CHAPTER V
CASE STUDIES OF THE SELECTED PHARMACEUTICAL COMPANIES

5.1 INTRODUCTION

There is huge competition based on the price for the product among the various companies of this industry. There are also issues related to the copying of products, influencing the customers, misinformation about the product etc, by the various competitors of these industries. The industry wants to have a competitive advantage over one another.

Pharmaceutical promotion revolves around physicians, patients, payers, and other stakeholder groups. Strategy for targeting Physician segmentation is particularly important for two reasons: 1. Physicians vary widely in their prescription volume, the major determinant of a physician’s value to a pharmaceutical company. This makes the precise targeting of marketing effort essential. Different physicians have different needs, expectations, attitudes, and other characteristics which influence their response to marketing stimuli. Segmentation, therefore, is vital for an appropriate tailoring/customization of the marketing mix.

The historical expansion of the sales forces of pharmaceutical companies has led to declining returns to sales force spending. Companies are therefore exploring other ways of reaching physicians, including e-detailing and other Web based channels. Direct communication with consumers is another communication channel of growing importance, especially in the U.S., where prescription pharmaceuticals are among the top advertising spenders.

In addition to focusing attention on specific products, pharmaceutical companies may also concentrate on one or several therapeutic areas, with a view to assembling a range of products and services for managing these diseases. The “Eli Lilly and Company: Innovation in Diabetes Care” case describes how Eli Lilly’s
offering in the diabetes market has evolved over time. It also compares Lilly’s strategy with that of Novo Nordisk, another major player in the diabetes market.

While many pharmaceutical companies have successfully deployed a plethora of strategies to target the various customer types, recent business and customer trends are creating new challenges and opportunities for increasing profitability. In the pharmaceutical and healthcare industries, a complex web of decision-makers determines the nature of the transaction (prescription) for which direct customer (doctor) of pharma industry is responsible. Essentially, the end-user (patient) consumes a product and pays the cost.

Thus in India, Pharmaceutical Marketing moving to a new era, where relationship with key customers is very vital for achievement of targets. Companies have moved on from being primarily sales-oriented to now realizing the significance of services marketing with the focus on cross selling. In this era, importance of Customer Relationship Department can not be ignored and the success of organization is depends upon it. This department is responsible for providing service to the customer, who may be Doctor, Chemist and Patients. Successful implementation of relationship development strategy is the only key to achieve higher returns in terms of money and image in Indian market.

The traditional model of pharmaceutical marketing has undergone a sea change. Companies have moved on from being primarily sales-oriented to now realizing the significance of services marketing with the focus on cross selling.

Apart from their regular distribution channels, which end with the Retail Chemist, Companies involved in pharmaceutical sales & marketing operations have to deal with doctors, and to some extent, patients too. With this recognition of the importance of services marketing, most top companies have set up separate Customer Relations Departments.

In such a dynamic scenario it is imperative that a detailed study should be undertaken based on few selected pharmaceutical companies in India to study the administration of various aspects of pharma marketing and promotion.
5.2 CASE STUDY I: PFIZER INDIA

5.2.1 Introduction

Pfizer is the world's biggest drug company by quite a margin, with a huge global sales force and a strong portfolio of "blockbuster" prescription drugs. The group became a household name in the late 1990s with its development of the breakthrough male impotence drug Viagra, which became the world's fastest-selling pharmaceutical product. Pfizer went on to strengthen its position with two ambitious acquisitions, snapping up partners Warner-Lambert and Pharmacia to order to tighten its grip on key products Lipitor and Celebrex. However the market became considerably tougher during 2005 and even Pfizer began to feel the effects of competition and increased scrutiny from regulators.

According to their website, the pursuit of innovation is basic to Pfizer's culture. As they claim that it shapes their strategy, defines their purpose, and governs every facet of their operations -- from research and development (R&D) that leads to pharmaceutical inventions, to the transfer of knowledge to patients and providers, to the way they respond to the changing marketplace.

Pfizer claim that their scientists have produced innovative breakthroughs in a wide range of research areas, including depression, erectile dysfunction, high cholesterol, HIV infection, hypertension, bacterial infections and systemic fungal infections. And today they're taking on some of the world's most difficult diseases, including cancer, arthritis, and osteoporosis.

During the Second World War, Pfizer became the first company to manufacture penicillin in large volume using its expertise in fermentation. Today Pfizer has about 3 million compounds in its medicine library and has about 122,000 employees worldwide. Its revenues for the year 2009-2010 were about US$ 48.4 billion.

5.2.2 Profile of the Organization

Pfizer came to India through Dumex Limited in 1950. It has invested about US$ 15.75 million in clinical research in India. Pfizer Limited (India) has a turnover
of US$ 159.52 million (November 2011). According to the AC Nielsen ORG-Marg reports, Becosules (multivitamin) and Corex (cough formulation) are the top brands amongst all pharmaceutical drugs produced in India. In Indian it has headquarters in Mumbai. It has about 2000 employees. Its State-of-the-Art manufacturing facility is at Thane, Maharashtra.

Pfizer Inc. had a budget of about US$ 7.9 billion for R&D in 2009. It has research projects in about 18 therapeutic areas for new treatment methods. It has about 12,500 scientists working dedicatedly on innovative product development for betterment of human and animal health.

It has over 250 partnerships and associations within the industry as well as with the academic institutions so as to have access to the emerging tools and techniques. Pfizer Inc.’s current thinking for emerging markets is driven by a new business model, which talks about a strong local presence, faster responses, addressing the lower end of the market, and developing medicines specifically for emerging markets. This is as opposed to developing medicines for the US and EU and then seeding them in emerging markets. It follows a regional hub approach, rolling out successful products across the region. The strategy reads similar to that of consumer firms such as Hindustan Unilever Ltd and Nestle India Ltd, addressing local markets using local strategies.

Pfizer India was conferred the Brand Development Strategy Leadership Award in the Indian Dietary Supplements market for Becosules at a recently held '2007 Frost & Sullivan India Chemicals Materials and Foods Awards Banquet' in Mumbai. The award was presented to Pfizer for excellence in brand development. It recognized Pfizer's ability to best perceive consumer needs and develop marketing strategies that elevate the brand's quality, style, and image to create an overall value perception.

"Pfizer has received the award for Becosules - one of its most successful brands in the "wellness segment." Pfizer's unique brand development strategy includes initiatives such as market expansion, engaging junior doctors through innovative campaigns and maintaining high SOV at doctor and retail level. A well-
trained field force augments the above strategies of building the brand. Pfizer has completely understood the essential strategies required for building the brand as well as in expanding the market value for this segment.

Becosules has a strong legacy extending over four decades and is a household name in India. A market leader in the vitamin supplement category, Becosules has consistently ranked among the top 10 brands in the pharmaceutical industry. Pfizer India is constantly working towards improving the product through innovation of the manufacturing process that ensures greater efficacy and by scientific detailing of the product. This award is an acknowledgement of these efforts and the trust doctors and patients have in Pfizer and Becosules.

Pfizer has won several awards including that for the most respected MNC and most trusted brand for one of its leading products. Globally, Pfizer discovers, develops, manufactures, and markets leading prescription medicines for humans and animals and many of the world's best-known consumer brands. Pfizer's innovative, value-added products improve the quality of life of people around the world and help them enjoy longer, healthier, and more productive lives. Pfizer has two business segments: human and animal healthcare and its products are available in more than 150 countries.

5.2.3 Organization of the Marketing and Promotion: Features, Practices and Opinion

a. Cause Marketing

*The Mother and Child Healthcare Project.* As mentioned on their website, Pfizer India has partnered with Arpana Research and Charities Trust to deliver sustainable healthcare to women and children in the Haryana and Punjab region as they are marginalised and vulnerable because of low literacy rates and a predominant gender bias, region through the Mother and Child Healthcare Project.
b. **Marketing with meaning:** Pfizer conduct; Nutritional awareness drives in all the villages and villagers are mobilized to plant winter seasonal vegetables in their backyards. Training sessions on balanced diet and correct methodologies to preserve vegetables by drying and packing are conducted. This aims to increase awareness on diet and nutrition in addition to ensuring a steady supply of nutritious food. *Kitchen Gardens were promoted by:*

- Free distribution of seeds
- Prize distribution for kitchen gardens
- Networking between Krishi Vigyan Kendra and kitchen garden owners
- Vegetable drying technique training

c. **Public Relation strategy:** *Aligning Customer Excellence:* An initiative mentioned in their Annual Report 2010-2011, is the ACE (Aligning Customer Excellence) Program in India which is a Pfizer initiative designed to align Pfizer India to stakeholder needs and interests in the Indian healthcare marketplace. It is based on a simple premise: it is no longer sufficient to discover, develop and deliver great medicines. Pfizer believe that they must also help to improve standards of care, support knowledgeable consumerism, rebuild physician autonomy to facilitate better health outcomes, focus pricing and access on transparency and quality, and protect patient rights, among other endeavours. *In practice, this means:*

- Moving from treating people when they're sick to helping keep people well
- Re-empowering physicians and patients so costs are not the only factor in determining health decisions
- Working with stakeholders to find efficient and effective ways to spend scarce resources more wisely
- Validating the value of innovative medicines to society by changing the focus from the cost of medicine to reducing the burden of disease.

As mentioned in their Annual Report 2010-2011, through ACE, Pfizer has reallocated resources in India so that they can interact more flexibly with a range of stakeholders who provide direct feedback that helps them address
their concerns and interests. Patient groups, the public at large, payers, government and health officials, and physicians’ and nurses’ groups are all increasingly organized to advise them in this capacity.

d. **Authenticity of their Promotional Material**

Pfizer is committed to ensure that all educational and promotional efforts benefit patients and that any programme and collaboration does not have, or appear to have, an undue influence on medical judgment. To this end, Pfizer's relationships with healthcare professionals (HCPs), including interactions with physicians, nurses, pharmacists and others who administer, prescribe, purchase or recommend prescription medicines, must meet the highest standards of integrity and must comply with applicable laws and regulations. Medicines are effective when used appropriately. Through sales and marketing, Pfizer educates HCPs and consumers about its products while building the right demand.

Pfizer communicate with doctors through sales representatives, direct-to-consumer advertising (where permitted), patient education materials and package inserts. HCPs are consequently informed regarding the medication and patients informed about their disease condition and medicine resulting in appropriate therapy for the patient and proper use of the medication. As per their website, Pfizer policies are based on the principles of maintaining ethics and compassion, building greater transparency and partnering to facilitate access to healthcare information and medicines.

*The three guiding principles of this policy are as follows.*

- **Primacy of the healthcare professional and patient relationship:**
  
Pfizer recognizes that the primary duty of practicing healthcare professionals is to their patients. Fundamentally, interactions with healthcare professionals must advance patient care and support the ethical and compassionate practice of medicine.

- **Corporate citizenship:** While the fundamental responsibility of providing access to quality healthcare rests with the governments, in
order to succeed, all stakeholders (including HCPs, industry and patients) must work together. Pfizer demonstrates this commitment by:

- Developing new medicines. Working with other stakeholders to make medicines and other healthcare information available to patients and HCPs.
- Supporting the creation and implementation of sustainable healthcare solutions

- Transparency: Pfizer supports the disclosure of financial and other interests and relationships that may create apparent or perceived conflicts of interest in research, education or clinical practice and comply with all applicable laws, while dealing with HCPs employed by, or affiliated with government or regulatory authorities.

5.2.4 Analysis of the Administration of the Marketing and Promotional Practices

a. Customized Approach to Keeping Contact with Doctors: At Pfizer India great pain is taken to know doctors prescription habits and their likes and dislike. A customised approach to keeping contact with doctors is helping Pfizer India, to stand out. Competition is forcing pharmaceutical companies to look at marketing as a key differentiator. Pfizer India is working at maintaining an active field force that targets doctors one at a time as the most economical means for creating awareness. While most companies have a scientific approach to this activity, some who have automated it to a large extent have found that their IT systems have brought substantial returns to them. Pfizer is one of the few pharmas to adopt a home-grown Customer Relationship Management (CRM) software solution to catalogue all data pertaining to its doctors and its sales force.

b. .Net Platform: In 2001, the Pfizer India perceived that the deployment of a sales reporting system would ensure structured documentation of information collected by its representatives. It helped them in cases of attrition where if a sales representative quit another could take over easily with the help of the information available online. Each representative has about 200 doctors on his list. The doctors are classified by priority. However, being an A-class doctor does not
mean that the representative will make 10 calls to him every day. Pfizer designed Optima to fulfil this need.

c. **Managing Doctors Queries and Concerns:** Pfizer has reserved its CRM for the sales force. One section on the Pfizer India Web site has been enabled for doctors to log in and post queries and concerns. The company has noticed that instances of Indian doctors approaching the company via the Internet are limited but growing. In most cases it is the company representative who has to be on his toes and deliver to the expectations of the doctors. For adverse reports, Pfizer has manned telephone numbers on which doctors can call. The call operators or representatives who gather the adverse report feed it into the system and the problem is highlighted till it is resolved. The entire process is documented in the CRM.

d. **Gathering Market Intelligence on Competitors:** At Pfizer, CRM system also helps provide market intelligence on competitors. For example, if a Pfizer representative pays a visit to the doctor, while waiting he may meet his counterpart from another company and can feed in the information he collects. Or if sales personnel come across schemes being run by Pfizer’s competitors, the information is keyed into the system. The product management team can then start using the information to provide business intelligence. Planning and reporting the key Sales Force Automation features have improved Pfizer marketing team analysis capabilities with regard to field force activities.

e. **Regular Updation:** At Pfizer as part of technology up-gradation, the system is updated every five to six months with a clear business objective. The information gathered needs to be consolidated and analysed for business decisions. Hence, whether the sales force feeds in information at the end of the day or every few days does not make any difference. The system is yielding good returns in the present format, but may not be feasible for mobile devices.
5.2.5 Conclusion

**Administration practices:** Pfizer promotes medicines to healthcare professionals by providing substantiated information about usage, safety, effectiveness and other aspects of the clinical profile of these medicines. In particular, information is provided on the benefits as well as the contraindications, side effects and warnings related to the medicines. Pfizer's promotional activities with healthcare professionals help them diagnose, treat or prevent disease. In addition, Pfizer's ensure that its promotional material is accurate, substantiated, scientifically rigorous and consistent with applicable legal and regulatory standards.

**Prescription generation:** Pfizer Train medical representatives to influence doctors’ prescription habit. Pfizer strategy is to get into the heads of the Doctors. Their Medical representatives sync with the needs of their Doctors from the moment they walked into their offices. Thus Pfizer's representatives stood a greater chance of staying longer in their Doctors' room, making a sale, and being invited to visit again. Pfizer India started on an initiative in January 2009 that allowed Medical representatives to profile Doctors based on a number of parameters.

The idea is to identify the potential of the customer (doctor) thereby creating messages tailored to address 'Doctor-specific' needs. This supports a Pfizer-specific 'cycle plan' that helps the Medical representative identify Doctors, determine how frequently they should visit that Doctor, the objective of a specific cycle, etcetera.

However, even such a good idea had its problems. At the end of every day at about 9 pm, after meeting between 10 and 12 doctors, medical representatives have to go to sit in front of the PC and punch in the information they collected during the day and plan for their next day. If they have to spend between 30 and 40 minutes doing that, they are going to give up. Appropriate training is given to the field force in using lean Six Sigma processes to trim down this number to less than 10 minutes.
Role of Medical Representatives: Pfizer Takes Steps to improving the effectiveness of its Medical Representatives - and consequently its profitability. With an investment of about Rs 30 lakh recently, Pfizer India started on an initiative that allowed Medical Representatives to profile and target doctors based on a number of parameters.

Right First Time Training
At Pfizer More than 14,00 Medical Representatives and field staff have received basic training taught by 1,00 trained colleagues to support a range of activities associated with “Right First Time”(RFT)—a multi-faceted initiative based on the philosophy that “good enough is not good enough.” RFT uses a number of tools, including the statistical techniques of Six Sigma methodology and Lean principles, which provide a systematic approach to identifying and eliminating waste through continuous improvement. Through these techniques they claim that their field team, gain an in-depth understanding of how a process works, how and where it can be improved, and how to make necessary changes.

Initiative Highlights
• The idea is to identify the potential of the customer (doctor) thereby creating messages tailored to address ‘doctor-specific’ needs.
• This supports a Pfizer-specific ‘cycle plan’ that helps the Medical Representatives identify doctors, determine how frequently they should visit that doctor, the objective of a specific cycle.

Learning: With more companies, come more Medical representatives, and less time for each of them with doctors. It's a problem almost everyone in the field faces. But for Pfizer this made it crucial to make the best of the little time their Medical representatives get. Pfizer accepted the challenge and improved the effectiveness of the field force in utilizing the few minutes they get with a doctor. Pfizer's Medical Representatives are also trained to respond to enquiries from healthcare professionals about the use of their medicines. In providing this information Pfizer Medical Representatives are coached to ensure that such communications are accurate, substantiated, scientifically
rigorous and consistent with applicable legal and regulatory standards. In
addition, when providing scientific information not contained in the approved
package insert or marketing authorization, Pfizer Medical Representatives
avoid promoting any off-label use, directly, indirectly or through third parties.

Pfizer invests in the development of programs to educate and prepare those
who supervise others, ensuring a pipeline of “ready now” leaders. The
company provides core, common and critical leadership development
resources for Pfizer leaders with a focus on behaviours such as sustaining
performance, creating an inclusive environment, encouraging open discussion
and debate, managing change, developing people, and aligning across Pfizer.
At Pfizer training Programs are based on a three-pronged development
strategy that includes coaching, on-the-job experiences, and various learning
opportunities. Between 2006 and 2011, 2,290 managers across the business
graduated from these programs.

A key reason for Pfizer’s successful brand-building has been the strong
training given to its field-force. To train its first line managers, Pfizer started
the ‘Leaders Academy’, a comprehensive management development
programme.

5.3 CASE STUDY II : RANBAXY

5.3.1 Introduction

Ranbaxy Laboratories Limited (Ranbaxy), India's largest pharmaceutical
cOMPany, is an integrated, research based, international pharmaceutical company,
producing a wide range of quality, formulations and generics medicines, trusted by
healthcare professionals and patients across geographies. As detailed on their website,
http://www.ranbaxy.com/ Ranbaxy today has a presence in 23 of the top 25
pharmaceutical markets of the world. The Company has a global footprint in 46
countries, world-class manufacturing facilities in 7 countries and serves customers in
over 125 countries.
In June 2008, Ranbaxy entered into an alliance with one of the largest Japanese innovator companies, Daiichi Sankyo Company Ltd., to create an innovator and generic pharmaceutical powerhouse. The combined entity now ranks among the top 20 pharmaceutical companies, globally. The transformational deal will place Ranbaxy in a higher growth trajectory and it will emerge stronger in terms of its global reach and in its capabilities in drug development and manufacturing.

5.3.2 Profile

As per the ACNeilson ORG MARG report 2010, Ranbaxy commands a market share of around 5%. The Company has clocked sales of USD 293 Million in 2009 in India. Growing ahead of the market, the Company has enhanced its competitive position in the domestic market through its focused approach. The Company’s business has been realigned to its customer groups and investments have been made in high growth segments. These efforts have resulted in strengthening its Chronic franchise (Life Style led) as well as has reinforced its leading position in the acute segments.


Company’s India operations are a dominant force in a number of participating therapeutic segments, for example Anti-infectives, Statins, Dermatology and Pain Management. A publicly listed company, Ranbaxy India is also a member of IPA (Indian Pharmaceutical Alliance) & OPPI (Organization of Pharmaceutical Producers of India).

5.3.3 Business Strategy

Ranbaxy is focused on increasing the momentum in the generics business in its key markets through organic and inorganic growth routes. Growth is well spread across geographies with focus on developed and emerging markets. It is the Company’s constant endeavour to provide a wide basket of generic and innovator products, leveraging the unique Hybrid Business Model with Daiichi Sankyo. The
Company will also increasingly focus in high growth potential segments like Vaccines and Biogenerics. These new areas will add significant depth to the existing product pipeline.

### 5.3.4 R&D

As mentioned on their website, Ranbaxy views its R&D capabilities as a vital component of its business strategy that will provide a sustainable, long-term competitive advantage. The Company has a pool of over 1,200 R&D personnel engaged in path-breaking research.

Ranbaxy is among the few Indian pharmaceutical companies in India to have started its research program in the late 70's, in support of its global ambitions. A first-of-its-kind world class R&D centre was commissioned in 1994. Today, the Company has multi-disciplinary R&D centers at Gurgaon, in India, with dedicated facilities for generics research and innovative research. The R&D environment reflects its commitment to be a leader in the generics space offering value added formulations and development of NDA/ANDAs, based on its Novel Drug Delivery System (NDDS) research capability. Ranbaxy’s first significant international success using the NDDS technology platform came in September 1999, when the Company out-licensed its first once-a-day formulation to a multinational company.

In July 2010, Ranbaxy’s New Drug Discovery Research (NDDR) was transferred to Daiichi Sankyo India Pharma Private Limited as part of the strategy to strengthen the global Research and Development structure of the Daiichi Sankyo Group. While NDDR will now become an integral part of Daiichi Sankyo Life Science Research Center in India, based in Gurgaon, Ranbaxy will continue to independently develop and later commercialise the anti-malarial new drug, Arterolane + PQP, which is currently in Phase III trials. Ranbaxy will also explore the further development of late stage programs developed by NDDR in the last few years, including the development programs in the GSK collaboration. Within Ranbaxy, R&D of Generics will now get a sharper focus, as the Company is increasingly working on more complex and specialist areas.
5.3.5 **People**

The Company’s business philosophy as mentioned on their website is that it is based on delivering value to its stakeholders constantly inspires its people to innovate, achieve excellence and set new global benchmarks. Driven by the passion of its around 14,000 strong multicultural workforces comprising of over 50 nationalities, Ranbaxy continues to aggressively pursue its mission ‘To become a Research-based International Pharmaceutical Company’.

5.3.6 **Products**

Using the finest R&D and Manufacturing facilities, Ranbaxy Laboratories Limited manufacture and markets generic pharmaceuticals, value added generic pharmaceuticals, branded generics, active Pharmaceuticals (API) and intermediates.

The Company remains focused on ascending the value chain in the marketing of pharmaceutical substances and is determined to bring in increased revenues from dosage forms sales.

Ranbaxy's diverse product basket of over 5,000 SKUs available in over 125 countries worldwide encompasses a wide therapeutic mix covering a majority of the chronic and acute segments. Healthcare trends project that the chronic treatment segments will outpace the acute treatment segments, primarily driven by a growing aging population and dominance of lifestyle diseases. Our robust performance in Cardiovasculars, Central Nervous System, Respiratory, Dermatology, Orthopedics, Nutritionals and Urology segments, clearly indicates that the Company has strengthened its presence in the fast-growing chronic and lifestyle disease segments.

**Table 5.1 : Ranbaxy Top 10 Products**

| 1. | Valacyclovir         | 6. | Isotretinoin         |
| 2. | Simvastatin          | 7. | Ketorolac Tromethamine |
| 3. | Co-Amoxyclav         | 8. | Loratadine and Combinations |
| 5. | Amoxycillin and Combinations   | 10. | Cephalexin |

*Source : www.ranbaxy.com*
5.3.7 Organization of the Marketing and Promotion: Features, Practices and Opinion

a. Pharmaceutical funding of "cause marketing." Such as ‘Affordable Healthcare programs’, and ‘Disease awareness’: The Ranbaxy Community Healthcare Society (RCHS), an independent body, is devoted to the health of the disadvantaged. Today, multiple well equipped mobile healthcare vans and an urban family welfare centre, run by Ranbaxy, benefit over 2 lakh people, in certain identified areas in the states of Punjab, Haryana, Himachal Pradesh, Madhya Pradesh and Delhi. The programme is based on an integrated approach of preventive, promotive and curative services, covering areas of maternal child health, family planning, reproductive health, adolescent health, health education including AIDS awareness. Ranbaxy is also training the women in villages to become midwives. At the RCHS, company representatives teach these women about the do’s and don’ts during labour. They are also given medical kits which come in handy during childbirth.

b. Promoting Knowledge Sharing: As mentioned in their Annual Report 2010, Ranbaxy lays great emphasis on “Knowledge Management”. Several Medico-marketing initiatives such as ‘Advisory Board Meetings’, ‘Post Marketing Surveillance Studies’ and ‘Continuous Medical Education’ programs are held round the year to enable better interface with the medical fraternity. To improve the general awareness levels of their core segment urology disorders and early diagnosis, Ranbaxy has been regularly organizing Patient Camps with the help of Urologists. At these camps, the Company facilitates the screening of disorders for the attending community thereby helping in early identification and timely treatment.

c. Public Relation strategy: In order to encourage scientific endeavour in the country, Ranbaxy presented Research Awards and Ranbaxy Science Scholar Awards to 12 outstanding Indian scientists and 9 brilliant young scholars. Symposia and Round Table Conferences were also organised on
d. Environment, Health and Safety (EHS): Ranbaxy Annual Report 2010, claim that the company remains committed to excellence through the discipline of process and continual improvement in EHS performance aimed at minimizing risks. While there is a great emphasis and considerable investment being made in improving their EHS performance, Ranbaxy firmly believe that the nucleus of their excellence lies in the responsible behaviour of their employees. The involvement of management and staff in the collaborative development of solutions to improve EHS performance is a key strategy for excellence. EHS Management System (EHSMS) Ranbaxy's EHSMS is a global framework employed to standardise the EHS processes and practices. It is used for identification of EHS aspects and their impact, prioritise EHS objectives, engage all personnel in support of EHS objectives, and implement the improvement plans.

e. Ranbaxyfordoctors.com: Ranbaxyfordoctors.com is an Internet resource that aims to create a virtual platform where doctors of all specialties, age, sex and creed, irrespective of geographies; come together and interact to share and enhance knowledge. In the medical profession, knowledge and information are essential. Ranbaxyfordoctors.com recognizes this and thus it bring medical fraternity, daily news sourced from Reuters, classified according to speciality. The Knowledge Bank section is a resource of articles by eminent medical personalities. Not forgetting every profession has its Lighter Side; the website indulges in jokes, cartoons and trivia as well.

Doctors, can also build their very own homepage and chat with their fraternity. Meeting up with college friends is made easy through the College Mates section, where doctors can search for class mates and chat with them.
5.3.8 Analysis of the Administration of the Marketing and Promotional Practices: Peer Influence

**Key Opinion Leaders:** Ranbaxy generally engage key opinion leaders early in the drug development process to provide advocacy and key marketing feedback and identify key opinion leaders through direct inquiry of physicians (primary research). Key opinion leaders (KOL), or "thought leaders", are respected individuals, such as prominent medical school faculty, who influence physicians through their professional status.

**Opinion Leader Influence Mapping:** Alternatives to segmenting physicians purely on the basis of prescribing do exist, and Ranbaxy call upon strategic partners who specialize in delineating which characteristics of true opinion leadership, a physician does or does not possess. Such analyses help guide Ranbaxy in how to optimize KOL engagements as bona fide advisors to a brand, and can help shape clinical development and clinical data publication plans for instance, ultimately advancing patient care.

**Autonomy and Entrepreneurship:** Ranbaxy believe in providing autonomy to their field staff and let them discover their potential while working for the company. Individuals are given responsibilities quite early in their careers and their actions impact the business. This has helped in fostering a culture of entrepreneurship within the organization. Supporting this entrepreneurial culture is the spirit of innovation and creativity. Ranbaxy philosophy is that one does not need to be part of Research and Development to bring about innovations. Creativity is promoted in every part of the organisation. Genuine mistakes are considered as part of learning and calculated risk taking is encouraged. Ranbaxy is an equal opportunity employer and that gets reflected in the rich and diverse workforce. This diversity provides them the strength to reach out to the world and touch the lives of millions of people in different parts of the country. Ranbaxy value the diversity that exists within their employees and leverage this to bring about synergy within the organisation.
The Management Trainee Programme

According to their Annual Report 2010, their Management Trainee Programme is a perfect example of Ranbaxy’s commitment towards developing and nurturing young talent. Ranbaxy recruits the best minds from Business Schools and prepares them for the challenges of business.

Each of the Management Trainee, irrespective of their discipline, gets an opportunity to work and get exposed in Sales, R&D and Manufacturing. They also work on live business projects in their own area of specialization. Projects are also undertaken in cross-functional area to build a holistic understanding of business. To prepare the trainees for global challenges each person has to undertake an extensive ten-week assignment away from their home country. This helps in developing a global mindset in the trainees.

A committee specially constituted for their development evaluates the work of the management trainees. The committee members coach and mentor them during the training period and prepare them for the challenges of a regular job.

5.3.9 Conclusion

Administration Practices

Building Leaders across the Organization: Ranbaxy believe that every individual can be a leader and leadership is not a domain of the people at the top. Accordingly the Ranbaxy Leadership Model focuses on strengthening the leadership qualities across the organisation and quite early in the individual's career. The Model prepares individuals first to deal with 'the self' and then with 'others'. As the manager matures, the model facilitates the individual to become a business leader by understanding and appreciating the multiple facets of business. Finally managers of Ranbaxy are prepared to lead and drive change - an ultimate test of a person's leadership skills.

Prescription Generation: The Company has already hired nearly 1,500 marketing personnel since the strategy, named Viraat, was kicked off in January 2011—taking its workforce to 4,300. Ranbaxy is aiming to overtake
Cipla Ltd as the market leader. Ranbaxy’s current market share is 4.9% against Cipla’s 5.4%, according ORG IMS, a pharmaceutical market research agency. Through Viraat, it hopes to corner 6% of the generics market by 2012.

Two-thirds of the new hires are field personnel, who will spread out into towns and rural areas to push the company’s over-the-counter and prescription drugs. The rest have been hired at managerial levels. Through Viraat, Ranbaxy has already increased its customer reach from 150,000 doctors last year to around 200,000 now. By the end of 2012, it expects to reach a minimum 350,000 doctors.

In addition, sale force of Ranbaxy, can expect to be trained in the latest developments in their respective field of functional excellence. Ranbaxy Strategic Learning Partners support the development initiatives at Ranbaxy and are themselves leading names / institutions in the world of people development.

**Role of Medical Representatives:** Arranging appointments with doctors, pharmacists and hospital medical teams, which may include pre-arranged appointments or regular 'cold' calling.

The following responsibilities are assigned to the Medical Representatives which is giving them positive results:

- Making presentations to doctors, practice staff and nurses in GP surgeries, hospital doctors, and pharmacists in the retail sector. Presentations may take place in medical settings during the day or may be conducted in the evenings at a local hotel or conference venue;
- organizing conferences for doctors and other medical staff;
- building and maintaining positive working relationships with medical staff and supporting administration staff e.g. receptionists;
- managing budgets (for catering, outside speakers, conferences, hospitality, etc);
• keeping detailed records of all contacts and reaching (and if possible exceeding) annual sales targets;
• Planning work schedules and weekly and monthly timetables. This may involve working with the area sales team or discussing future targets with the area sales manager. Generally, medical sales executives have their own regional area of responsibility and plan how and when to target health professions.
• regularly attending company meetings, technical data presentations and briefings;
• keeping up with the latest clinical data supplied by the company and interpreting, presenting and discussing this data with health professionals during presentations;
• monitoring competitor activity and competitors' products;
• developing strategies for increasing opportunities to meet and talk to contacts in the medical and healthcare sector
• staying informed about the activities of health services in a particular area;
• Working with team managers to plan how to approach contacts and creating effective business plans for making sales in a particular area.

**Learning:** Ranbaxy carefully and with precision planning, decide on the appropriate size of a sales force needed to sell a particular portfolio of drugs to the target universe. Design the optimal reach (how many physicians to see) and frequency (how often to see them) for each individual physician. Decide how many sales representatives to devote to office and group practice and how many to devote to hospital accounts. Additionally, customers are broken down into different classes; each class is differentiated by their prescription behaviour and of course, their business potential.

### 5.4 CASE STUDY III : ASTRAZENECA INDIA

#### 5.4.1 Introduction

AstraZeneca is one of the world's leading pharmaceutical companies, and the No 2 British company in the market behind GlaxoSmithKline. It has a strong current
portfolio which includes 11 products with sales of over $1bn, led by the gastrointestinal drug Nexium.

AstraZeneca International claims to be one of the world's leading pharmaceutical companies, dedicated to the discovery, development, manufacturing and marketing of high quality, effective prescription medicines that bring benefit for patients and add value for shareholders and wider society (AstraZeneca International, 2006). However, it seems that those statements were not merely blind claims as the company has evidences of its success. Their products are available in over 100 countries. In 2005, the totaled sales reached $24 billion, with an operating profit of $6.5 billion (AstraZeneca International, 2006).

Albeit the issue of limited research and development of pharmaceutical companies (Piachaud, 2002), AstraZeneca International is one of the companies that basically invests considerably on R&D. The company spends over $14 million every working day on the research and development of new medicines that meet patient needs (AstraZeneca International, 2006).

**AstraZeneca India**, is the only multinational pharmaceutical firm in India that offers an integrated approach to the discovery, development and marketing of medicines. The company also has the only dedicated research centre for TB in the world, located here in India.

AstraZeneca India works together in partnership with several Indian firms to deliver high quality medicines to both international and Indian markets. With a strong pan-India presence, they’re one of the fastest growing multinational company in India, with a fiscal turnover in 2009 of over Rs.360 crore and their growth rate was 12%, compared to 6% average growth among MNCs as per an ORG MARG report..

Today, AstraZeneca is represented in India as two legal entities – AstraZeneca Pharma India Limited (a listed sales and marketing organization with a strong manufacturing base in the country) and AstraZeneca India Pvt. Limited (a wholly owned subsidiary of AstraZeneca PLC engaged primarily in research).
5.4.2 Profile

AstraZeneca Pharma India Limited is a pharmaceutical company. The Company operates in three segments: healthcare, clinical trial services and co-promotional services. The healthcare segment is engaged in the manufacture and sale of pharmaceutical products. The clinical trial services segment offers clinical trial services on pharmaceutical products. The Co-promotional services segment offers co-promotion services for pharmaceutical products to its customers.

The Company’s brands include Crestor, Seloken, Selomax, Meronem, Neksium and Linctus Codeinae. During the fiscal year ended March 31, 2011, the Company launched six new products, which include Olways and Valfect in the Cardiovascular therapy area; Diprivan, Naropin and Enclere in the Infection therapy area, and Bricacef in the Respiratory therapy area. The Company produces bulk drugs, liquids, tablets and capsules, injectables, ointments and inhalation products.

AstraZeneca India is the only multinational pharmaceutical firm in India that offers an integrated approach to the discovery, development and marketing of medicines. And they also have the only dedicated research centre for TB in the world, located here in India. They work together in partnership with several Indian firms to deliver high quality medicines to both international and Indian markets. They have over 100 expert scientists working together in state-of-the-art facilities to discover.

Integral to AstraZeneca success is a clear and energising position on what AstraZeneca stands for and how the company wants to do business.

In June 2009 the senior executive team approved a new AstraZeneca brand position. This was developed in collaboration with key markets, is built on insights from external stakeholders and employees and amplifies our strategy to create a competitive edge for AstraZeneca by differentiating ourselves from other pharmaceutical companies.

AstraZeneca brand position - Health Connect Us All - to give AstraZeneca a strong, differentiating platform for aligning its marketing team behaviours and changing the way they work. Health Connects Us All is a lens through which
AstraZeneca view itself and the way the company bring value to its stakeholders by making new and creative connections in order to improve patient health and build a profitable business. Starting from February 2010, the new brands were rolled out in the following 10 “first wave” countries: Australia, Brazil, Canada, China, Greece, India, Netherlands, Sweden, the UK and the US. Initially, the new visual and verbal identity is only used internally to drive and align Medical Representatives behaviours and ensure their actions will match their words. As activities become embedded AstraZeneca began to communicate externally.

Countries in the first wave are using the new visual and verbal identity extensively, as they launch the new brand locally. Throughout 2010 group-wide communications has began to adopt the new visual and verbal identity both internally, and externally, such as AstraZeneca.com and the annual report.

5.4.3 Organization of the Marketing and Promotion: Features, Practices and Opinion

a. AstraZeneca Marketing and Promotional Strategies: AstraZeneca believe that the best way to offer innovative healthcare solutions for the global community is to work with others in that community. It works with partners who complement their existing skills, enhance company’s internal innovation and bring extra value to what they do. By sharing ideas and exchanging information, the company can enhance its creativity and effectiveness. AstraZeneca like to engage with doctors, patients and other stakeholders, so they’re in a better position to understand their needs and the issues they face. The company also has a close relationship with governments and healthcare organizations to ensure their products represent value for money. And company often team up with NGOs to improve local healthcare in vulnerable communities around the world.

b. Cause Marketing: Health camps for women: AstraZeneca regularly hold health camps for women to tackle maternal mortality and make safe motherhood a reality for Indian mothers. The camps especially focus on educating younger women about reproductive health. The company vaccinates young girls with the Rubella vaccine to protect them against
c. **Partnering with Advocacy Groups:** AstraZeneca India associate with a slew of Patient groups which are independent organizations providing advice and support to patients and their families. They help to raise awareness of diseases, fund research and improve patient care. AstraZeneca give money and in-kind support to patient groups to support their work. AstraZeneca India focuses their support on groups addressing diseases and therapeutic areas that reflect their product range but company claim that they never link funding to promotion of their medicines. The company also uses patient groups to provide consultancy services, for example to help them develop educational material for patients. AstraZeneca India believe that their support for patient groups brings genuine benefits to the patients they serve - without funding from pharmaceutical companies, many of these groups would not be able to function as effectively or reach as many patients.

d. **AstraZeneca’s Policy on Patient Groups:** AstraZeneca India aim is to ensure that all of their relationships with patient groups and other healthcare organizations continue to be based on transparency, trust and a shared objective to improve the lives of patients as mentioned in their web pages.

e. **The Public Relation Tools use by AstraZeneca India:** 1) Press relations: Presenting news and information about the organization in the most positive light. 2) Product publicity: Sponsoring efforts to publicize specific product e.g. 3) Corporate communication: Promoting understanding of the organization through internal and external communication e.g. a) House journals are not only distributed to the AstraZeneca India medical representatives but to their distributors and doctors as well.
5.4.4 Analysis of the Administration of the Marketing and Promotional Practices

a. Continuing Medical Education or CME

AstraZeneca India chooses to support CME that improves expertise in areas of medicine that are relevant to their business – for example they focus on diseases commonly treated by AstraZeneca therapies. However, their funding for CME is never used as a disguised means to promote a particular AstraZeneca medicine.

AstraZeneca India may be involved in the organisation of educational programmes for healthcare professionals or provide funding to independent providers. In India, their funding is provided through medical education grants offices, which are separate from their sales and marketing function.

b. AstraZeneca Five Principles at the Core of Engagement in Social Media: AstraZeneca recently launched promotional videos for its asthma medicine Symbicort on YouTube. AstraZeneca understands the value of social media to engage key stakeholders in today’s technology-driven world. While AstraZeneca India has developed a corporate presence in the digital space, the company believes it is increasingly important to participate in online channels to provide accurate and regulated information about their branded products in conversations with patients, caregivers, and health care providers.

AstraZeneca believes that five principles should be at the core of any company engagement in social media as mentioned in one of their promotional brochure:

- **Truth and Accuracy:** Content must be created, developed, or made available that is truthful, balanced, accurate, and not misleading.
- **To Be Respectful:** Encourage product sponsor participation that respects the interests of patients, caregivers, and health care providers, particularly related to matters of privacy and the primacy of the patient/physician relationship.
• **Protect and Advance Patient Health**: Facilitate patient access to quality information for use with their physician to improve their health and protect patients through encouraging accurate and timely reporting on medicine safety.

• **Transparency**: Any product sponsor participation should be accomplished in a manner that, at all times, is entirely transparent to other participants as to the role of product sponsors as participants in online discussion.

• **Respect the Views of Others**: Acknowledge that patients, caregivers, clinicians and others who participate in social media have their own opinions and that, when they differ from those of the product sponsor, it is not the role of a product sponsor to censor or limit these views but to add the product sponsor’s own views to the discussion.

In its comments to the FDA, AstraZeneca proposed a regulatory framework that is consistent with these principles and defines, distinguishes, and distinctly regulates three types of communications on the Internet and in social media:

- Company-controlled, hosted online communications
- Company-controlled communications
- Real-time, social media participation communications

The company also noted on their website that, “Without guidance, our activities are limited in a manner that we believe is not in the best interests of informed health care decision making. In our absence, consumers will turn to information sources that are not regulated and not always well informed.”

AstraZeneca believes the company has an obligation to participate in social media in a responsible way to help educate and empower patients, caregivers and prescribers to make informed decisions about its products.
c. Partnering with Advocacy Groups

An AstraZeneca Foundation has restructured its funds for the long term, to build upon its pioneering sponsorship work in the future. For the past two decades the independent, not-for-profit society, supported by the AstraZeneca Research Foundation India (AZREFI), has fostered biomedical research. Nominees, both of the Indian Government and the parent company, Astra-Zeneca, have jointly administered AZREFI.

A discussion between the Board of AZREFI, the Indian Government and AstraZeneca, the society has decided that the time has come also for AZREFI to change, and focus on sustained support for a smaller number of projects. Therefore, the society has decided to dissolve the formal constitution and invest in more long-term projects to ensure that sponsorship of Indian science started by AZREFI will continue into the future and build upon the pioneering work of this organisation.

The long-term investments been made are in critical areas of enabling science for India, to become a global force in drug discovery and medical research.

5.4.5 Conclusion

a. Administration practices: As per the company document, ‘Policy on Promotional Activities’, “It sets forth clear standards that must be adhered to by all AstraZeneca employees engaging in any type of product promotion. According to this document, full prescribing information (also called package insert, product circular, full disclosure, or directions for use) is the basis for all of the company’s communications about its products.

It sets forth the FDA-approved conditions for use of a product, including indications, dosages and patient populations, as well as warnings, contraindications and adverse events. AstraZeneca Medical representatives must also give an objective and balanced presentation of both the benefits and risks of the product. This means that AstraZeneca Medical
representatives must make sure that the sum total of their presentations to any Doctors on a given product adds up to full awareness of the product's benefits and the risks associated with its use. While not exhaustive, the following list sets forth some examples of activities that must be strictly avoided:

Promotional Materials Must Be eSTaR-approved Prior to Use: All materials used in promotion – including reprints, referenced texts, patient education pieces, display/exhibit materials and reminder items – must have prior approval of the product management team.

Promotional Materials Used Must Be Current Version: All materials used in promotion must be current and must be used in accordance with the guidance or directions accompanying the materials, including directions about dates of use. AstraZeneca Medical representatives must never use materials that are expired or materials that the employee has been instructed to discontinue using.

b. Prescription generation: AstraZeneca's comprehensive information strategy for detailing to doctors: The cornerstone of this strategy involved replacing the company's core sales, marketing and medical information systems with a new, integrated doctor relationship management program, which would combine new systems, effective detailing to doctors and improved information functionality.

For help in developing the information strategy and selecting—and then implementing—the doctor relationship management program, AstraZeneca turned to Accenture. In addition to its deep industry skills and broad experience helping companies develop and apply leading-edge marketing insights, Accenture helped AstraZeneca achieve high performance through a successful program of simplifying detailing to doctors.

Accenture quickly assembled a multi-disciplinary team of professionals with deep skills in change management, customer relationship
management and sales force automation to work with AstraZeneca to design a doctors relationship management solution that would not only deliver an integrated view of doctors data, but also support process and data integration across the sales, marketing and medical information areas of the business. The goal was to improve the company's ability to use information for effective detailing and communicating with doctors, and to enable the measurement of key business capabilities' efficiency and effectiveness with respect to generating prescriptions.

AstraZeneca also collaborated with Accenture to design and deploy a mobile information management solution that extended the Siebel business solutions to 1,200 field sales representatives. Built on Dell PDA devices and using Oracle's Siebel Field Service software, this solution component enables AstraZeneca's sales force to improve productivity, access doctors and account details, record doctors interactions and call notes, update doctors profiles and access information that will prepare them for their next doctors meeting.

**Empowering the prescriber:** The AstraZeneca philosophy, is, “the Prescription medicines can bring great benefit to patients but their appropriate use depends on doctors having the information they need to make fully informed decisions”. Much of that information comes from pharmaceutical companies. AstraZeneca believe that marketing plays an important role in ensuring that up-to-date information is provided to those who need it to support the safe and effective use of their medicines. Such interactions also help the company get important feedback on how their therapies are working on a day-to-day basis as part of their ongoing safety monitoring.

c. **Role of Medical Representatives:** Every field staff undergoes annual training on their Code of Conduct and additional training is provided for their sales representatives and their managers on AstraZeneca sales and marketing standards. It includes real-life examples and scenarios to help employees understand how to apply the standards in practice.
AstraZeneca provide annual policy training for sales and marketing teams throughout India, supported by refresher training on key topics and changes to policies. Since training can’t cover every situation an employee might face in their work, and AstraZeneca encourage them to seek help from their line manager to address any dilemmas they may encounter.

An example of the questions asked in AstraZeneca training module:
A doctor mentions an upcoming new use for an AstraZeneca drug, which has not yet been approved, but which you have been trained in to prepare you for the launch. Which responses would be acceptable?

- Say that you will contact the Marketing Company Medical Department to get them to follow-up with her.
- Give a quick summary of the product benefits in the new indication and contact Medical Information to follow-up in detail.
- Refer the doctor to a website for downloading the product’s latest study results
- All of the above.

Correct answer is (a)

Other methods AstraZeneca use to raise awareness of their Medical Representatives:

- Regular communication to reinforce training and continually remind employees about AstraZeneca standards.
- Frequent updates for sales representatives from their first line managers on policy changes, compliance cases and audit results.
- Regular updates and discussions during team meetings.
- Information on AstraZeneca intranet sites for sales and marketing teams.
- Network for medical representatives and first line managers to share good practice and discuss difficult issues and grey areas.

d. Learning: AstraZeneca use various channels including the Internet, to provide information about the companies’ medicines. Face to face contact
between representatives and healthcare professionals remains a highly effective way of highlighting new developments and keeping healthcare professionals up-to-date. AstraZeneca marketing departments and sales representatives are highly trained in what they may and may not say about their products, and how they may interact with healthcare professionals. AstraZeneca work within detailed legislation and codes, both external and their own, that set clear limits of acceptability for the promotional materials and activities. The company monitors compliance very carefully and the penalties for individuals who breach these codes are serious and rigorously enforced. Teamwork is at the heart of what AstraZeneca do. In the last three years they’ve entered into 60 major R&D collaborations and they intend to continue this approach to help achieve their goal of better health for patients.

5.5 CASE STUDY IV : CIPLA

5.5.1 Introduction

Cipla, originally founded as The Chemical, Industrial & Pharmaceutical Laboratories is a prominent Indian pharmaceutical company, best-known outside its home country for producing low-cost anti-AIDS drugs for HIV-positive patients in developing countries. Cipla makes drugs to treat cardiovascular disease, arthritis, diabetes, weight control, depression and many other health conditions, and its products are distributed in more than 180 countries worldwide. Among the hundreds of generic medications it produces for international distribution are atorvastatin, amlodipine, fluoxetine, venlafaxine hydrochloride and metformin.

According to ORG-IMS, Cipla remained the leader in the domestic market, as on 31st March 2011 with a market share of 5.38 per cent. IN 2009 CIPLA’s turnover crossed the landmark figure of Rs. 5,000 crores, an increase of 22%. Exports grew by 30%. This now exceeds their domestic turnover and the gap is likely to widen in the future. Domestically, however, according to the IMS-ORG statistics, Cipla continues to be the leader and it has maintained leading position for the past four to five years.
The developing world needs more and more access to drugs at affordable prices. There has been an explosion of chronic diseases in the third world and of late Swine flu has reached pandemic proportions. Cipla saw this coming way back in 2005 and took the initiative to produce both the important antiviral drugs Oseltamivir and Zanamivir, and marketed these under Cipla's brand names Antiflu and Virenza.

Cipla is the only producers in the world of both these drugs. Its Antiflu is approved and qualified by WHO and is the only branded generic drug of its kind available anywhere. The government has also taken their assistance to jointly combat this catastrophe.

Cipla has invested significantly in newer, state of the art facilities which are among the best equipped and modern. During the past 3 years alone Cipla has incurred a total capital expenditure of nearly Rs. 2000 crores. In 2008, the company invested over Rs. 300 crores in a new pharma project in Sikkim, which has already supplied large quantities of drug formulations to the domestic market. A dedicated formulation unit is in the final stages of being set up in a special economic zone in Indore at an estimated cost of over Rs. 750 crores. This factory complex will commence production by the end of 2010. Newer facilities and upgrading of their existing facilities has to keep pace with the growing demand for high quality medicines. In Bangalore, a new API facility is being set up as also expansion of API production in both Kurkumbh and Patalganga. R&D activities are being expanded in Vikhroli and Patalganga[2].

The annual Report 2010 mentioned that, Cipla’s marketing strategy has always been to supply medicines at affordable and reasonable prices, so that none should be denied access to proper healthcare.

5.5.2 Profile

Cipla, one of the leading global pharmaceutical companies from India is the 'Most Trusted Brand' in the pharmaceutical industry in India, according to a study by Trust Research Advisory (TRA) - a research company which surveyed 16,000 brands across 9 cities.
The company offers various drugs and healthcare products. It manufactures and sells various OTC products, prescription products, flavors and fragrances, pesticides, and animal products. They are offered in the form of tablets, capsules, injection, suspension, syrup, and dispersible tablet. In addition, the company exports its products to 180 countries across the globe. The company’s products are certified by various recognized regulatory authorities namely Food and Drug Administration (FDA), USA; Medicines and Healthcare products Regulatory Agency (MHRA), UK and so on. Moreover, it operates manufacturing facilities and R&D centers located across India. The company is headquartered in Mumbai.

During the fiscal year ended March 31, 2012 (fiscal 2012), it introduced a number of new drugs and formulations, such as Adgain (vital nutritional supplement for hair loss); Capnea (caffeine citrate injection and oral solution) for apnoea of prematurity in infants; Caspogin (caspofungin acetate injection) for new antifungal for life-threatening fungal infections; Endobloc (ambrisentan tablets); Esomac (esomeprazole tablets); Evocort (formoterol and mometasone rotacaps)-new once-daily asthma controller therapy; Flavocip (flavoxate hydrochloride tablets) for relief of spasm of the urinary tract; Glatira (glatiramer acetate injection); HB Set (ferrous ascorbate and folic acid); Isablac (lactulose and isphaghula husk granules), and Ivabeat (ivabradine tablets) drug for coronary artery disease and chronic heart failure. On February 20, 2012, the Company through its subsidiary acquired Cipla la Ticaret Anonim irketi, Turkey.

Commenting on Cipla’s achievement, Mr. N. Chandramouli, CEO Trust Research Advisory & Publisher of the report said, "Cipla has ranked as the most trusted pharmaceuticals' brand, with overall 133rd rank among the 16,000 brands studied under this report. Trust is an essential prerequisite for the healthcare sector and having a high Trust Index displays intrinsic aspects like the brand's empathy, sincerity, and competence."

"Cipla alleviates the sufferings and saves millions of lives worldwide each day. Every individual who experiences Cipla through its high quality drugs and devices develops a sense of trust for the brand. Also, our unique humanitarian
approach and integrity in functioning has helped us emerge as one of the most trusted names across geographies."

The Brand Trust Report, India Study, 2011 is based on a proprietary Trust Matrix developed by TRA which was used to launch a syndicated primary research on Brand Trust across 9 cities in India covering 2310 respondents who were classified into the 'influencer' category.

The most intensive study on Brand Trust undertaken in the country, the study generated nearly 10,00,000 data points and 16,000 brands covering 2310 respondents who were classified into the 'influencer' category. **Indian Statistical Institute** helped create a statistically robust Brand Trust Index which has been used to hierarchically rank India's Most Trusted Brands.

### 5.5.3 Organization of the Marketing and Promotion: Features, Practices and Opinion

a. **Cause marketing:** Cipla Palliative Care and Training Centre in Pune continue to provide care to cancer patients. As of date, the Centre has provided comfort and solace to more than 6,600 patients. The focus is on reaching out to more and more cancer patients who need palliative care and on integrating palliative medicine with curative therapy. In addition, the Company continued to support the promotion of education and community welfare, both directly and through its charitable trusts.

As regards environment care, the Cipla continued to maintain modern, well-designed effluent treatment plants at its factories. Treated water from these “zero discharge” facilities is used for maintaining a green belt at all the locations. The Company regularly undertakes various innovative measures to conserve energy reduce wastage and optimize consumption. Over the years, the Centre has treated over 5000 patients, with over 80% of them in advanced stages of cancer. The focus on approach', effort', success' has paid off.
At Cipla Palliative Care Centre, they are sure about their mission not to surrender to death, but to face it with dignity and love. Their endeavour is to make patients love their life as much as they can, as long as they live. Here's how they implement:

i. Train relatives of terminally ill cancer patients, in symptom control and patient management, so that they can look after the patients at home.

ii. Offer emotional support, counsel and respite to dying patients and their families.

iii. Offer speciality services for effective pain control, for all stages and types of cancer.

iv. Provide home care to patients discharged from the centre so that the care continues.

v. Offer bereavement support to grieving families.

vi. Train professional like doctors, nurses and medical social workers in the principles and practice of palliative care.

vii. Familiarise lay public and media with the role of palliative care in the management of cancer.

viii. Offer recreational healing’ meditation, laughter therapy, music therapy, creative sessions, entertainment programmes and celebration of festivals so as bring back the joy of life.

ix. Support patients go through the course of curative treatment by managing pain and symptoms. In terminal cases, help patients achieve a pain-free, dignified and peaceful death, preferably at home.

b. Cipladoc.com – It’s a website aimed at practicing physicians developed by Cipla. As the name suggests this site is purely a technical site dedicated for the Doctors. The Home Page consists of Various Updates on the Topics such as AIDS, Respiratory, Cardiology, Infection, Neurology, Optholomology, Diseases of the Mouth etc.

Cipla is manufacturing the drugs for HIV/AIDS hence the main focus remains to be on that. The site provides treatment Guidelines on
HIV/AIDS, Cipla’s prescribing range, prescribing information and patient education. Cipla has manufactured Single dose Drug therapy for HIV/AIDS in India and that is the Major Pioneering step in controlling the epidemic in India.

Other sections such as Respiratory Updates, Cardiology & Neurology updates also have the same content of Cipla’s useful drugs, prescribing information and patient education. Essential reading part, includes Publications, Downloadable booklets for Patients help and of course the Current Standard Guidelines for the management of diseases.

The Section of Medical Slides gives Standard Medical slides for various drugs as well as some of the Medical Conditions such as Glaucoma, Prostate Hypertrophy, Bird Flu, Diseases of Heart and other essential organs. The section of Conferences shows which the Upcoming conferences in the specific Topics are. Brief history of Cipla Foundation and the Palliative Treatment Centre for Cancer is also described.

Essential tools include finding some of the references from Medline, Exercises, Health forum and other Health Tools. During leisure time some of Quiz, easily downloadable & Useful Links have been provided. Fuelling to the latest technology is the section of Search which helps to find more and more references. This site is also targeting for all Primary Physicians and other Health Care Providers in the World.

c. **Cipla has also joined hands with the Clinton Foundation to support its paediatric HIV/AIDS initiative.** This programme covers more than 45,000 infected children. The Company has provided subsidised drugs, estimated to be worth USD 3 million. As of date, the Cipla Foundation's Palliative Care and Training Centre in Pune have provided comfort and solace to more than 5200 patients. Cipla also provides medicines to treat over a million poor, aged patients in slums and villages. For this work, Helpage India has felicitated the Company with the Silver Plate Award 2005-2006. In addition, the Company continued to support the promotion
of education and community welfare, both directly and through its charitable trusts.

### 5.5.4 Analysis of the Administration of the Marketing and Promotional Practices

Cipla training manual reveal the following seven steps to develop a distinct image in the eye of the doctors:

i. **Play host:** In this, a small group of doctors is invited and briefed whenever a new brand is introduced.

ii. **Respect doctors’ schedules and get to the point straightway.** Also make the presentation brief and memorable.

iii. **Be factual:** Factual and realistic information is effective. Case studies, clinical trials, promotional trials, cure rate of drugs and side effects all need to be collected and documented properly to create a favourable perception.

iv. **Maintain respect:** A conversation followed by a thank you note is usually adequate. Medical representatives and managers need to be trained accordingly to create a favourable impression.

v. **Be brief and subtle:** Initially to create perceptions and awareness about a company, information should be given in encapsulated form so that the customer is not burdened with more information.

vi. **Identify your uniqueness:** The overall strategy may include advertising or a public relations agency handling everything.

vii. **Develop field staff to maintain quality standards**

### 5.5.5 Conclusion

#### a. Administrative Practices

*New Way of testing visual aid:* To get an idea of how well the visual aid will perform, Cipla do predictive modelling. In order to assess the effectiveness of a visual aid before it gets handed to medical representatives, Cipla build predictive models that utilize data collected from physician reactions to the tested visual aid. This data is then analyzed against actual changes in prescribing once the visual aid is submitted to physicians. Historic data is used to create models that benchmark the
underlying aspects of a visual aid to give medical representatives a sense of whether a visual aid will affect prescribing trends.

b. **Prescription generation:**

*Impact of Predictive Modelling:* The visual aid is considered a powerful tool in the improvement of sales performance for Cipla, as it represents the tangible intersection of marketing and sales execution. However, consistent visual aid development has led to consistent use of the visual aid. Since the development of the visual aid is validated against actual prescribing, sales team is more likely to embrace it. Cipla, therefore, track the effectiveness of a visual aid and update it when it is needed rather than on a pre-determined cycle. With predictive models now available, this helps to improve sales force effectiveness.

c. **Role of Medical Representatives:** Cipla medical representatives are taught to collect information about competitors is to separate doctors from their competitors. As medical representatives goes on the field, they call upon doctors that prescribe competitors products. The Medical Representatives are taught to ask the right questions to these doctors. Two key questions are the following:

i. What do you like best in our competitor’s products?

ii. What is your least favorite to prescribe our competitor products?

Knowing the answers to these questions can be very powerful for Medical Representatives. This gives them the perspective of doctors’ strengths and weaknesses of the product range of their competitor. Armed with this information to Medical Representatives can learn to make their presentations so they can minimize the competing forces and maximize their weaknesses compared to their products. By taking the time to provide training Medical Representatives on competitors, Cipla give their Medical Representatives of a leg of a giant in the market. This helps them make more sales, and retain more prescribers.

**Cipla Guidelines to their Medical Representatives**

- Understand the objective of detailing the doctors before entering his chamber.
• Talk to doctor’s attendant and know more about doctors’ habits, his likes and dislikes.
• Keep your conversations with doctor brief but comprehensive and to the point.
• Make an impact but do not be perceived as telling them all that you have to offer. There needs to be a good reason to get back together.
• Always try to establish a next step with those doctors you meet that you would like to meet again. This helps encourage both to continue to move the relationship forward, eventually providing benefits.
• When offering your business card, make a note on the back regarding your next steps or perhaps even a note that will help the doctor to remember you.
• Bring a great attitude and a smile with you to each and every call to the doctor. This attracts doctors to you, helps them remember you, and encourages them to want to see you again.
• Practice your “elevator speech” because you have, at most, 20 to 30 seconds to keep their attention when answering the questions, “Who are you and what do you do?”
• Always analyze your efforts. Be sure that the time and money you are spending is providing a return on your investment. If it isn’t, what do you need to change?
• Dress professionally. Many calls to the doctors’ chamber are becoming very casual.

Cipla Guidelines to their First Line Managers
• Give an insight into medical representatives’ jobs
• Always clarify yours and your subordinates job expectations and initial objectives
• Clarify your purpose
• Have your daily weekly and monthly goals in writing
• Take your own decisions
• Listen to feedback from doctor, medical representatives and channel partners
• Make progress by continually adapting and evolving
• Mistakes as “important information”
• Progress is a continual process

d. Learning: The leadership position attained by the Company over the years is largely due to the dedication and commitment of its sales team. The Company strives not only to impart adequate training but also to provide the right environment to maximise team effort while enhancing individual growth potential. Cipla also coach their Medical Representatives on how to research their competitors. They ask their medical representatives to spend some time to verify sites and marketing materials of their competitors. They show them how to address the supply of competitive products and compare it to offer products that Cipla provides.

*Cipla’s four task-classification “zones” for their Medical Representatives:*

- **Pressure tasks:** (High value, high deadline pressure e.g. getting their sales target on schedule by proper and timely planning).
- **Efficiency tasks:** (High value, low deadline pressure e.g. meeting doctors as per the schedule).
- **Busy tasks:** (Low value, high deadline pressure, e.g. Meetings chemist and stockist and getting the inputs about sale).
- **Fruitless:** (Low value, low deadline pressure e.g. doctors refusing to meet, or not prescribing the products after repeated visits).

### 5.6 CASE STUDY V: IPCA LABORATORIES

#### 5.6.1 Introduction

IPCA laboratories are a fully integrated, rapidly growing Indian pharmaceutical company with a strong thrust on exports. IPCA’s APIs and Formulations produced at world-class manufacturing facilities are approved by leading drug regulatory authorities including the US-Food and Drug Administration (FDA), UK-Medicines and Healthcare products Regulatory Agency (MHRA), South Africa-Medicines Control Council (MCC), Brazil-Brazilian National Health Vigilance Agency (ANVISA) and Australia-Therapeutic Goods Administration (TGA). With operations in over 100 countries, exports account for over 52% of the
company's income.

Forbes, a leading US business magazine, selected IPCA in 2003 among its top 200 successful, rising companies outside USA, with sales under USD 1 Billion. Over 19,000 companies were considered by Forbes, and of the 18 companies from India that figured in this list, only four were from the 'Indian Pharmaceutical Sector'. IPCA happens to be one of them. Subsequently, IPCA was selected by FORBES in this prestigious list for two consecutive years; 2004 and 2005.

As per its Annual Report 2010, from a modest income of Rs. 0.54 crores in 1975-76, the net income has soared to Rs. 1,558.95 crores in 2009 as against Rs. 1,275.57 crores in the previous year, a growth of 22%. The Company’s focus on formulations business resulted into increase in overall formulation sales to Rs. 1,086.99 crores, an increase of 19% over previous year formulations sales of Rs. 913.76 crores.

The company further expanded its therapeutic coverage with introduction of new formulations, both in the domestic and export markets, especially in the fast growing life style related segments. The Active Pharmaceutical Ingredient (API) business also increased by 30% to Rs. 458.56 crores. During the financial year under report, the Earnings before interest, depreciation, foreign exchange translation gain/loss increased by 25% to Rs. 338.10 crores as against Rs. 270.01 crores in the previous financial year. The operations have resulted in a net profit of Rs. 209.19 crores during the financial year under report as against Rs. 91.22 crores in the previous financial year, an increase of 129%.

5.6.2 Profile

IPCA Laboratories Limited is a fully-integrated pharmaceutical company manufacturing over 350 formulations and 80 active pharmaceutical ingredients (APIs). The Company exports its APIs to the United States, Canada and South American countries and formulations to the United States, Panama, West Indies and South American countries. Its international client roster includes global pharmaceutical companies, such as AstraZeneca, GlaxoSmithKline, Merck, Roche
and Sanofi Aventis. It is building its brand in chronic therapy segments, such as cardio-vascular, anti-diabetic, anti-malarias and non steroidal anti-inflammatory drugs (NSAID). During the fiscal year ended March 31, 2012 (fiscal 2012), the Company introduced five new products in the domestic market. The Company has formulation manufacturing unit at special economic zone coverage (SEZ) Indore. During fiscal 2012, the Company acquired Onyx Research Chemicals Ltd. In May 2012, Tonira Pharma Limited merged with the Company.

IPCA Company’s formulations business in India now comprises of 11 marketing divisions focusing on key therapeutic segments including 3 new divisions – 3D (Cardio-Vascular), Nephro Sciences (Nephrology) and Urosciences (Urology) which started operations from April 2010.

The brand building is in evidence especially in chronic therapy segments such as cardiovascular, anti-diabetics, newer anti-malarial, central nervous system (CNS), Dermatology and nonsteroidal anti-inflammatory drugs (NSAID). As per its Annual Report 2010, in order to increase the reach and the penetration in the Indian pharmaceuticals market, IPCA has substantially increased its field force strength during the last 2 financial years. The total field force strength of IPCA in the Indian market is currently about 3,800 people including PSRs, Area and Regional Business Managers.

During the year under report, the Company introduced 8 new products in the domestic market. New products introduced during the last four financial years now constitute nearly 14% of the Company’s domestic formulations sales.

During the financial year under report, the domestic formulations business recorded a growth of 25% at Rs. 597.84 crores as against Rs. 476.59 crores in the previous year. IPCA domestic product range spans Formulations, Active Pharmaceutical Ingredients (API) and Drug Intermediates across therapeutic segments: Antimalarials, Antiemetics, Antibiotics, Analgesics, Antiarthritis, Antidiabetics, Cardiac Care, Cough & Cold Therapy, Dermatology, and Neuropsychiatry segments.
IPCA manufactures over 150 formulations in virtually every dosage form: tablets, capsules, oral liquids, dry powders for suspension, and injectables (liquid and dry). IPCA finished formulations are available in over 400,000 retail shops, catered to by a network of over 1500 wholesalers. 1500 sales and marketing personnel service over 200,000 doctors across the country.

**Internal Focus**

According to ORG IMS report, in 2011 IPCA revamped its product portfolio completely and structured it by therapeutic segments. The company started focusing on fast-growing therapeutic segments like the CNS (central nervous system), cardiovascular and dermatology. This was done largely to include high-margins products in its portfolio. In terms of volume, IPCA is one of the largest players in the domestic market. But these are low value products. The move has helped the company substantially in decreasing the share of the DPCO products from its portfolio.

5.6.3 **Organization of the Marketing and Promotion: Features, Practices and Opinion**

a. *IPCA's Major Step towards Patient Safety:* IPCA’s Annual Report 2011 mention that Drug safety is an important consideration for all stakeholders involved with drugs, which includes health care professionals, who are prescribing the product, patients, who consume the drug, drug regulatory authorities and pharmaceutical companies who are involved in manufacturing and marketing drugs. Patient safety is the fundamental principle for IPCA. The company is committed towards rational and safe use of medicines and has therefore taken the initiative of setting up a Corporate Pharmacovigilance Cell.

Pharmacovigilance refers to the science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other drug-related problem. The aim of Pharmacovigilance is to protect public health by identifying, evaluating and minimizing safety issues to ensure that the overall benefits of medicines outweigh the risks.
It is with this aim that a Corporate Pharmacovigilance Cell has been set up at IPCA's Head Office. The Cell monitors adverse events from both the domestic as well as the international markets. It creates awareness of pharmacovigilance among the field force and marketing team. It also collates adverse events from clinicians, evaluate them, take corrective actions and inform the practitioners on the effective use of the drug. The Cell also maintains a global safety database for IPCA's products.

b. **IPCA Building a Learning Organization:** In order to create a learning organisation, IPCA believes that a proper and conducive environment is built by involving the employees in the process of learning. Once the enthusiasm is built, the next step is to identify the skill gap in consultation with the employees. At IPCA process involves giving specific assignments to medical representatives in small groups. This is followed by assessing the due compliance to time schedules, reviewing the performance, rewarding them appropriately, and finally, drafting an action plan for enhancing the learning curve, making it more creative and innovative for both—the trainers and the learners. This process is then concluded by rigorously implementing the finalised plan, overseeing the progress and initiating corrective measures for any deviations.

This implies that IPCA not only furnishes its Medical Representatives with avenues to learn and grow, but also embraces change, constantly finding paths to make learning not only more meaningful and productive, but also interesting, continuously bringing in the element of wholesome medical representatives participation.

5.6.4 **Analysis of the Administration of the Marketing and Promotional Practices**

At IPCA, Upwardly communication is where a manager takes great pain to tell his junior exactly where he is going wrong and to rectify the changes. Downwardly communication is where continuous feedback is taken from subordinates and prompt actions are taken whenever required. At IPCA complete intellectual freedom is given to Medical Representatives as performance also depends on it.
At IPCA Medical Representative performance is supervised and monitored centrally. The manager's attitude has a direct effect on his subordinate's performance. Problems arise, when, because of past bad experiences, a manager starts monitoring his junior's activities to ward off the so-called potential performance hazards that might arise in the future. What he might not understand is the fact that this extra supervision ends up reducing the junior's self-confidence and morale and instead of working as a catalyst to boost the performance levels, becomes an inhibitor to the same. At IPCA managers are coached on the level of monitoring which is required.

Finding a solution

Like every problem has a solution, there are a few ways IPCA manage underperformers as revealed by one of its executive

- **Identifying the right fit**: If a Medical Representative is an underperformer in his current role, and his manager feels that he is suited for some other function, then a transfer of role is recommended. IPCA do not consider people as disabled; consider people as differently-abled. It is up to the managers to identify that and channelise those energies and abilities into a constructive job.

- **Strength and weaknesses analysis**: At IPCA Managers set goals for their team members based on a strength-weakness analysis. For instance, in sales, a manager can set different targets for his team members in the very beginning, so that each one knows what he has to achieve. The basic has to be achieved with minimum efforts and the variable can be stretched. Hence, if a medical representative is underperforming for any reason, this tactic builds his confidence, as he is able to achieve a smaller target set for him.

- **Training**: Based on the strength-weakness analysis and existing competencies of team members, an IPCA manager recommends appropriate training programmes to bridge the underperformance gap.

- **HR can help**: Even HR department at IPCA undertake various initiatives to reduce the gap between performers and under-achievers.

- **Counseling**: At IPCA it is the responsibility of the line manager and the HR to note what has gone wrong with an underperformer Medical
Representative. If a Medical Representative faces a problem in his line of work, then it is up to the HR and his team leader to sit with him and try to analyse and resolve the problem. They take steps that ensure that the problem is solved and the employee is back on track.

- **Training managers**: IPCA also train managers in a way that brings out the best in their team. At IPCA they have a relationship management programme, which is attended by all my field managers so that they know what is that we want to create in the organisation. It is a very intensive five-day programme, and a faculty takes them through it.

- **Right recruitment strategies**: Holistic recruitment strategies go a long way in controlling the problem of underperformers. In addition to aptitude tests, IPCA also undertake psychometric testing and competency based interviews to understand the candidate in terms of his aptitude and behaviour. IPCA also have a practice of assessing Medical Representatives on their behavioural pattern. They will not say that it’s a psychometric tool, but it is based on the DISC concept (Dominant, Influencer, Steady, and Conscientious).

- So they identify people's behavioural pattern and map it against a benchmark pattern, which is required of them to understand the match between the two. This is definitely not used as a tool for rejection, but it is a tool for selection, and they also have specific values that we look at.

- **Rewards and recognition**: Recognising the efforts of the Medical Representative help in boosting their morale. IPCA reward Medical Representative for the goals that they have achieved. The management by results program helps them to set goals and once they are achieved, they suitably reward them.

- **Motivation**: At IPCA HR has to motivate its Medical Representative by offering challenging roles. This is because money, as a motivator, has short life. What goes a long way is offering challenging assignments and recognition of its successful completion.
5.6.5 Conclusion

a. Administration practices: At IPCA the Medical representatives have to continually seek and build the most current promotion responses, just as they must obtain the most current Rx and detailing data whenever they run a detail impact analysis. They must deploy detailing resources according to those response curves. IPCA termed it as a "plastic" target/call strategy that can be continually molded to be most relevant to each physician at any time. The strategy also takes into consideration that individuals change, although the group as a whole may not.

b. Prescription generation: IPCA strategy of Adaptive targeting is given them rich dividend in term of increase in sales: IPCA the Medical representatives closely monitor the physician's response to promotion changes over time. They are coached to change their approach after identifying the possible reasons which may be:
   - Changes in market offerings such as launches and expiration,
   - pricing,
   - Reimbursement policy,
   - influence of Medical representative on the physician's prescribing habits,
   - Or the physician herself as she grows older or adopts new attitudes.

c. Role of Medical Representatives: At IPCA Medical representatives are instructed to focus on the following mediums to reach physicians:
   i. Detailing
   ii. Sampling
   iii. CME followed by Dinner programs
   iv. community initiatives, and
   v. e-detailing.
It up to the IPCA Medical Representatives to decide the promotional cocktail that has the most impact on the doctor. For example, what works best individual doctors: six details, ten samples, and two dinner meetings or ten details, five samples, and one dinner meeting? It is also necessary to consider the timing. Should the promotional effort be equally distributed over time or concentrated in only one or two points? Whether the drug is meant for acute, chronic, or seasonal conditions affects the timing. Different channels call for different spacing and synchronization considerations. The individual physician model may not find the best combination right away for that very complex problem, but it can help marketers answer the question, "Which of those two cocktails will have a larger impact?"

d. Learning: With the individual approach, adaptive targeting-in which targeted physicians and the frequency with which Medical Representatives call on them are continually updated to capture changes in the marketplace-is IPCA’s modus operandi. The way Medical Representative Cherry picks physicians to visit for the day is motivated by a maximum return for a day's work. Quota setting, management objectives, performance evaluation and monitoring, and the entire sales force deployment have undergone changes for the better at IPCA. The Basics start with individual doctor visited regularly by the IPCA’s Medical Representative. Initially a complete Plot is generated about the monthly details a Medical representative delivered to the concern doctor during the past 12-24 months against the prescriptions he wrote within that period. The process is repeated for all physicians, a database is created so that the concern Medical Representative can browse through the responses of individual physicians in his list. This way a national response curve has been built, to optimize promotional resources. A comparison is made with the response history of individual physicians and then marketing and promotional strategy is formulated for the particular area. IPCA’s approach includes "indirect" segments such as opinion leaders and referring physicians.