However, the rate of adoption will pick up speed going forward. Digitization will be instrumental in reshaping the sector and in integrating the ecosystem. Consequently, the pace of change of the industry will be dramatically different. To remain competitive, companies will need to demonstrate agility in responding to changes and invest in building new age capabilities. Some players have already started taking steps in this direction.

3. Leveraging Data & Analytics to Build Competitive Advantage

Industry players will need to focus on developing new products and solutions by integrating science and innovation with data insights. Analytics will thus play an important role in driving efficiencies and productivity. Investing in advanced analytics capabilities will be essential in ensuring successful outcomes.



“Industry players need to focus on leveraging data to fulfil the healthcare needs of today and tomorrow, and developing new solutions that integrate science and innovation with data insights.”

Emrana Sheikh
Johnson & Johnson

Talent and Capabilities

While the market landscape has transformed substantially, talent available within the industry has not kept pace. This, combined with the traditional inward-looking nature of the industry, has contributed to talent shortfalls. To remain competitive and relevant in this changing environment, organizations must align their workforce to new growth models and emerging skills. They will have to devise a strategy for addressing skills and capability gaps and be proactive in developing a talent pipeline. This will require Pharma companies to strike a balance between hiring from other sectors and focusing on the training and development of existing employees.

Addressing Talent Gaps

1. Existing Functions and Evolution of Skills

- **Sales and Relationship Building** – MR role is evolving with the need to adapt to new digital tools and technology to engage with doctors. The traditional metric of “call average” will be replaced by “quality of calls”. Unlike the past, where focus on salesforce recruitment has been ‘numbers-driven’, quality of hire will be more important.
- **R&D and Innovation** - The pace of drug development and delivery mechanisms will have to accelerate. Therefore, the skill-sets required will be more complex. Cultivating and retaining talent with capabilities across Formulations R&D, Process R&D and Basic Research for New Drug Discovery will be crucial. Companies need to focus on strengthening capabilities in genomics, immunology, bioinformatics and clinical pharmacology.
- **Brand Management** - More focus has to be placed on enhancing physicians’ experience of the brand (especially the corporate brand) as well as life cycle experience, versus plain vanilla content management. Engagement driven by knowledge of customers will be critical.
- **Strategic Key Account Management** - Skills such as commercial acumen enabling strategic pricing, negotiation, the ability to engage and influence key accounts and build customer loyalty will become critical.
- **Manufacturing Operations & Supply Chain** – Capabilities in creating and operating lean, agile manufacturing and supply chain systems will gain increasing focus. Cost leadership will be an additional core competence.
- **Regulatory Affairs** - Regulatory is vital across all stages - from drug development to product lifecycle. In such a dynamic environment, there is a need for a unique mix of scientific, legal and corporate functional domain knowledge among professionals. Skills in building key and strategic relationships with government regulatory organizations will be sought-after.
- **Quality Assurance and Control** – Expertise in developed market regulatory systems and procedures will be important. Capabilities across regulatory remediation and change management will be increasingly in demand.

“Cost Leadership will be a core capability in focus across functions. Companies will need to effectively manage costs at both manufacturing and sales & marketing levels.”

- Sharad Tyagi
Boehringer Ingelheim

2. Emergence of New Functions and Related Skills

- **Digital and Advanced Analytics** - Digital talent availability is currently limited. A focus on building capabilities across Digital Marketing, Analytics, Internet of Things, Machine Learning, Digital GTM Sales and Distribution Models will be essential. Business professionals must become fluent in the language of technology. The sector can learn from sectors such as FMCG and E-commerce, which have been early movers. The pace of digital adoption will be a key determinant for future success. Tech-savvy Boards will be an added advantage.
- **Market Access** - Skills in market access are still emergent in India. Companies need to build strong capabilities and expertise in PPP and Health Economics models. Leveraging global talent from other markets with relevant experience will supplement successful GTM efforts.

Table 1: Evolving and New Skills in Demand

Existing Functions and Evolution of Skills	
Sales & Relationship Building	<ul style="list-style-type: none"> • Strategic Influencing and relationship building skills • High degree of proficiency in Product and Therapy Knowledge • Dexterity in use of technology in sales & business development process
R&D and Innovation	<ul style="list-style-type: none"> • Domain Research Expertise & experience of Level 9 and above e.g., Specialty Pharma, Genomics • Integration of Data Science & Analytics in the R&D and Innovation Process
Brand Management	<ul style="list-style-type: none"> • Expertise in Brand Lifecycle Management and Consumer Behavior Insights • Integration of data science and analytics in developing market/consumer insights • Deeper insights into Product and Therapy areas
Key Account Management	<ul style="list-style-type: none"> • Ability to engage and influence key accounts and build customer loyalty • Proficiency in Product/Therapy areas and detailed knowledge of Customer Account • Commercial acumen enabling strategic pricing and strong negotiation capabilities
Manufacturing & Supply Chain	<ul style="list-style-type: none"> • Knowledge of Lean Manufacturing, Validation and Supply Chain Engineering • Integrated planning, smart warehousing, procurement 4.0 & supply chain analytics • Understanding of specific manufacturing process vs. general manufacturing knowledge
Regulatory Affairs	<ul style="list-style-type: none"> • Proficiency and experience in regulatory systems of developed markets • Strategic Influencing and relationship building skills • Familiarity with technological innovation - digitization, AI, Machine Learning
Quality Assurance	<ul style="list-style-type: none"> • Quality Engineering • Proficiency and experience in regulatory systems of developed markets • Skills in Data Analytics and Statistics
Emergence of New Functions and Related Skills	
Digital & Advanced Analytics	<ul style="list-style-type: none"> • Technology skills relevant for digital platforms and omni-channel approach • Strong understanding of business requirements • Data Science & Analytics, Machine Learning/Deep Learning, IOT • AI for customer Experience, Intelligent Process Automation
Market Access	<ul style="list-style-type: none"> • Health Economics Knowledge & experience • Knowledge & experience of Diverse Healthcare Systems • Public Private Partnership Experience

Developing a Talent Pipeline for the Future

1. Increased Focus on Attracting & Retaining Talent from Other Sectors

Traditionally, the industry has had a 'recruitment mind-set' for filling vacancies. Companies will need to move away from this mind-set and focus on hiring talent for future potential. The industry is already showing positive signs in this regard and has started to focus on importing talent from outside the sector, especially from those that are already ahead of the curve (FMCG, E-commerce). In our view, this trend appears to have picked up predominantly at senior management levels. This needs to trickle down across levels in the organization for overall culture/mind-set evolution.



In the past, many companies have imported external talent but have not focused adequately on creating an environment to set them up for success. This is due to a conventional outlook on the skills and experience required to succeed in various jobs. The leadership team has an important role to play in appropriately nurturing and onboarding outside talent. Overall, the industry reputation also requires a 'facelift' to be able to improve talent attraction and retention. Focus on brand building and Employee Value Proposition will be important to achieve this.

2. Investment in Training and Capacity Building

The ongoing market disruption has led to demand for new skillsets and changed expectations from the workforce. Hence, focus on reskilling existing employees and capacity building is gaining momentum. Learning and Development initiatives focused on future skill requirements will be essential. Collaboration with academia and influencing the academic agenda at grassroots level (e.g. higher education and vocational programs) will require attention from the players.



About Amrop India

Established in 1995, Amrop India is an expertise-driven leadership and organization advisory firm. We partner closely with global and Indian organizations to build their leadership talent for the future at Board and top management levels. Our leadership services include Executive Search, Board Consulting, External Succession and Talent & Organization Advisory. All our services are built on the philosophy of Trusted Advisorship.

Amrop India is part of Amrop, one of the one of the world's largest global networks of executive search firms, with presence in 47 countries. Our strong global network connects clients and candidates to a wealth of knowledge and expertise.

About the Amrop India Life Sciences Practice

We offer dedicated expertise in executive search and talent management to secure Leaders For What's Next in the industry. We deliver solutions in the following sub-sectors:

- Pharmaceuticals and Biotechnology
- Medical Technology – Equipments, Devices & Disposables, Diagnostics
- Hospitals and Healthcare Services
- Private Equity and Early Stage Companies

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