

InterlinkInsight

Perspective For Business Performance

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NEW
NORMAL
WAYS

FROM THE PUBLISHER'S DESK



Dear Readers,

Precovid-Covid-Postcovid-Next wave is making life uncertain and perhaps for the first time in India, we are understanding the value of human life.

Alongside, we are also understanding the importance of micronutrients, nutraceuticals, essential dependence on IT, and the requirement of keeping ourselves safe through sanitization.

Let us look at what is happening at the individual level and also at the organizational level where we are faced with challenges of the new sales model and also major dilemmas of Human Resources.

It's clear that we need to think fresh, not only to manage the domestic market but reach out to international markets which have potential.

Silver lining for the Indian industry is the Production Linked Incentive (PLI) scheme for Active Pharmaceutical Ingredients (APIs). It's an opportunity and also an excellent strategy during this post covid period.

As we have to also look at diverse trends of our industry which guide us to take a path, you will find the cover article is commenting upon that.

As all of us now understand that uncertainty is the environment and creativity as well as reflecting and responding to the situation is essential, in this issue you will find all that I mentioned above.

Hope you enjoy reading...

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CONTENTS



On the Cover

Diversified Health Trends.....	02
--------------------------------	----



Industry Related Perspective

Rural Outreach.....	09
New Normal Pharma Sales Model.....	15
Consumer Needs from Nutraceuticals.....	23
New Future of Micro Nutrients.....	28
Essentials for Life-Sanitization.....	32



Management and Markets

Business Mapping of LATAM Countries.....	37
Resolving HR Dilemmas.....	44



Thinking Fresh

Hope of API Industry Through PLI Scheme.....	50
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Diversified Health Trends



Healthcare industry has gone through very hard time and still struggling to adjust with the current situation. With the arrival of vaccines, the ray of hope has brightened this industry to some extent. New technological innovations along with adaptation of digitalization helping the industry to recover through pandemic-induced damage. This article comments upon the major trends in healthcare 2021 which will support this recovery in 2021 and coming years.

*-By **Dr. R. B. Smarta***



This year's Indian budget has come up with good news for the healthcare sector which is well deserved by the sector owing to all the hardships it has undergone in the previous year. It's also not wrong to say that the sector is still fighting amidst pandemic and truly needs such empowerment. 137% increment in the overall healthcare budget is applaudable and at the same time necessary decision taken by the Indian government. This increased budget mostly includes some special Covid funds which will be helpful to deal with the virus in more constructive manner this time.

The following figure is a depiction of the overall healthcare budget for the year 2021-22

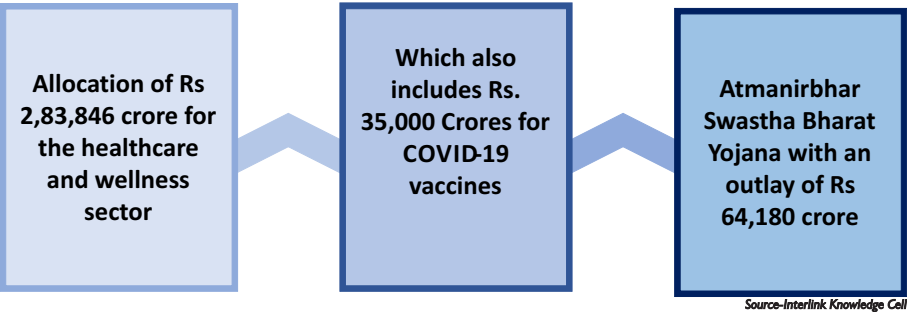


Fig. I Healthcare budget for the year 2021-22

This budget is wisely planned by keeping in mind the future consequences and challenges which our healthcare system is likely to face. These funds are going to be beneficial in constructing well-equipped primary, secondary and tertiary healthcare in the near future.

As the vaccination program being actively taking place in India, we are also one of the recognized nations in the research and development area of vaccines. In my opinion, covid vaccines will remain one of the hot topics in 2021 and while looking at the funds, we can also expect some more advancements in this space of the healthcare sector.

Looking at the whole rollercoaster of uncertainties that our healthcare system has gone through during the pandemic, I believe, following are the major eight trends in healthcare we can expect in 2021 which will create some new paths in the health sciences and wellness industry in 2021 and beyond.

Major 8 trends in Healthcare 2021

Below mentioned eight trends in healthcare industry of 2021 are expected to derive tremendous growth in FY 2021-22. These eight trends coupled with new technological advancements and research and developments will give kind of direction to entire healthcare industry to rise through challenges and uncertainties.

I. Telemedicine (Virtual care)

Owing to the pandemic-induced lockdown, people are becoming digitally savvy like never before. Digitalization is everywhere, the healthcare industry is not an exception. Reduced hospital visits and strict lockdown norms made a way for tele-appointments and telemedicine is reaching to its peak during the pandemic. Healthcare practitioners and patients are getting more and more familiar with such digital platforms and virtual consultation is on the rise.

In my opinion, 'Arogya Setu App', launched by the Indian government, is the footprint of digitalization happening in India. It's also cost-effective and patient-friendly about which most of the population of India is now aware.

Telemedicine is a priority trend that can be seen in 2021 and beyond because of the following benefits-

1. First and foremost benefit of telemedicine would be no or reduced risk of spread of communicable diseases.
2. Tele-appointment will enable patients to save on their money and precious time.
3. Medical practitioners would be able to conduct a good number of virtual visits in a day (which are going to be more as compared to personal visits per day).
3. Time-consuming and stringent sanitization procedures are skipped.
4. The gap between the rural and the urban supply of healthcare services will be minimized.
5. Burden on healthcare facilities will be reduced.
6. Real-time interaction between patients and healthcare professionals with immediate support and feedback is possible.
7. Personalized care.
8. Post-surgical care, virtual rehabilitation therapies, consultation for elderly people (those with decreased mobility), psychotherapies, etc.

Looking at such positive implications of telemedicine, healthcare practitioners and patients are likely to engage through this platform in 2021 and the years ahead.

2. Artificial Intelligence-driven Healthcare

Nowadays, Artificial Intelligence (AI) based technologies are being actively used in a number of industries. These technologies not just fasten the lengthy procedures but also predict the future consequences which help design further strategies.

The healthcare sector is actively using AI and its use is rising during the pandemic. Prediction of possible health consequences and adverse effects is easier due to AI in healthcare. Not only this but also the research, development, and discovery of new drugs and treatments are getting faster and precise.

The healthcare sector is getting more familiar with PCR, protein sequencing-like techniques due to AI-based technologies. So, some new advancements in achieving accurate diagnosis through AI-based techniques are expected in the healthcare sector in upcoming years.

Looking at all such positive impacts of AI on the healthcare industry, we can expect this trend to become a blockbuster in 2021 and the years ahead.

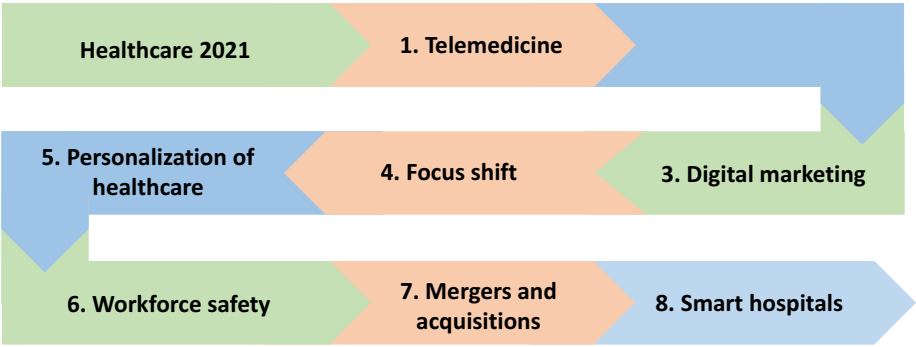
3. Digital Marketing

Owing to the surge in digitalization, every techno-savvy person is habituated towards primary internet research before making a final decision about any facilities and services. The same goes for healthcare services as well. The rise in internet surfing has resulted in the need for advancements in the traditional marketing style of healthcare facilities.

Engagement of youngsters was always high on various social media platforms, surprisingly, the old-age population is also becoming adaptive and much comfortable toward these platforms. This change is primarily due to the convenience, patient-centric technologies, and smoother and transparent procedures which are easily accessed by all age groups.

Online appointments, e-pharmacy, e-consultation are more preferred by the population making a way for the overall digital transformation of the healthcare industry.

All these digital changes happening in healthcare are responsible for the competition among various healthcare facilities. In order to dominate their presence on social media platforms, we can expect new mobile applications, web solutions, educational videos, etc by various healthcare facilities to stand out in this rat race.



Source - Interlink Knowledge cell

Fig. 2 Major 8 trends in Healthcare 2021

4. Focus shift- Curative alone to curative and preventive healthcare

The pandemic has aptly taught us the importance of preventive care and innate

immunity. Moreover, our healthcare budget of this year also emphasizes greatly on holistic well-being and immune health of the population.

Moreover, awareness of Ayush and integrated medicine is increasing amongst the population owing to the support of the Indian government towards ayurvedic and homeopathic therapies. Ayurvedic ingredients-based formulations ranging from shampoos, toothpaste, packaged juices, immunity-boosting products, nutritional supplements, cough syrups, etc are being used by a huge section of the population for past few years and it will continue to be an emerging field in the year 2021-22.

Moreover, along with preventive measures, mental health is expected to be prioritized by the government owing to the increasing cases of depression, stress, anxiety, and many other psychological effects caused during lockdown and isolation.

We can say that this focus shift from curative to preventive care would definitely boost the nutraceutical industry in years ahead and we can also expect some new advancements in the sector.

5. Personalization of healthcare

Patient satisfaction is entirely based on the active participation of the medical practitioner in the session and all the doubts are being solved efficiently. Even if the visit is virtual or in-person, personal touch is what the patient expects every time.

Owing to the surge in virtual care during the pandemic, patients are frequently experiencing this personal touch and they are becoming habituated towards it. Looking at this, we can expect the introduction of communication training programs for medical practitioners and students at various academic medical institutions soon. Such programs are necessary for medical practitioners to sustain themselves in the competitive scenario of healthcare industry.

6. Workforce safety

Healthcare professionals and the staff were the frontline warriors during the pandemic and their dedication is admirable. In 2021, these warriors are expected to be guarded with all the necessary facilities and guidelines by the Indian government. The safety and well-being of healthcare workers are the topmost priority to ensure the well-being of the entire population. The Indian government is actively looking into this issue and we can see the implications in the form of a vaccination program that is being primarily focused on the healthcare workers in the initial stages.

We can also expect some huge infrastructural transformations along with specialized protocols in hospitals and healthcare facilities. Moreover, focus on

employee sustainability, managing staff burnouts, the mental health of these healthcare workers will be a priority during these transformations in the healthcare sector.

7. Mergers and acquisitions

With the sole purpose of improving patient outcomes, different sections of the healthcare industry, life sciences companies, pharmaceutical, and nutraceutical companies, and even technology providers are expected to collaborate in large numbers in upcoming years. These collaborations will not only help joint analysis and enhancements in technology-driven functions but also will emit a sense of community in the entire healthcare and wellness industry.

8. Smart hospitals

This unique technology is one of the emerging trends in the healthcare industry. The idea of smart hospitals is invented to increase operational efficiencies combined with virtual monitoring, diagnosing, treatments, and therapies for patients.

Hospitals that are actively using high-end digital technologies are effectively automating various tasks and processes and also supporting their staff in making appropriate decisions in adverse events. Smart hospitals will enable the overall environment of the healthcare industry to improve internal and external operations.

These 8 trends will provide a perspective of few industries such as pharmaceutical, nutraceutical, hospital sector, diagnostics, and other traditional medical sectors for human and animal healthcare. Considering the strengths of each organization and the segment you are in, whether it is curative alone or curative and preventive, you can apply the right trends to your organization and plan for future growth.

At this moment considering the series of disruptions, even forecasting for the financial year 2021-22 is going to be very difficult. However, these trends will help you consolidate and grow during this financial year to look for an optimistic future of growth for this year as well as the next few years.

Having the potential to grow and looking at the influence of these growth drivers, it will be possible to look for considerable growth for healthcare sector in FY 2021-22. These trends will give a positive boost towards profitability as well as availability and accessibility in the near future.

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About Author:

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Rural Outreach



Digitalization is all over the world, number of tasks are becoming much easier and efficacious than before. Adaptation of digital technology in healthcare industry is rising and reshaping the marketing strategies to the next level. The article represents the case study highlighting the effects of social media and digitalization-induced marketing on the outreach of rural doctors.

*-By **Mr. Anurag Dalal***



Keeping rural medical practitioners abreast with the latest and in tandem with new developments without regular visits by medical representatives. Here is one case study ...

The Overview

A mid-size pharma company is facing growth and sustainability constraints due to an array of factors, internal and external. The current scenario has put a lot of strain on the existing performing manpower to compensate by generating more revenue to sustain new and upcoming headquarters as a part of the expansion strategy devised by the top management. As of date 18 – 20% of the existing sales force is generating most of the revenue. This high manpower dependency and the competition, which is a larger company with stability and innovation threatens the growth prospects of the organization which have resulted in rampant resignations that plague the administration due to the increase in performance pressure.

Coverage also seems to be a regular issue due to a high rate of missed doctor calls, skewed outstation visits, and erroneous doctor list handover with no effort for correction. This has led to almost 7 – 12% of the doctors not being met on average.

The culmination of the above factors has led to a sharp de-growth, instability and threatens the plans for further development and expansion. The top management has engaged a consultant to streamline and strategize the road ahead.

The Challenge

In a fast-paced scenario today, no one is spared from the ever-changing data dynamics and information dissipation. Only a company with the best top-of-mind awareness with its prospective customer can survive and sustain. While most pharma companies have a great people and product strategy but tend to miss out on the medium to be used to dissipate and communicate the same to the end-user.

As showed in Fig.1, physician today spends a considerable screen time with various access points such as a laptop (25% timeshare), mobile phone (53% timeshare), and even the traditional PC (an astounding 25% timeshare).

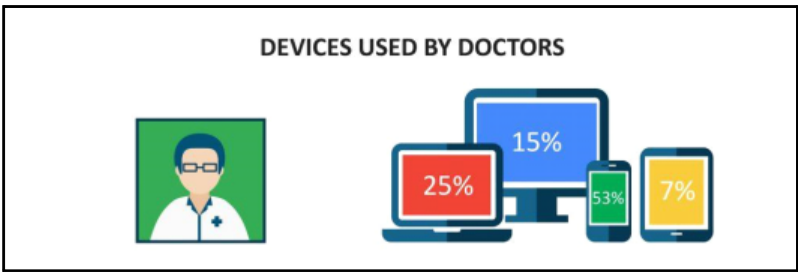


Fig. 1 Devices used by Doctors

The below data points with analytics will explain the situation faced:

A doctor spends less than 3 minutes* consulting a patient on an average in India, 45 – 60 Seconds# understanding a detailing call by a Medical Representative (MR), but on the other hand, they spend approximately 7 – 10 minutes ^ on various Social Media apps/websites.

To add to the above plight, the highest missed call rates are due to outstation doctor calls, attributing to various factors like availability, time of call, doctors schedule, and patient queue. This results in a poorly-covered list.

Target Doctors list, review, and revision, is another bottleneck, this is attributed to the dynasty-like structure for handover from one representative to another, in case of new recruitment/replacement, without any due diligence from the immediate reporting line. These lists go on unchanged for years, with no new doctor additions or deleting the unproductive doctors, which results in a concept called “Representative Meeting Fatigue (RMF)” on the targeted Medical Practitioner – which in turn results in lower than expected end results and conversions.

To sum it all up, in the current scenario of patient load, scarce time, and a 1:1700 Doctor to a Patient ratio in India* ^, things have been more and more difficult for pharmaceutical companies to garner the top of mind recall for their products via conventional promotion. The challenge is no longer the ability to adapt, but the ability to sustain and ensure scalability with growth. And while enterprises across industries are fast adapting to the change and disruptive technologies, the Indian Pharmaceutical industry is still grappling to set foot in the door.

Disruptive forces of digitization are affecting all stakeholders in the healthcare ecosystem. It is crucial for Indian pharma marketers to know the extent to which doctors have taken to digital media and how this has changed their information needs so as to modify their marketing and communications strategy accordingly. A survey administered on 12,635 Indian medical practitioners with 12 specialties (Rural Oriented) revealed some astounding results which are depicted in fig 2.

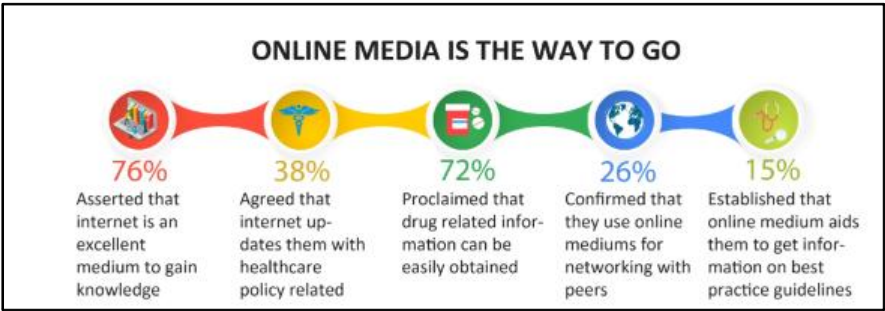


Fig. 2 Survey details of 12,635 Indian medical practitioners with 12 specialties (Rural Oriented)

The Solution

The consultant launched its proprietary programme to target and pursue the physicians. Research by ^ ^ Stanford reveals that a human brain processes AV content 60,000 times faster than text. Keeping this in mind the derivative of a 6-step engagement plan was created for Doctors with specifically curated content in mind via a social media campaign.

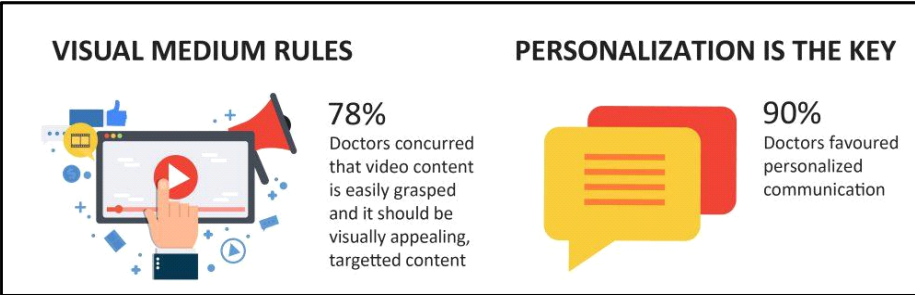


Fig.3 Personalization is the Key

In India more than 70% of physicians from the age group 35 to 60 are connected via Facebook, this gives us the advantage of targeting ads to the right audience with apt demographics as the 1st step. The audience is then moved to a micro-site for data capture, only the ones that are truly interested fill details, this is the 2nd step. The ratio of click to the database is a healthy 33%, between these steps, which is the highest by any industry standards across domains.

After the first 2 steps, the prospect physician is engaged in a high-quality value video, which is basically a snippet of the things to happen further in the programme, this is the 3rd step. A calendar scheduler to understand the programme via human interaction or machine learning is fixed after the video engagement in step 4. A good 50% chance of conversion accompanies this aspect.

Step 5 is a feedback mechanism to make the programme better via a survey with a delivery of a free workbook in tandem with the video. The most important step is the 6th where hard interaction takes place by a direct line manager or the PMT. With the rules of engagement as per the company policy and follow-ups from the respective Medical Representative.

This scenario is kept alive by a constant online presence, inbox learning, AV touchpoints, and VAS to update and upgrade the physician.

The above solution Strategizes – Engages – Sustains, the three most important steps of continuous business.

The Outcome

A Social – Digital strategy has a multiplier effect rather than cause-action or

knee-jerk reactions.

The online plan of action increased reach by 9 – 15 % in the rural markets with uncertain representation due to manpower problems and competition which eventually resulted in the addition of 7 – 10 % new doctors in the list which was never explored or added by any manager/representative for the last 5 years.

The resultant was an increase in prescriptions of the promoted product by 6-8% in the said markets plus a certain goodwill, which cannot be measured in numbers and a brand recall for the desired product line.

Eventually, this has made it easy for the organization to launch brand extensions, new strength, and for the best, opened a 2-way communication platform with Doctors.

Key Takeaway

There is no denying the rise in presence of online media for rural physicians and related medical professionals. It is imperative that we stop using social media marketing as a buzzword but rather place it at the center of our marketing strategy.

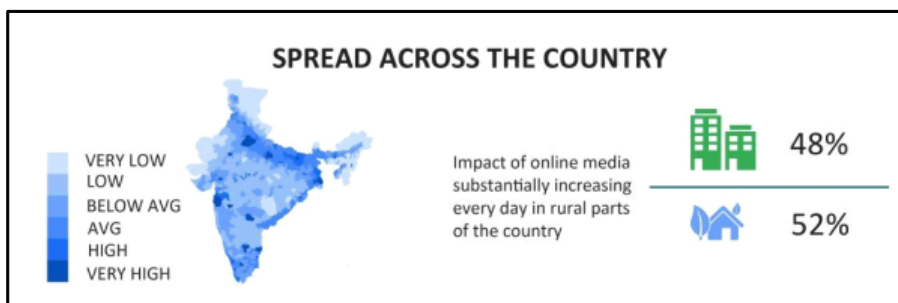


Fig.4 Spread Across the Country

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* ^ As per Indian Medical Council the current registered doctors in India are under 10 lacs

^ ^ Stanford research

-Boston Consultancy Group

^ #*Inhouse Research

About Author:

Mr. Anurag Dalal- He is a versatile corporate with strong track records across Marketing, BD and Digital streams for several International Pharmaceutical Organizations on B2B platforms in Egypt, Afghanistan and India.

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New Normal Pharma Sales Model



*As 'Personalized care' has become a new normal in healthcare during this pandemic, 'Personalized and targeted marketing' is also rooting to a greater extent in today's market scenario. This article highlights some challenges which Pharma industry is facing with traditional sales strategies while adapting the evolving version of the sales model in the Covid-19 era and how some major countries are actively advancing through this changing pharma sales model. -By **Dr. Kapeel Kapoor**.*



With Covid 19 pandemic choking off an already restricted access to key specialists, prescribers, decision-makers amongst healthcare professionals, Pharma companies in India, big and small have been forced to rethink their medical representative-based sales model. Despite some efforts to find alternative channels for communicating with targeted General Physicians (GPs) and various specialists to promote their brands (mostly branded generics), many companies are still hoping to return to the 'Normal' once the pandemic recedes. However, some factors have left a lasting impact on healthcare as a sector and some such changes may not reverse, at least fully. Moreover, the model has indeed become costly and has shown dwindling effectiveness, both in quality and impact of detailing by reps.

Challenges that the evolving Pharma sales model must accommodate

1. Restricted access to targeted prescribers

- It is becoming increasingly difficult to meet doctors with institutional practices, especially specialists associated with corporate hospitals/ hospital chains and even those in government hospitals due to ever-increasing restrictions imposed about when, where, and how many reps could meet them (if at all). OPDs and wards are mostly out of bounds for reps.
- Clinics of many consulting physicians, specialists and even leading GPs control medical reps' visits based on limited appointments on specific days or with long periodic intervals.

2. Pricing, reimbursement, and market access

- More patients are now going to corporate hospitals having centralized purchasing, tightly controlled pharmacies, and formularies besides insurance reimbursements based on strict treatment protocols. In government hospitals medicines are purchased only through tenders and physicians are forced to prescribe only generic medicines. All this is putting a sizable healthcare market now out of bounds for medical reps.
- Dedicated relationship managers, liaisons, and institutional business specialists are needed to engage multiple stakeholders. Pricing and promotion must be modulated. So, medical reps and Key Opinion Leaders (KOL) relationship managers need to play multiple yet collaborative roles.

3. Lack of new, highly differentiated products

- Too few companies do research for differentiated products (competition emerging even there via biosimilars) and with high competitive intensity in branded generics, most pharma companies need to invest more in promotional activities or events and cultivating KOLs. Hence, the emphasis is on productivity by right-sizing the sales force.

4. Omnichannel approach is needed to engage multiple stakeholders and evolving consumers

- Information hungry, convenience seeking, safety-conscious consumers have gone digital, are adopting telemedicine and online medical consults. They surf the web to understand their symptoms, diagnosis, lab reports, and prescribed treatment. Companies need to be present where the consumers are.
- Especially for nutrition supplements, wellness products, baby care, and skin-care products, cosmeceuticals etc., consumers are interacting online, sharing experiences and choices.
- Hence companies need to integrate their digital and physical representation, Podcasts, E-detailing and in-clinic detailing, digital and printed patient education material, interactive websites for an Omni channel experience for their targeted prescribers/ patients.

Carefully designed Omnichannel communication mix could support rep detailing, create new interfaces for the brands and boost the efficiency, quality as well as impact on the target audience – General Physicians, Specialists, or even patients. It can even help reach specialists and decision-makers which are not covered or to whom medical reps don't have easy access.



Fig. 1- Challenges that the evolving Pharma sales model must accommodate

5. Better targeting and engagement could maintain or grow sales even with a smaller salesforce

- With research-based insights on future Rx potential (factoring key indications, gain-loss from competing /cheaper alternatives, frequency, and length of use,

new treatment protocols etc.) along with institutional constraints (formularies, in-house pharmacy, or generics) of target Doctors (not only based on past Rx) astute companies could sustain or even grow their sales with fewer general and specialist reps overall.

- Focusing the reps on high-potential suburbs/towns/interiors/city areas and target doctors could generate higher sales growth compared to a uniform coverage and frequency of calling on all listed doctors in the entire territory. Hospitals or doctors that cost more to cover and are less productive need to be dropped from the call lists.

6. Customized detailing/ promotion/ communication works better

- Instead of a standard detailing for all target doctors, customized communication for doctors with different types of practices, attitudes, KOL status, or institutional setups coupled with matching in-clinic activities/ participation in events/ relationship-building efforts would cut through the clutter without excessive repeat calls at short intervals.

7. Using KAM for a customer-centric strategy

- Key Account Management (KAM) approach would be needed by Indian Pharma companies for corporate hospitals /chains, government institutions, Pharmacy chains, regional hospitals besides existing and emerging integrated healthcare networks. It is required to ensure a collaborative, integrated representation with customized strategy for each such institution/ network. They will need to commit more resources, and empowered relationship managers to tap this emerging market segment which is not very responsive to the traditional rep detailing-based sales model.

8. Matching the quality of representation with the profile of the target doctors

- Even for individually practicing physicians, the satisfaction with the detailing and reliability of information shared by reps has fallen. Most reps can't professionally discuss the role of their brand in disease management, adverse effects, and drug interactions; hence, physicians often ask reps to only remind their brand names. Countries like Russia allow only MBBS doctors and many African countries only qualified pharmacists to represent pharma companies. A balance of quality and numbers of representatives is sorely needed.
- The need of the hour is not only to improve the disease management knowledge, detailing skills, and professional acumen of medical reps (as well as their line managers) but also to have fewer, experienced, well trained KOL managers and disease management experts to engage the leading specialists and optimize the number of visits required.

9. Training and supporting the reps for improving field performance and reducing turnover

- Many Pharma companies have excessive staff turnover which creates

representation gaps, reduces relationship building and productivity, and increases costs. Recruiting the reps with appropriate education and acumen, paying attention to training, skill-building, and ensuring support (by line/brand managers) needed to drive field performance is critical for success. Effective representation can enhance sales and reduce costs, enabling better compensation.

10. In-clinic representation vital for establishing new therapeutic segments

- For new therapeutic categories (e.g., biologicals or even repurposed drugs) that are in a nascent stage of market development, pharma companies need to create awareness among physicians, ensure an early diagnosis, convey treatment algorithms, and promote early adoption. The quality and professionalism of reps are critical for the same.

11. Physicians now need proof of life-prolonging and QOL impact of treatment options

- Earlier medicines were considered good enough if they improved key markers of disease. Now, however, besides effectiveness, companies must communicate how their treatment options prolong survival or hasten recovery, improve QOL while avoiding disease complications and adverse effects.

12. Offering supporting or complementary services for improving the treatment outcome

- Pharma marketers need to invest in supportive services like 'patient education' to improve compliance (as done by vaccine marketers), 'diagnostics' (e.g., complementary thyroid function testing), operating support (e.g., case coverage for implants for ortho surgeons), and 'dietary and lifestyle guidance' (as for Coronary Heart Diseases (CHD), diabetes).

13. Becoming a part of the holistic treatment approach for better healthcare outcomes

- Pharma companies must consider the evolving consumer (and government) willingness to combine treatments from alternative systems of medicine (e.g., taking health or nutritional supplements, herbal or ayurvedic formulations along with allopathy) for hastening recovery, improving immunity and reducing the dose and thus the side effects of allopathic medicines.

14. Taking into account a shift towards wellness and preventive healthcare

- The pandemic has taught the government and common people the importance of immunity and preventive care. Pharma companies need to take into account the implications.

I5. Regulators monitoring sales promotion practices and expenses by Pharma companies

- Like their counterparts, Indian regulators are closely monitoring Pharma sales promotion activities. Reduction of tax benefits on promotional expenses, GST on physician samples, and stern warnings against malpractices, all indicate that in the near future brand and image building and thus marketing communications (rep detailing too) will regain importance.

I6. Like many other services, healthcare has gone digital/ online

- Not only the millennials but even the elderly people are now opting for telemedicine and online consults. Online pharmacies are forcing the retail drug stores to offer home delivery and discounts. With the healthcare consumer journey going online (at least partly) pharma marketers must engage the doctors and also the patients on these new touchpoints.
- Physicians too (for convenience and safety) are likely to shift to virtual marketing and training events in virtual settings. Abilities to host/ participate in virtual events is and using these interactions to build relationships which will require companies and sales reps to develop new skills.

Let's take a look at how the Pharma sales model is evolving in two key country markets- USA and Europe

Changes in Pharma Sales Model in the USA

Due to dwindling returns from traditional sales model based on detailing by sales representatives (as blockbusters of the past lost their patent protection and thus their profitability) and with no new big research breakthroughs, big pharma companies in the US have shed thousands of representatives from their sales force to improve the falling productivity. First to be rationalized were multiple reps overlapping or visiting the same set of specialists/ prescribers. Such overlap was modulated according to local conditions and potential by some companies. Deploying additional reps is avoided in case of falling marginal returns. Non-personal interactions (e.g., E-detailing, podcasts) are mixed and matched with rep calls.

Companies are getting selective in investing time and resources by focusing only on prescribers with high potential. Market consolidation due to the growing share of corporate healthcare institutions (with centralized decision making), aligned physicians need to follow strict protocols which may restrict the use of some therapeutic categories or brands. Furthermore, with the increasing number of clinics aligned with integrated healthcare systems, access and effectiveness of traditional reps is getting curtailed. US and European Pharma companies need specific, actionable information about the needs and constraints of key stakeholders in Physician groups. They need a customised strategy, the collaboration of retail reps and institutional /Key account managers, and an integrated approach to deliver better overall value and

engage all stakeholders in large customers. Relevance of each individual brand and the product range in totality for better treatment outcomes must be communicated by coordinated efforts.

Changes in Pharma Sales Model in Europe

In Europe too (like the USA), about one fifty of all prescribers are now affiliated with medical groups (to manage their management and liability costs) with significant resulting group influence on their prescribing behaviour thereby increasing complexity, difficulty in getting relevant prescription data, and reducing the effectiveness of detailing by sales reps. Consequently, the market share of brands being detailed gets reduced. Groups may have a few physicians having a similar practice and shared administrative functions or it may evolve into a large regional network involving practitioners with both primary care and secondary care practices, making a common strategy difficult.

Tightly integrated health systems ensure the adoption of a regulated formulary, treatment algorithms, and outcome measurement systems too. Furthermore, some groups may also be affiliated making it difficult to assess group influence on physicians and its sources. In groups with strong central control, engaging decision-makers with a business management approach (using account managers alone or in consonance with targeting by reps) might be more effective than individual physician detailing. The key difficulty remains to be a lack of actionable insights in group practices and therefore difficulty in customizing the promotion/ sales strategies. Moreover, compensating and incentivizing reps for managing institutions and medical groups needs a different set of KPAs.

Way forward

Adjusting the sales force size/coverage as per newer approaches whose potential impact is yet evolving is the calculated risk that planners must consider carefully. Pharma sales planners have to consider additional factors (besides the past Rx support, size, and type of practice) like: 'Constraints of institutional/managed care environment' on prescribers; 'speed of adoption of new treatment protocols' and preference for generics (reducing Rx for brands) to estimate the net Rx potential of a prescriber. Reps' call lists are tightly scrutinized to include only the prescribers with high net potential while reducing visits to doctors controlled by institutions/ formularies/ other payers.

Companies are customizing sales force size, approach, and customer coverage according to actual prescription potential (inversely related to prescribing restrictions for physicians). Instead of a standardized detailing for all doctors, reps are trained to modulate the message as per the type of practice, attitude, and responsiveness of prescribers.

About Author:

Dr. Kapeel Kapoor-Having worked on and contributed to growth and establishment of many a healthcare brands (Ethical prescription products as well as wellness products targeted at Consumers), me and my team help build and sustain brands with high relevance to the organisation, healthcare industry as well as the society at large. We help the brand management team find avenues of growth, whether it's a mature brand, a brand being re-positioned, a new launch or a brand which is already growing. Currently handling assignments of supporting brand management teams of leading healthcare organisations in reviving the growth of their key brands. Having conducted innumerable marketing, sales and brand management related workshops and consulting engagements, we share research and market insights, knowledge and experience to lift the sales, marketing or brand management team's performance. Being a senior industry professional and with enormous consulting experience can also contribute to Strategic Planning.





Consumer Needs from Nutraceuticals



The Indian Nutraceutical industry is experiencing enormous growth in recent times. Evolving mindsets of people is one of the major factors fuelling this growth. With increasing innovations accompanied by research and development in this area, Nutraceutical products are gaining much popularity in today's scenario, and the industry is poised to grow higher in 2021 and beyond. - By [Interlink Knowledge Cell](#).



With the arrival of second wave of Covid-19, people are now fully aware of what immunity exactly stands for. With WHO recommending herbal ways to fuel our immunities, we are now adjusting our focus toward the Nutraceutical industry in a different and modern way. The concept of preventive care rather than curative care is now establishing in the population. Amidst pandemic, immunity has become a topmost concern and consumers' reliance on Nutraceuticals has increased. This shifting consumer behaviour toward Nutrition will definitely be the story-changing script for the Indian Nutra industry in 2021.

The Nutraceuticals market is poised to grow by US\$ 180.38 billion during 2020-2024, progressing at a CAGR of almost 9% during the forecast period, according to Technavio report. Prebiotics and probiotics sector is expected to contribute maximum over the forecast period owing to the increasing usage of probiotics as a primary ingredient among a majority of food manufacturing companies.

4 areas of growth for 2021 Nutraceuticals

1. Probiotics

According to the report by knowledgesourcing.com, the Indian probiotics market is expected to grow at a CAGR of 13.56% to reach a market size of US\$ 961.856 million in 2025 from US\$ 448.456 million in 2019. This growth is fuelled by factors such as increasing consciousness for healthy living, rising awareness of preventive and natural healthcare treatments, growth in the functional food industry, growing obese population, and adoption of probiotics in paediatric healthcare. Mother dairy as a major player in probiotics followed by Amul, Danone Yakult, Nestle, Tablets India, Dr Reddy Laboratories, Unique Biotech, Zeus Biotech, etc. are expected to make a big business in 2021.

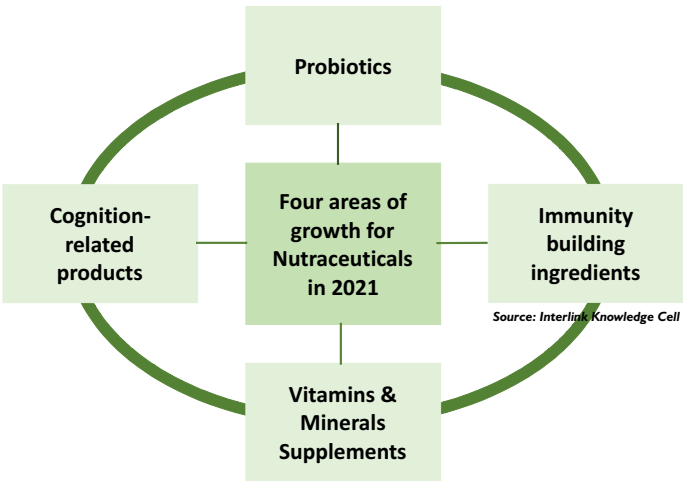


Fig. 1- Four areas of growth for Nutraceuticals in 2021

2. Immunity building ingredients

This area definitely will make a huge amount of money in 2021, as being all-equipped for any uncertainty like Covid-19 is what we have learned this year. Looking at the current situation of 'Prevention is better than cure', supplements like Amul's 'Haldi Dudh', Dabur's products like Chawanprash, Giloy Ghanvati, Amla juice, Giloy-Tulsi-Neem juice, Ashwagandha, etc. have reported strong growth and will continue to grow in upcoming years. According to reportlinker.com, the Indian immunity-boosting packaged products market is projected to reach \$347 million by FY 2026 owing to increasing consciousness and focus towards preventive health.

3. Vitamins & Minerals Supplements (VMS)

Number of new launches are taking place in this segment of the Nutraceutical market in recent years. Exposure to direct sunlight is rare because of lockdown, which might result in an increased demand for Vit. D supplements in 2021. Vit. C, B & B12 are proven to have Immunity-boosting properties that will occupy the Nutra market along with Vit. A, Multivitamin supplements and essential minerals like manganese, calcium, iron, zinc, etc. Nutraceutical gummies, which were once considered a health supplement for kids, are now making significant moves into the adult VMS category.

4. Cognition-related products

The Global Brain Health Supplements Market is anticipated to reach \$5,813 million by 2023, growing at a CAGR of 8.8% from 2017 to 2023. Nowadays, this segment is gaining popularity among many people due to the rise in willingness to enhance brain functions, a surge in the number of self-directed consumers, and increased awareness among students about brain health supplements. We can expect good business in these areas from the supplements containing ingredients like ginseng, ginkgo Biloba, curcumin, lion's mane, Bacopa Monnieri, acetyl-L-carnitine, alpha GPC, citicoline, docosahexaenoic acid (DHA), huperzine A, etc.

Looking at evolving mindsets and health consciousness in people, the contribution of the above-discussed segments will have a substantial impact on the growth of the Indian Nutra industry.

Now, let's have a look at the reasons behind people's evolving mindset toward the Nutra industry:

- In countries like U.S., China, and India, awareness regarding calorie reduction and weight loss is at the peak. These countries are expected to promote the application of Nutraceuticals and in turn, will be witnessing growth in this area.
- The growing trend among consumers to alter dietary habits as improper diet results in increased expenditure on pharmaceuticals.
- Malnutrition and undernutrition are some of the major causes which are weakening Indian's health status. The Indian government and private

stakeholders have been undertaking several measures in recent years to improve the nutritional status in the country, as a result helping the Nutra sector to grow.

- Key Nutraceutical players like Dabur, Himalaya, and Baidyanath group are showing off a rich heritage in herbal and Ayurvedic medicines of India for ages. New and increasingly dominant entrants such as Patanjali are also playing a crucial role in popularizing Ayurveda and giving the sector a boost.
- Our land has the ability to grow botanicals under very controlled conditions to meet organic and other claims, we also know how to produce superior ingredients from these botanicals and robust clinical research industry. With the abundant availability of ingredients, expert agricultural research infrastructure, and a growing number of qualified individuals in the field, India is well poised to be a leader in the Nutraceutical ingredient space.
- We are the 'Pharmacy of the world' and are well equipped to produce high-quality and low-cost generic drugs. Our manufacturing expertise and excellence hold good for the Nutra sector as well. Many of the Nutra-technologies are the same as pharma technologies, no doubt we are going to lead Nutra-manufacturing too. Low cost-high quality manufacturing will help us to highlight our identity in the finished product space.
- The rise and evolution of wellness-focused diets, such as keto and paleo, are driving food producers to cater their products in this direction.
- To reduce the risk of cardiovascular diseases and develop the quality of intestinal microflora, probiotics and omega-3 are highly used in yogurt and fish oils. This is further projected to fuel the market growth of Nutraceutical products over the coming years.
- Another major factor in propelling the growth of this sector is the 'evolving treatment protocol'. Healthcare practitioners are making Nutraceuticals part of their treatment regime to improve outcomes. Pharma-Nutrition is emerging as a vital field in our health sector.
- Busy lifestyles sometimes never let us sit and have our balanced meals, making a window for Nutraceuticals to meet our daily nutritional needs.
- Considering the side-effects of prescription drugs, and the failure of modern treatments in delivering safe results, consumers nowadays are shifting to Nutraceuticals.
- Nutraceuticals are no longer just part of a preventive and curative regimen but also are employed for losing weight, make the hair grow better, or getting glowing skin. Also combating diseases like thyroid, nail disorders, diabetes, arthritis, etc.
- A rise in disposable income, increasing consumer awareness about health issues, rapid urbanization, positive outlook towards medical nutrition owing to the increasing weight management programs, along with cardiovascular diseases, is anticipated to propel the demand for Nutraceuticals.
- Increasing costs of hospitalization and access to information have helped consumers to look at health supplements and Nutraceuticals more broadly.

Looking at all these satisfactory reasons, it's not wrong to state that the future of the Indian Nutraceutical sector in the upcoming years would be as glorious as our Pharmaceutical sector. Let's just simply rely on our royal heritage of herbal medicines to work efficiently in this field and see the magic happening.

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New Future of Micro Nutrients



Human nutrition has witnessed a paradigm shift in the last decade due to the active involvement of regulatory bodies and global agencies working towards a healthier world. Consequently, the nutraceutical and food supplements product portfolios have evolved by accommodating a good mix of herbal and natural ingredients into the formulations.

- By Dr. Syamal Ram Kishore.



The impact of Covid-19 has been pronounced with demands for Vitamins and Supplements growing rapidly to meet the pandemic's new requirement of keeping the immune system at its best. The prophylactic regimens of vitamins and minerals have inspired the development of some unique formulations and delivery systems. These products have had quick market off-take due to the pushing needs of the pandemic-driven nutritional and supplement requirements.

Future Trends

Deciphering future trends in human nutrition involves estimating the level of malnutrition and concomitant disease profile in any population. As per World Bank's report on 'Nutrition in India', India loses nearly US\$12 billion in Gross Domestic Product (GDP) to malnourishment. The report further explains that this malnutrition can be tackled by spending about US\$ 524 million annually making the cost to benefit ratio a whopping 23 times.

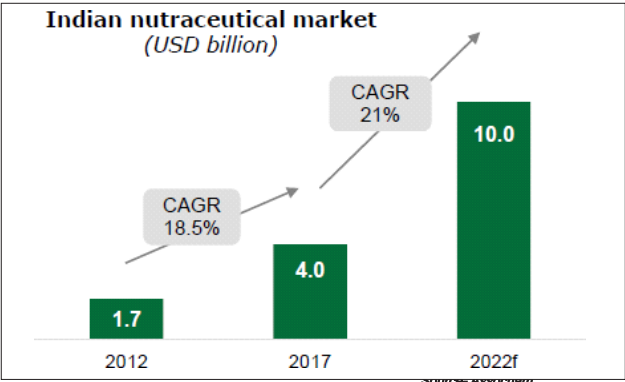


Fig. 1 Indian Nutraceutical market

This highlights those nations could be aiming to address nutrition at a global scale and look for national programs for eradicating malnutrition considering, the benefits by far outweigh the spending. Indian's ICDS (Integrated Child Development Services) is an apt example of a nation with a large population taking up nutritional programs and addressing malnutrition issues. The key determining factor in the success of such programs is the establishment of a strong regulatory and monitoring body for identifying and prescribing dietary nutritional levels.

Food Fortification for packaged food like edible oil and milk can be the next logical step to address the mass malnutrition issues effectively. To address this, India has established FSSAI (Food Safety and Standards Authority of India), which has emerged as an organization prescribing the frameworks for such food fortification initiatives and promulgating norms for mandatory fortification. Edible Oil and Milk fortification across the nation is one of the significant outcomes of the efforts of FSSAI. Furthermore, the awareness levels

are being driven up by efforts from FSSAI at the consumer level to push the fortification into the public awareness domain. FSSAI is also contributing towards increasing the awareness levels of the consumer about the importance of food fortification.

This indicates that we are likely to observe trends characterized by fortified food being a norm in the nutritional progress of any country. This could result in overcoming the malnutrition issues in most of the emerging economies leading to a healthier generation. The fortification of rice, flour, sugar, oil, and milk is now the new norm in India and several other developing countries. WHO is addressing fortification in poorer African nations through its initiatives in the distribution of micronutrient powders.

While nutrition for the masses is tackled to a certain extent by government-driven programs, the need for dietary supplements and nutraceutical products has always been there. Indian brands with herbal ingredients and vitamins sold by pharmaceutical companies existed for a long time with a good customer base. In the last decade, vitamin deficiency identification drives promoted by testing labs have increased the use of dietary supplements consisting of vitamins such as vitamin D3, E, C, and B12. This is a trend that has resulted in the development of a robust portfolio of food-grade nutraceutical formulations, which are effectively marketed through the OTC channels to Indian consumers.

Innovative trends

Supplementing vitamins, minerals, and micro-nutrients has gained a lot of importance due to the higher level of awareness about the deficiency and ease of access to the identification of such deficiency. Therefore, dietary supplements and nutraceutical consumption have increased dramatically. This has propelled many manufacturers to focus on innovative products focusing on consumer compliance, customization and lifestyles. The following are a few of the broad areas where innovative trends can be observed:

Customization and food-based nutrition: This is an innovative trend that has begun with some of the segments which include geriatric, women health, and pediatric segments. Some of the innovations have resulted in brand extensions for brands like Horlicks and Ensure.

New drug delivery methods for nutritional products: Water-based nutritional formulations like powders, dispersible formulations, drops, sprinkles, and many more have evolved to suit the needs of modern-day lifestyles. These are likely to improve further with product innovation focused on user compliance.

Sports nutrition: With a substantial population aware of wellness through sports, exercise and yoga, this is a fast-growing segment with very specific

nutritional needs. The products are aimed at delivering the right kind of supplementation to the exercise routine or sport that the customer is undertaking. Pre-exercise supplements and post exercise supplements are some of the noteworthy product categories in this segment.

Geriatric nutrition & supplementation: Nutrition for the elderly has been a challenge due to their concomitant disorders and age-related metabolic issues. There were very few products catering to the specific needs of this segment. In the recent years there have been a lot of customized formulations aimed at increasing compliance and ease of usage for senior citizens. This segment is poised to see healthy growth and more innovation in the coming days.

Lifestyle based nutrition: Micro-segmentation of the young and middle age population based on their lifestyles is now a reality. Lifestyle based nutritional products are gaining importance with the segment choosing to have a certain degree of customization based on their lifestyle.

With so much happening in the nutrition and health supplements space, companies like Hexawel Healthcare form the bedrock to propel the product development and innovation. Hexawel Healthcare and several other companies are focused on delivering vitamins stabilization solutions and pre-formulation of vitamins premixes, minerals and ingredients. At Hexawel, we focus on water soluble and stabilized forms of vitamins and minerals, which play an important role in the nutraceutical products development and manufacturing.

India's robust, and self-reliant nutraceutical and supplements manufacturing industry will need indigenous and cost-efficient supply chain of vitamins, minerals and ingredients to keep the product pipelines buzzing with innovation.

Road Ahead

With the Indian consumer looking for newer products to meet the changing lifestyles and consumption patterns, exciting times are in store for the nutraceutical industry. Adversities like Covid-19 have infused more determination into the consumers and manufacturers to live up these challenges.

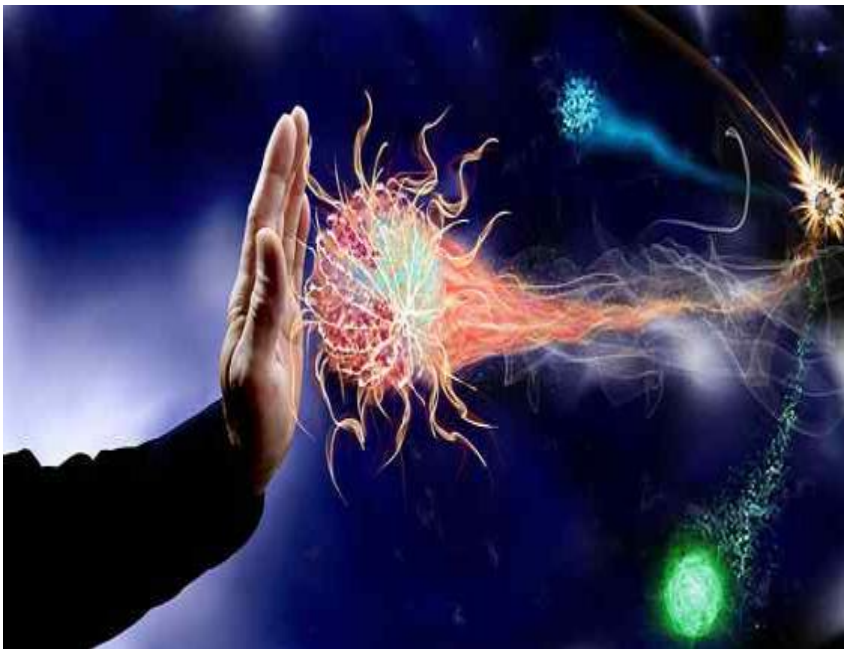
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Dr. Syamal Ram Kishore is the Co-founder of Hexawel Healthcare which is a FSSAI approved vitamins and ingredients manufacturing company located in Hyderabad, India. Hexawel works with food fortification companies and provides them solutions with stabilized forms of vitamins, minerals and nutritional ingredients. His research interests include business strategy and corporate planning.





Essentials for Life - Sanitization



*Sanitization has emerged as one of the most crucial practices after the outbreak of this terrific virus. It is not surprising to know that Indian sanitizers market is witnessing impressive growth during the current scenario. This article educates us about the journey of sanitization products toward this growth during the pandemic along with the major trends and business opportunities in this area. By **Ms. Akanksha Kudalkar**.*



The sudden outbreak of the COVID-19 pandemic caused a sharp rise in the demand for cleaning products and disinfectants across the world. Before this outbreak, the Indian sanitization market was quite dormant. However, owing to the fear and panic buying, the demand for sanitizers has skyrocketed. The sanitizer business continues to thrive and has attracted many big players and entrepreneurs. Business opportunities in sanitisation came in 3 phases – the immediate response phase, the adaptation phase, and the habituation phase. I. Immediate response phase

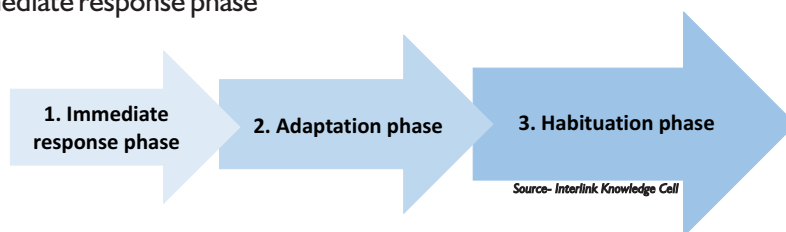


Fig. I Three phases of business opportunities in Sanitization

I. Immediate response phase

During this phase, COVID fear was at its peak. The majority of the people avoided travel, transport, or venturing out of their homes. There was stockpiling of essential goods and obsession over personal hygiene with more than 90% of the households washing their hands more often. There was a 350% increase in demand for hand sanitizers in March 2020, a 60% increase in demand for hand washes, and a 25% increase in demand for floor cleaners. In this phase, lax germ management could pose dire consequences, hence, consumers were willing to trade cost for performance. Consumers were not much interested in the brand; rather they purchased any product that did the job. In India, traditionally only 3-4 players such as HUL, Himalaya, and Reckitt Benckiser were to be seen. Now, more than a dozen companies from varied sectors have either entered or are trying to enter this market. Parle Products has come up with a 5-liter hand sanitizer pack. They plan to manufacture hand sanitizers even after COVID. This phase was very crucial where stocks of sanitizers were easily liquidated.

2. Adaptation phase

At the start of this phase, as the availability of products improved, consumers chose their preferred brands in essential categories including personal hygiene and care. There was increased penetration of digital channels for shopping and a surge of online buying of essential goods which continues today as well. Products like sanitizers and hand washes are seeing a massive penetration even in Tier 2 and 3 towns and rural areas. Companies that adapt quickly to these shifts will win big.

3. Habituation phase

Even after the vaccination is complete, personal hygiene will remain ingrained in the minds of people. The behavioural changes in the previous phases will

become habits in the long run as everyone is concerned about personal hygiene. People will adopt a preventive lifestyle and invest in brands they perceive can guarantee better health and hygiene. They will trust brands that show certified and proven results. Cleaning brands are set to become lifestyle brands as the consumers' emotional engagement with these brands is growing. The time is right to make multiple categories of products to manage germs such as hand sanitizers, surface disinfectants, foam-based formulations, gel-based formulations, etc. With the relaxation of the lockdown and gradual opening up of the economy, the approach must be to cater to different business segments such as restaurants, hospitality, corporate, manufacturing, residential as well as private vehicles. Companies must create a need to use different products based on different requirements and market them accordingly.

There are many disinfectants available in the market currently, however, very few claims to work against the novel coronavirus. This is where the opportunity lies. Companies are likely to emerge with a new class of virus-killing products in the future.

Trends

E-commerce is growing across the board in response to the pandemic and it is further accelerated by smart innovations in household products that enable their purchase. Usually, liquids in spray bottles are susceptible to spillage. Hence, we now see strong growth in concentrated surface cleaners, powdered formulations, or wipes that ensure safe shipping. E-commerce giant Amazon has also partnered with Rieke Packaging to create a trigger spray bottle that withstands the rigours of shipments. Hence, innovative formulations or packaging is another area of business opportunity.

Ayurvedic sanitizers are another important category that is catching up. Ayurvedic sanitizers are considered safe and can be used repeatedly without causing harm to the skin. They use natural ingredients. On the other hand, sanitizers containing alcohol, peroxides, and quaternary ammonium compounds may be corrosive. Dabur and Zandu are leading brands. The Government has directed the AYUSH Licensing Authorities to expedite the licensing/approval/renewal and dispose of the applications of the manufacturers within a week.

Licenses and Regulations

In light of the excessive demand for sanitizers, the Government has introduced relaxations for the sanitizer industry. Entrepreneurs, who are not having a manufacturing facility of their own, can obtain a loan license to manufacture the drug for sale. The Drugs Controller General of India has directed the state drug controllers to expedite the licensing of manufacturers of sanitizers. A few relaxation measures are also advised by the central government are as follows:

- a) Permission on account of licensing and storage of Ethyl alcohol may be

granted to the existing sanitizer industry without any quota restriction on the supply of Ethyl alcohol. Ethyl alcohol is one of the major components in the manufacturing of sanitizer

- b) Easy procurement of Ethyl alcohol so that sanitizers can be obtained by producers at reasonable prices
- c) Permissions are granted to distillery members so that they can also produce sanitizers in bulk

Business opportunities

Manufacturers of sanitizers can be broadly classified into 3 categories:

- 1) Market leaders - Reckitt Benckiser (Dettol), Hindustan Unilever (Lifebuoy), ITC (Savlon) and Himalaya (Pure Hands)
- 2) Recognized businesses of other industries taking advantage of the demand surge - Marico (Veggie Clean and Mediker), Asian Paints (Viroprotek), and Emami (BoroPlus sanitizers)
- 3) Small players - Farmacium India Pvt. Ltd. (Dr Sanitizer)

Due to the advent of newer players, the market share of market leaders had fallen to 39% in March 2020 from 85% in January 2020. Dominant players will bounce back and in the long run and gain back their market share, but not to the extent of capturing 85% which they had before the pandemic.

Companies are repurposing their production lines because in this way they can protect their workforce and keep the operations running. For example, perfume makers and distilleries are parallelly producing hand sanitizers and disinfecting alcohol. In March, the food and public distribution ministry had already permitted 45 distilleries to start manufacturing sanitizers and was likely to grant permission to about 55 more.

Smaller players will find it difficult to retain their market share in the long run as they were reaping the benefits of the surge in sanitizer demand in the initial few months. They will have to innovate and develop products and delivery systems to cater to the evolving needs of consumers. They must focus on specific areas, for example, sanitizers that disinfect the shoes. Innovations around sanitizer dispensing mechanisms will also play a crucial role.

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Ms. Akanksha Kudalkar- She has over one and a half years of experience as a healthcare analyst and has executed multi-country projects. Her work areas include primary (qualitative/ quantitative) and secondary research, market intelligence, brand perception analysis, value segmentation, new product concept testing, conjoint analysis, multi-country tracker studies, market-entry, pricing research, brand positioning, and market opportunity assessment. She brings on board the knowledge of both the core pharmaceutical industry as well as the market research and consulting industries. She holds a Master's Degree in Pharmacy (specializing in Pharmaceutics) from BITS – Pilani.





Latin America is one of the difficult markets to penetrate for foreign pharma companies. Being successful in this region requires an understanding of the region's numerous complexities. Many companies had to leave Latin America because they could not handle the local nuances such as the devaluation of currencies, economic, political, bureaucratic issues, and lack of regulations. Additionally, COVID-19 has played a spoiler. Nevertheless, it is showing consistent growth and offers ample opportunities to seize.

Pharmaceutical market size and therapy areas

The Latin America (LATAM) region has maintained constant growth during the last 5 years and will represent 7% of the global pharmaceutical market by 2023. Even before the COVID-19 pandemic, pharmaceutical companies in LATAM have been focussing on the development and commercialization of products directed to the treatment of Respiratory, Endocrine-Metabolic diseases, Cardiovascular, Central Nervous System and Genitourinary.

Major pharma markets in Latin America

Brazil

Brazil's pharmaceutical business is sixth in the world and will be among the top 5 by 2021. Brazil will remain the most lucrative market in LATAM valued at around \$23 billion. Accumulated sales from major pharmaceutical companies will exceed almost three times for the respiratory segment in the next 5 years. In the year 2028, Brazil will have the highest number of sales of generic products.

Despite its size, the industry has long had its wings clipped by high taxes, a burdensome bureaucracy, price controls, and a high rate of API imports. And without sustained and significant investments in innovation, Brazil has been stuck in the grind of generics manufacturing, unable to produce notable advancements in R&D.

On the brighter side, the government is expected to begin providing incentives to bolster the local production of APIs by 2021. The incentives could be tied to building new production facilities for APIs and are being discussed alongside the issue of lowering or streamlining taxes.

Mexico

Mexico is currently the 11th largest pharmaceutical market in the world. Mexico's pharma market has seen steady growth in the past decade and is projected to reach over USD 13 billion by 2028.

Generic drugs are a major part of Mexico's pharmaceutical industry, representing 9 out of every 10 drug sales. Generic drug sales in Mexico have grown 11% each year over the last 5 years.

Endocrine, metabolic and CNS disorders are the main sources of market interest and by the year 2025, the generic market sales for the same will increase around 20%. In the midterm, there will be an introduction to new therapies such as cell therapy. The market is divided into 5 major players, who have addressed the market for the main conditions: respiratory, endocrine, and metabolic respectively.

The following table 1 gives the percentage of sales of medicines related to respiratory disorders of the main pharmaceutical companies having a presence in Mexico.

Sr. No	Company	Sales of medicines (%)
1	Sanofi	26%
2	GSK	23%
3	Roemmers	18%
4	Pisa	16%
5	Bayer	17%

Source: point 2 mentioned in reference

Table 1- Percentage of sales of medicines related to respiratory disorders of the main pharmaceutical companies in Mexico

The following table 2 gives the percentage of sales of drugs related to endocrine and metabolic disorders of the main pharmaceutical companies having a presence in Mexico.

Sr. No	Company	Sales of medicines (%)
1	Merck KGAA	25%
2	Sanofi	21%
3	Merck & co.	19%
4	Pisa	19%
5	Novo Nordisk	16%

Source: point 2 mentioned in reference

Table 2- Percentage of sales of drugs related to endocrine and metabolic disorders of the main pharmaceutical companies in Mexico

Argentina

Argentina is the 3rd largest market in Latin America behind Brazil & Mexico. Argentina has a relatively well-developed pharmaceutical industry. Local production accounts for 85% of the market by volume and 60% market share by value. But still, imports have risen sharply due to high inflation.

The structure of the Argentine pharmaceutical industry is divided into three stages: the first is Research and Development, the second is Production and the third is Distribution and Marketing. In 2017, the industry's turnover reached US\$ 5,774 million. Within this total, antineoplastic and immunomodulatory medicines accounted for the highest turnover. The sources of parent drugs used to manufacture pharmaceutical products are mostly national, closely followed by Indian parent drugs. 70% of the domestic market is supplied from locally produced medicines. Pharmaceutical R&D activities in the public sector are focused on biotechnology.

The OTC segment is an area that holds a lot of potential for growth in the Argentinean pharma market. The expected growth is 25% by total sales and 10% by value.

In 2020, the market was worth US\$ 10 billion and market growth of 14% to 17% CAGR is expected.

Argentina's regulatory body, ANMAT offers incentives for the registration of generics/biosimilars.

Columbia

Overall, the Colombian market is not as large as some of the other Latin American markets. Colombia is unique in that it has huge growth potential in the upcoming years. Its growth is projected to be near the top for all Latin American nations. Prescription medications contribute around 83% of the total market. In 2019, the pharmaceutical market in Colombia was worth US\$ 4.795 billion. That same year, production reached an estimated value of US\$ 2.944 billion, led by digestive and metabolic health products. Forecasts suggest a sustained growth of 3% for this market by 2022.

Overall Trends

1. Growth of Biosimilars

LATAM is a price-sensitive market and hence it imports products from cheaper markets such as India and China. Growth is predicted in the biosimilar market due to biologic blockbuster patent expirations. Also, biosimilars promise price reduction up to 50% compared to original biologic medicines. Local pharmaceutical companies have a stronghold in Latin American countries. There is a flourishing biosimilar industry in Latin America, with its research, development, production, and commercialization capacity. The three most prominent biosimilar manufacturing countries in LATAM include Argentina, Brazil, and Mexico. The main challenge remains the high cost of R&D and clinical trials. In the future efforts will be directed towards developing infrastructure to evaluate the analytical and clinical information necessary for comparative quality studies, safety, and efficacy of biosimilars. Efforts in pharmacovigilance, training more regulatory personnel, and generating reports to improve systems for capturing and analysing data are essential.

Biosimilars account for 50% of hospital bills worldwide. Biosimilars can enormously benefit the health systems, even more so in less developed countries. Bringing more players to Latin American markets will lead to better prices, new drugs, and more alternatives at the global level.

2. Increased use of generic drugs

Governments are seeking to broaden healthcare access through cost reduction. Local producers are expanding at 28% per year enabling generics to be sold in domestic markets - 70% more economically than their patented

Sr. No	LATAM country	Market share (%)
1	Brazil	52%
2	Mexico	20%
3	Argentina	23%
4	Colombia	3%
5	Chile	2%

Source: point 2 mentioned in reference

Table 3- Estimated market share of generic drugs for the year 2029 in Latin America

3. Contract manufacturing

The Latin America Pharmaceutical Products CMO Market is expected to exhibit a CAGR of 14.7% over the forecast period of 2020-2027. Low drug registration costs and sustained economic growth have led to a higher investment concentration in this region. The Latin American pharmaceutical contract manufacturing services market is anticipated to reach USD 21 billion by 2025

The following table 3 gives the estimated market share of generic drugs for the year 2029 in Latin America.

Business opportunity for Indian pharma

Most recently India has helped Latin America with the supply of COVID-19 vaccines. 25 Indian pharmaceutical companies already have a physical presence in Latin America. This relationship needs to be deepened in order to allow India to become a permanent healthcare partner of the region.

What makes the LATAM market lucrative?

- 1. Latin American market lies somewhere in between the highly regulated and competitive markets of the United States and Europe and the less-regulated markets of Africa. India has a huge opportunity in this market owing to the affordable and high-quality drugs it provides.
- 2. The Latin American pharmaceutical market is forecasted to grow at 9 % per year through 2028 and is already more than twice the size of the African and Middle Eastern markets combined
- 3. India has an edge over China in highly regulated markets such as Brazil and Mexico.
- 4. Foreign competition in the LATAM market is lower than that in Africa. India can aim for higher profit margins as Latin America's purchasing power is nearly 6 times more than Africa's.
- 5. Indian pharmaceutical companies in Latin America today, as opposed to earlier, have a more nuanced understanding of regional and domestic markets and are more prepared to offer customized solutions.

6. The region's governments and regulators have taken more interest in India recently. India has the greatest number of manufacturing site approvals by Brazil's drug regulator ANVISA.

7. In addition to generics, APIs, and vaccines, India is beginning to export a steady but increasing supply of high-value drugs and biosimilars

8. India does not have enough local manufacturing in Latin America's pharma space but there is much room for expansion.

Conclusion and recommendation

Areas such as – generics, biosimilars, and R&D are presently growing and should present growth opportunities for small and medium-sized companies.

Many Latin American countries are protectionist in their pharmaceutical policies.

Over the long term, the next step for Indian pharmaceutical companies should be to enter the branded and retail segments in the region particularly in Brazil and Mexico, selling directly to consumers and familiarizing them with the advantages of high-quality, affordable medicine manufactured by Indian drug-makers.

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Resolving HR Dilemmas



HR professionals are suddenly pushed into a sea of challenges with the outbreak of Covid-19. This stressful situation is crushing the economy and HR professionals are struggling to normalize the condition amongst their employees. Moreover, sudden change in the working culture worsening the scenario for HR. This article majorly highlights the current challenges faced by HR and possible ways out to handle them efficiently. -By [Mr. Ramesh Sangare](#).



One year is over that the entire world has been fighting the war with the Covid-19 pandemic. Have we won the war? Are we winning it? Is it going to take much more time to see the final results? Are we on the right track of Strategy to fight this war? The wars can only be won through three things- strategy, tactics, and logistics. These are the terms from the 'Art and Science of War'. This is the truth we all know that the origin of Management Science is the Management of War. The saga of Human survival and growth over the last 10 lakhs years tells us one thing, that this is not the end, but one more chapter in that direction, being written by humanity for over the last one year - the most memorable 2020-21.

The difference between ancient history, known recorded history and post-industrial history is very significant. Now we are better and more equipped with the arsenal of fighting this insidious enemy- Covid-19, which has blasted thoroughly most of those things that were established, accepted, adapted, and routinely followed by the global population. This is much more evident from the principles and practices of Management Science advocated and used in running a business, industries, and the corporate world all over in the recent past. Now with a twist in the story, most of the established ways have changed, very swiftly.

Now with the onset of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) the entire industrial and corporate world became acutely vulnerable with the most urgent needs of finding solutions to solve vaunting problems and decision making, on a day-to-day basis, keeping an eye on the long-term perspective for survival and growth. Never before this, the HR dimension of industries, in general, had gained the kind of attention, importance, and indispensable role in problem-solving and decision making, as it is now. The earlier emphasis on other vital dimensions such as finance, sales & marketing, production, technology, etc. shifted significantly to HR with the urgent and huge expectations. Probably for the first time, in a true sense, HR gained a strategic role to play, making us realize that the very purpose of all human endeavours is HR- it is of the people, by the people and for the people.

On 14th June, 2020, the peak period of the first shocking upsurge of Covid pandemic, when I was moderating my first National Webinar on "COVID-impacts and opportunities" organized by the NIPM Nagpur chapter, I realized the inevitability of changing HR principles and practices crucially and urgently through the deliberations of eminent speakers from the cross-functional industrial, corporate and business sectors. Everything seemed in disarray, whether you were in manufacturing, services, IT, ITeS, PSU, MSMEs, or corporate sectors. Why? Because there is only one thing central to all the human activities- Human Resources, the rest is secondary to its survival and growth!

Present HR Problems- Speed-breakers or Accelerators?

It's the way we look at it, depending upon the mass attitudes, perceptions,

perspectives, age-old beliefs, phobias, dreams, hopes, aspirations, and the SPIRIT of Living in the cobwebs of choosing – life vs livelihood, or both in the most logical and practical ways. In this highly complex situation, there is no and there cannot be readymade and the perfect standard solution. The change of magnitude of “point of no return” need not a general solution but the problem-specific solution. The age, size, operational methods, span of coverage, manpower quantum and quality, and many other factors differ widely from organization to organization and thus HR faces different kinds of problems depending upon the kind of business, the companies are doing. Prescribing one pill for all the ailments and all the patients is going to be non-productive and even dangerous depending upon the culture of the organization. Lots of studies and surveys have been done and are now being done by experts and expert houses all over, in understanding and assessing challenges before HR in the last whole year. Now in the second upsurge of the present scenario of pandemic globally and locally that unequivocally tells us that the uncertainty and complexity are the two factors, which are the most challenging after all. This means that HR would have to relook into the ways they were doing things earlier and redesign the strategic approach to solve the problems in the current and futuristic scenario.

I came across the situation from one company which is in logistics with national and international operations, in which HR faced problems during the initial period when some relaxations were announced with the allowance of 30 to 50 % workers on the job at a time, with complete protective measures observing pandemic protocol. In the first week, only 5% of workers reported despite all the assurances given to them. The reason was that they were scared for life and their family's financial safety and security. And more importantly, they were communicated in routine manners, in the official tone of top-down authority, which is very common in our country with the culture of Sethajis, Bhaijees in family-run businesses and Sahebgiri and Big Bosses in the professionally run businesses and industries, unfortunately. Culturally, attitudinally, practically organization Behaviour-wise (OB) both are the same at the operational levels. When the more natural human touch was given to communication and with one-to-one communication by the higher authority, things started changing gradually with achieving 80% operational success in logistics within just one month.

It is very sad to note that most of the industrial and corporate leaders talk very big things philosophically and hypocritically on various platforms such as TV panel discussions, interviews, seminars, conventions, conferences, webinars (now) about the human side of the enterprise and the developing functional leadership at all the levels down the line. Yet, behave and manage with a complete grip of authoritarian, coercive, and bureaucratic rule in their organization, even now. They talk of decentralization and adhere to complete centralization. It is very rampant in Indian industries.

Most of the HR fraternity on the ground level of operations in the manufacturing sector faces severe problems of problem-solving and decision-making, as there is tight control of HR and other heads sitting in the corporate office. This aspect of over-centralization of powers in the corporate heads is detrimental to productivity, survival, and growth of the industries much more in this period of complexity and uncertainty. The corporate heads in HR and all other heads in corporate must change their age-old pattern of authoritarian, coercive, and controlling styles of leadership and they must walk the talk, which is simply not happening in the majority of the cases, barring very few exceptional examples. The change in the approach must percolate down the line and not in the reverse direction, against the law of gravity. This is a very fundamental need to face the complexity and uncertainty successfully.

In general, the challenges before the HR in the present situation are many as under-

1. **Downsizing** (sometimes called Right-sizing) to make the operations cost-effective. The most agonizing experience for the HR fraternity is telling the employees that they need not come from tomorrow on duty.

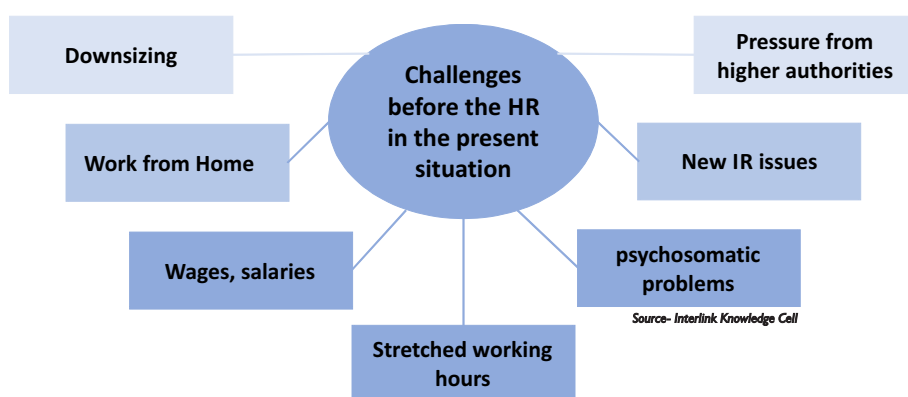


Fig. 1 Challenges before the HR in the present situation

2. **Work from Home** issues are emerging openly. In the very initial period of the pandemic in 2020, Dr. T.V. Rao, one of the foremost and respected HR giants, the former Professor at IIMA and XLRI, and well-known consultant had said that WFH must not be made the policy by one and all, lots of issues would emerge from this mode of working, which is coming true. Inadequate control and monitoring, unclear and uncertain employee engagement, ineffective Performance Management System (PMS), inadequate communication, reduced personal touch, and unproductive time management...the list is long indeed. If the employees working with the cross-functional teams in WFH mode then HR has more severe problems of keeping track of work output on the regular basis, which has a direct impact on his performance assessment which further affects employees' future

expectations of increments, promotion, etc. Another more disturbing aspect is the possibility of inadvertent or intentional leakage of vitally important confidential data. Some studies show that over 60% leakage of data of vitally important information has already occurred in this WFH and Work from Anywhere (WFA) already in the industrial sector in this virtual world of work. Another problem for HR is assessing training needs analysis, capacity-building programs, motivational programs, and other L&D activities aimed at the overall empowerment of the employees for better productivity.

3. **Wages, salaries**, other legal compliances, along with incentives, increments against the severe financial constraints, and keeping the workforce motivated against these realities of operational hurdles are the challenges HR people are facing in this pandemic.
4. **Stretched working hours** as against conventional time slots of working take its toll of creative and productive energy, with lesser number of employees and enhanced expanse of work with severely reduced proximity.
5. Because of pandemic undesirable threats which affect the psyche and behavior of the employees leading them to the **psychosomatic problems** cause loss of productivity. The dangers could be unsafe behavior leading to industrial accidents further bringing unwanted legal hassles.
6. **New IR issues** are emerging with the change of work schedules and balancing compensations with them. However, IR at this time is not as negative and counterproductive, as it was before the pandemic due to the realization of the basic need of keeping livelihoods intact aimed at saving a life, by both parties i.e., trade unions and also the management. The common agenda is the survival of both of them. So lesser head-on collisions at this time.
7. **One more challenge** is keeping the higher authorities posted on all the things happening on the ground level, which is vitally important yet tricky if the authorities are not good listeners.

In general HR people are normally flexible and resilient to face and manage the day-to-day affairs to keep things going with the right pace and peace.

What needs to be done by HR—

1. HR professionals must be able to understand, change and adapt themselves for changing roles and responsibilities from usual conventional ways of doing things.
2. They must develop strategic thinking, like others such as professionals from finance, sales, marketing, etc.
3. They must be ready to learn, practice, and use digital systems and management of the virtual world of work rapidly to communicate, cooperate and coordinate all the operational things smoothly and effectively, instead of blaming the technology. In other words, they must try to become techno-friendly and dependent.
4. They must create more meaningful and effective interpersonal relationships

with a maximum number of employees through digital communication with the help of the cells, mails, systems, and in-person as and when possible.

5. They must be able to communicate with sensitivity, sensibility, clarity, and with a human touch.
6. They must develop three more operational competencies themselves and those a. Healthy interpersonal relations with one and all around them, b. Problem-solving in time with collective intelligence and information with the help of people around them and 3. Effective decision-making as it is courageous decision-making, which makes you a leader in the eyes of your people, with whom you work day in and day out. All other qualities of leadership will be only acceptable if one dares to decide and act in time.
7. **Walk the talk** and 90% of the problems of HR fraternity in these complex and uncertain times will be resolved positively, whether you are in the corporate or operational roles, **as a human being first and then any other roles.**

In the universe, what begins ends at a certain time, so this pandemic will also meet its end soon. The only thing is we must be proactive, positive, and productive in our consciousness and actions.

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Hope of API Industry Through PLI Scheme



*PLI (Production-Linked Incentives) scheme is one of the most crucial initiatives taken by the Indian government for domestic manufacturers during the pandemic. This scheme was much needed in this critical situation to support the nation's economy. This article majorly focuses on the advantages of PLI scheme approved for the Pharmaceutical industry to boost the domestic production of critical Key Starting Materials (KSMs)/ Drug Intermediates and Active Pharmaceutical Ingredients (APIs). - By **Ms. Mansi Jamsudkar**.*



Active Pharmaceutical Ingredients (APIs) and their availability was one of the most burning issues in India and the number of dominating countries during the pandemic. China's monopoly over a large number of critical APIs and intermediate products, pandemic-induced supply chain disruption, and overdependency on china's manufacturing sector are some ongoing concerns for pharmaceutical sectors of various countries.

Now looking at the Indian pharmaceutical sector, it's surprising to know that we used to import almost 70% of essential APIs from china and this reality struck us hard when the import was suddenly disrupted due to an outbreak of the coronavirus. The simple reason behind India's over-reliance on China's APIs is the competitive pricing structure offered by China for a number of critical APIs. Moreover, India's constants to produce fermentation-based products and Key Starting Materials (KSMs) further increased the Indian pharma sector's dependency on Chinese imports.

Fig. I represents some of the important and 'must resolve' issues behind India's reliance on China for critical raw materials.

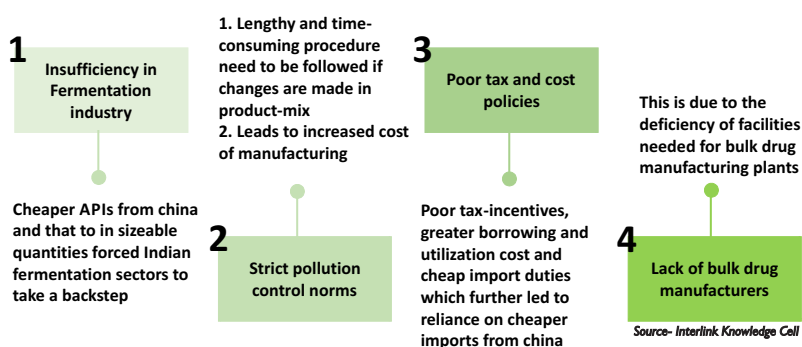


Fig. I Reasons behind India's over-reliance on China

Owing to the above issues, the Indian Pharma industry, being the world's 3rd largest, has suffered heavily during the pandemic.

In Dr. Smarta's suggestions for the Union budget 2021-22, he had mainly emphasized the thought of implementing long-term strategies for 'Healthy India'. But these strategies will not be possible without government interventions. Following are Dr. Smarta's thoughts over the budget-2021-22 in terms of boosting the Pharma industry-

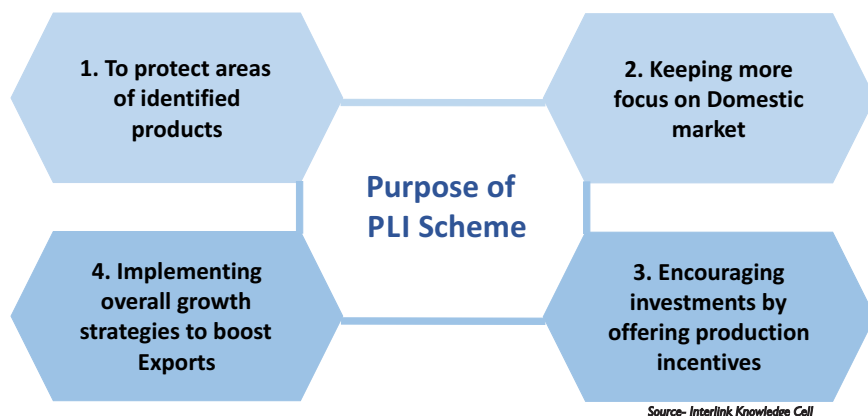
- Government interventions are mandatory in Pharma R&D sector in the form of policies to promote private investments.
- The government should also look into some latest advancements in Artificial intelligence (AI) and machine learning in Pharma sector.

- Phytopharmaceuticals is one of the emerging fields in Pharma which can generate tremendous opportunities in the Indian Pharma industry. A wide thought on policy formulation, resource allocation, and implementation is necessary for this field.

While debating on this topic, we should never forget a freshly announced Production-Linked Incentives for the Pharmaceutical sector by the Indian government.

This scheme is a ray of hope for various manufacturing sectors in India and incentives offered for the Pharmaceutical industry are highly applaudable as the scheme is designed to offer incentives for domestic manufacturers. Through this scheme, we can expect the expansion of existing manufacturing sectors to cut down our over-dependency on china and other countries for raw materials and critical APIs.

Fig 2 represents the purpose of PLI Scheme announced by Indian government for pharmaceutical industry-



Source- Interlink Knowledge Cell

Fig.2 Purpose of PLI Scheme

This PLI Scheme for the Pharmaceutical sector is comprising of an outlay of Rs. 15,000 Crores. This huge investment will be effective for six years, i.e., till 2027-2028. Six years is a huge time span and the government's willingness towards becoming 'Atmanirbhar' is highly inspiring that we can even expect more such schemes in upcoming years.

Further to the advantages of PLI Scheme for the Pharma sector, the following are the changes which we can expect from the implementation of the PLI Scheme-

1. One of the major benefits of this scheme would be none other than rooting of- 'Self-reliance', which is very crucial at this point. This 'Atmanirbharta' will keep us armored from future uncertainties.
2. By benefiting the domestic manufacturers, the PLI scheme is expected to

boost the employment rate in India in the near future. According to government sources, around 20,000 direct jobs and over 80,000 indirect employment are supposed to pop-up during the implementation period of this scheme. These jobs are for both skilled and unskilled personnel which will further boost the economy of our nation to the next level. This is one of the most fruitful advantages which India can expect in the near future through PLI scheme.

3. Affordability and availability of a number of essential medicines was the critical issue in the Indian Pharma market due to which we always ran behind China's cheaper imports. This scheme can be an opportunity for our pharma sector to efficiently produce affordable medicines and can even boost Indian exports in major other countries like the United States, Africa, etc.

4. Production of high-value products is also one of the added advantages which can be derived through PLI scheme during the period of implementation. Once we start producing such products, our credibility in the market will ultimately go up, and as said earlier, this will definitely be beneficial in building our image in international markets.

5. With the new advancements in AI-driven research and development through this scheme, innovations, and the arrival of high-tech products and complex drugs are expected. Emergency therapies can also expect some relief in terms of the expansion and development of innovative drug entities in the sector.

6. Accessibility of the Indian population towards orphan drugs was one of the topics of concern for ages. Through PLI scheme, the Indian pharma industry is expected to show some impressive moves in boosting the accessibility and affordability of orphan drugs in the market.

7. PLI scheme will further increase the outreach of the Indian Pharma sector in global value chains. This will be achieved by the adoption of high-edge technologies in the industry.

8. And last but not least, the sole purpose of this scheme is to boost the domestic manufacturing and production potential of the Indian Pharma industry. Investments under the PLI scheme will not only boost our existing capabilities but also will positively encourage the newer as well as small manufacturers in the field of pharma.

Looking at these positive consequences of this amazing scheme, the government is expecting Rs. 2.94 trillion of total incremental sales along with incremental exports worth Rs. 1.96 trillion by the year 2028. So, ultimately, PLI scheme is going to be a very fruitful policy for the Indian pharma industry which is now rising through the covid ash.

Marching toward 'Atmanirbhar Bharat'-

Our API industry has struggled a lot during the outbreak of this virus and we faced huge adverse effects of over-reliance on other nations. But looking at what we have learned from this entire emergency situation, it was quite helpful in some ways as we are now trying to march towards self-reliance, i.e., 'Atmanirbharta'. Boosting domestic manufacturing and production will

definitely pay very well to the nation's economy in near future. In my opinion, even though we have gone through a very hard time during the pandemic, we have now become much grateful for our nation and its capabilities.

It's time to implement this PLI scheme and revive our API industry. And as this revival is positively supported by the Indian government, it is obviously a good sign of prosperity for our hardworking nation.

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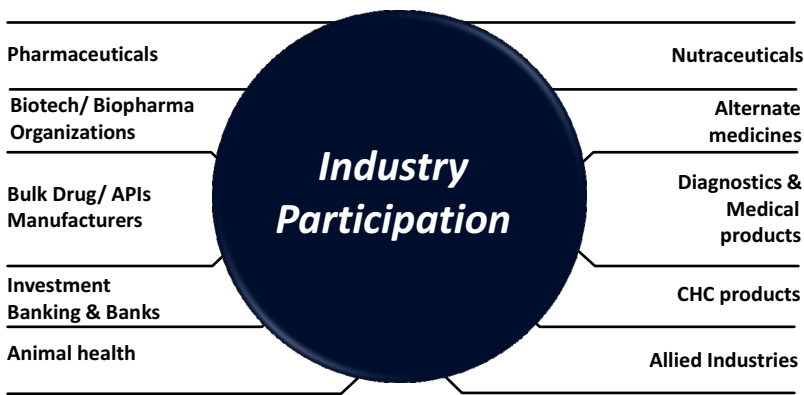
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