



Ajit Singh, Chairman, ACG

*The Indian pharma industry is highly innovative globally, particularly in formulations and super-generics. They have also much expertise in modern methods of dosage form packaging, such as blister packs.*

## Interview with Ajit Singh, Chairman, ACG

**MedicinMan: Tell us something about yourself and how you came to start ACG Worldwide?**

**Ajit Singh:** When our small capsule factory began in the mid-1960s we produced only about 50 million capsules a year with a negative cash flow for some years.

We were warned by a world leading capsule company that this was not a business for amateurs.

It took some really smart marketing and technical ingenuity, but we now make a 100 billion capsules a year and are a world leader.

It took my brother Jasjit, a brilliant engineer, and myself with an economics and marketing background to complete the project and grow the business into a multi-faceted, global group making capsules, packaging films and related machinery.

We have made a good team right through our working life. We started with a few dozen team members and today employ over 5000 people. We have built-up a cadre of top-notch professionals drawn from around the world to head our various companies and corporate verticals. The group is now being led by my nephew Karan Singh, a foreign trained, highly competent and affable individual with great management skills.

**MM: What do you think are some of the key challenges faced by Indian pharma and what solutions can ACG Worldwide provide?**

**Ajit Singh:** Indian pharma has very strong leadership, being headed mostly by pharmacists and technocrats. I believe they have the resilience, talent and ambition to face up to most future challenges. They have done so in the past even when the infrastructure and government policy made it difficult to grow fast. Presently the main challenges appear to be price control and USFDA strictures on documentation integrity and systems. This has led to restricted access to the huge USA market.

I believe that the US will find it too expensive and difficult to manufacture their own generic formulation or import it in huge quantities from some other countries. They will have to come back soon and rely on suppliers from India.

Meanwhile, of course, India has several other markets to explore and supply, and such product registration is ongoing.

An interesting alternative solution would be to set up manufacturing in the US. Several Indian companies have already done so.

ACG can help in both the above endeavours.

The Indian pharma industry is highly innovative, particularly in formulations and super-generics. They have also much expertise in modern methods of dosage form packaging, such as blister packs.

The US market still relies on old-fashioned bottle packing.



*The power of choosing what generic product to give to a patient is shifting to the pharmacist in the drugstore.*

*So it becomes necessary to differentiate a product by other means. Super-generics and innovative packaging can play a big role.*

Such packaging is generally held to be neither hygienic nor protective nor patient-friendly. Again, ACG can help such companies set up blister packing capacity with affordable equipment and film.

In fact, ACG can help set up the complete line from fluid bed processing to cartoning and track and trace systems. It has done so for many leading pharma companies around the world.

**MM: Indian pharma has been facing a lot of challenges in the US market in terms of quality issues with USFDA. What steps do Indian pharma companies need to take to build trust as manufacturer of top quality drugs?**

**Ajit Singh:** The question has been partially answered above. Building trust through quality depends on a company's attitude towards sustained product quality.

Quality will keep improving with rising expectations of the regulators both from overseas and India, particularly as the latter get better funded and trained. Happily, things are moving in the right direction.

**MM: What should marketing decision-makers know about manufacturing and packaging from a business and marketing perspective?**

**Ajit Singh:** As the world shifts hugely towards generic drugs, it becomes difficult to rely on brand differentiation or the loyalty of the medical profession. The power of choosing what generic product to give to a patient is shifting to the pharmacist in the drugstore.

So it becomes necessary to differentiate a product by other means. Super-generics and innovative packaging can play a big role. The technology and products are available. It is up to the more agile pharma manufacturers to adopt them and take a lead.



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*So it becomes necessary to differentiate a product by other means. Super-generics and innovative packaging can play a big role.*

**MM: There is a lot of talk globally about the necessity for patient-centric approaches in health-care – your thoughts on this and how manufacturing and packaging can make a difference to patient’s perception about quality of drugs and reputation of pharma companies?**

**Ajit Singh:** A patient-centric approach is essential and should not need to be mandated or legislated by governments.

The fact that most pharma associations and western media rank India quite low in pharma leagues in terms of US dollars is revealing. India is third in the world in volume and ignoring this shows a predilection towards valuing the top and bottom line over serving more of humanity.

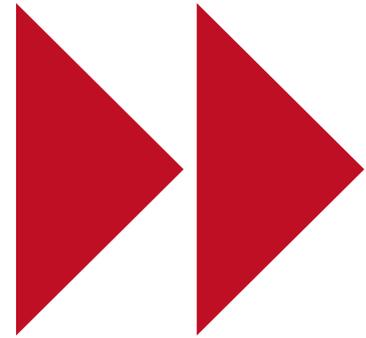
Even more than manufacturing and packaging, the global pharma industry needs to work on changing public perceptions of the industry. A focus on technology, R&D and brand promotion has never been enough.

**M**

**ACG**

PRESENTS  
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“PHARMACEUTICAL  
MARKETING IN THE  
NEW AGE.”



TUESDAY, APRIL 24, 2018

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THE LEELA, MUMBAI

# PHARMACEUTICAL MARKETING IN THE NEW AGE

TUESDAY, APRIL 24, 2018 | THE LEELA, MUMBAI

## Session One

**0800 AM Onward:** Breakfast and delegate registrations

### **0900 AM Session 1: New Age Pharma Business Model**

Amidst domestic and global regulatory headwinds, the industry finds itself cornered by aggressive competition. Must Indian Pharma resort to radical changes to restore the precarious equilibrium between the ever-battling yin and yang that are the Regulatory and the Customer?

**First Keynote Address: Annaswamy Vaideesh**, Vice President and Managing Director, South Asia at GlaxoSmithKline Pharmaceuticals (I) Ltd.

**Second Keynote Address: Yugal Sikri** - Chairman, School of Business Management at NMIMS

**Panel members: Suresh Subramaniam**, Head-South Asia, Branded Formulations at Biocon; **Yugal Sikri**, Chairman, School of Business Management at NMIMS; **Pratin Vete**, Sr. Vice President at Cipla, **Annaswamy Vaideesh**, VP & MD South Asia at GSK Pharma

**Session Chair and Moderator: Hariram Krishnan**, Chief Mentor at MedicinMan



**Annaswamy Vaideesh**, Vice President and Managing Director, South Asia at GlaxoSmithKline Pharmaceuticals (I) Ltd.



**Yugal Sikri**, Chairman, School of Business Management at NMIMS



**Vivek Vasudev Kamath**, Managing Director, MSD



**Pratin Vete**, Sr. Vice President - Chronic & Emerging Business at Cipla



**Suresh Subramaniam**, Head-South Asia, Branded Formulations at Biocon



**Hariram Krishnan**, former MD (retd.) at Galderma India and Chief Mentor at MedicinMan

**Register:** [medicinman.net/register-april2018](http://medicinman.net/register-april2018)

**Who Should Attend:** This seminar is designed for senior management of Marketing & Sales, BU/ Division Heads of pharmaceutical companies only.



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## Session Two

### Digital Adoption – Role of Top Management: Intent, Content, Strategy and Skills for Digital Adoption

Speakers: **Salil Kallianpur**, Co-Founder, Digital Transformation Labs and Ashish Srivatsava Metabolics Lead, AP & VP-CVM at Janssen (J&J)

Panel Members: **Kiran Pai**, Head Digital Marketing at Cipla; **Sandeep Ajgaokar**, Sr. GM at Sun Pharma; **Gurpinder Singh**, Head Digital & MCM at GSK; **John Mathew**, Head of Digital at Glenmark

Session Chair and Moderator: **Salil Kallianpur**, Co-Founder, Digital Transformation Labs



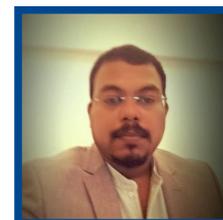
**Salil Kallianpur**, Co-Founder, Digital Transformation Labs



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**John Mathew**, Head of Digital at Glenmark



**Sandeep Ajgaokar**, Sr. GM at Sun Pharma



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## Session Three

### Brand Lifecycle Management

Drugs are unique products and must be treated so. Do pharma executives understand and practice optimizing the lifetime of a drug to keep the uniqueness of the drug alive?

Speakers: **Prasant Mohanty**, VP at Emcure and; **Ramesh Juneja**, VP at Sun Pharma

Panel Members: **Gagan Atreja**, VP at Torrent Pharma; **Prasant Mohanty**, VP at Emcure and **Ramesh Juneja**, VP at Sun Pharma

Session Chair and Moderator: **Deep Bhandari**, Editorial Board, MedicinMan



**Prasant Mohanty**, VP at Emcure



**Ramesh Juneja**, VP at Sun Pharma



**Gagan Atreja**, VP at Torrent Pharma



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## Session Four

### Customer Acquisition or Retention?

The notion that customer experience matters in pharma is old news. Yet pharma is rated among the least customer-friendly industries. Does pharma focus too less on retaining customers and too much on acquiring new ones?

Speakers: **Debashish Sarkar**, CMO at Cipla and; **Shiva Natarajan**, Head-Marketing & Sales, Respiratory at GSK.

Panel Members: **Atish Majumdar**, VP at Lupin; **Debashish Sarkar**, CMO at Cipla and **Shiva Natarajan**, Head, Respiratory at GSK

Session Chair and Moderator: **Amlesh Ranjan**, Dy. Director at Sanofi

Session 5: Take Home Lessons and Q & A with Faculty and Delegates

1730/1800 PM: End of Seminar



**Debashish Sarkar**, CMO at Cipla



**Shiva Natarajan**, Head-Marketing & Sales, Respiratory at GSK



**Atish Majumdar** VP at Lupin



**Amlesh Ranjan**, Dy. Director at Sanofi



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## ACG

**About ACG:** ACG is the only supplier in the world offering integrated manufacturing solutions for the pharmaceutical industry. Our diverse product range of capsules, films & foils, engineering and inspection systems not just meet but exceed the demands of the pharmaceutical industry. We are absolutely committed to just one goal: offering everything required for efficient manufacturing of capsules and tablets. We have been doing this for over 50 years, in more than 100 countries. Our customer-centric approach has won us many loyal, satisfied customers and partners. We have great synergy in everything we do – integrating the capabilities of the machines and materials to maximize the quality, efficiency, and value for our customers. Doing whatever it takes. For our customers and associates. Across the world. Around the clock. Our investments in R&D ensure that we are always at the forefront of innovation, introducing new products and features that vastly improve our products.

## MEDICINMAN

MedicinMan is a platform for pharma sales and marketing professionals to interact and share industry best practices and thought leadership. Our mission is the collective advancement of the pharma sales and marketing ecosystem - leading to better relationships with doctors and better outcomes for patients. MedicinMan was started in 2011 as India's first digital magazine for pharma

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**Vivek Hattangadi**



## MEET THE EDITOR

**Anup Soans** is an L&D Facilitator, Author, Pharma Consultant.

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Our mission is to collectively improve the pharma sales and marketing ecosystem - leading to better relationships with doctors and better outcomes for patients.

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# WHAT DOES AN IDEAL, GENERIC-ONLY FUTURE LOOK LIKE?

*An examination of the best possible outcomes of a generics-only future*

## Rajeev Kumar

**T**he government in its latest move has made it mandatory for pharmaceutical companies to print generic names of drugs in a font which is two font sizes larger than the brand name. While the utility of this move for patients is questionable, what is undeniably clear is the government's willingness to kill branded generics, if not with a guillotine, then with a thousand small cuts. Working in the pharma industry, it is hard for me to take a completely bias-free view of the situation. In all walks of life, I like brands because it simplifies my decision-making process. While there might be thousands of places which sell nice shirts, I don't have the time or the mental processing power to evaluate each of these places. So, I go to H&M where I know shirts will be expensive but I can walk out with a cool shirt in 15 minutes.

The doctors must feel the same way about medicines. There are hundreds of generic choices for a medicine, but she trusts maybe two brands because she has found them useful for her patients and she remembers them. The reason it gets a little complicated for medicines is because the payers, i.e. the patients, do not have the same affinity for these brands. Except the chronic medicines, a patient might encounter a brand of medicine less than 5 times in their whole lives. Add to that the narrative of the evil medical syndicate off to making money from unsuspecting patients, patients even question the doctor's affinity to a brand. Since the patient doesn't have to do the mental arithmetic to arrive at a choice, price becomes the only anchor for them.

Now, what if the government is able to remove this choice from the doctor's hands, as it is very eager to do? As things stand now, I would still let my doctor make the choice of brand of the drug for me than the chemist.



*The day when every HCP, every regulator and every patient can answer the below question in an affirmative is the day when the Gx-only Rx rule can be called ideal:*

*Does every medicine on every shelf of every pharmacy in every corner of the country have the same efficacy and safety as promised?*

I decided to do a thought experiment- what effect would an ideal generics-only prescription rule have on the Indian Pharmaceutical Industry? Ideal is the keyword here because governments have been known to make irrational choices in a hurry. In my thought experiment, the government thinks rationally and for the long term and is willing to take tough choices which do not necessarily yield results before the next general election.

The Quality Question: The day when every HCP, every regulator and every patient can answer the below question in an affirmative is the day when the Gx-only Rx rule can be called ideal:

Does every medicine on every shelf of every pharmacy in every corner of the country have the same efficacy and safety as promised?

The answer to this single question can alter the landscape for the Indian pharma market. We are a long way away from answering this question with even a 'maybe'. Getting to 'yes' will take strengthening the number, capabilities and transparency of regulators. This will take major upgrade of manufacturing facilities, which will increase manufacturing costs. And it will take patience.

If - and that's a huge "if"- that happens how will Gx-only Rx change the industry?

### **1. Consolidation of Indian manufacturers**

First, the fly-by-night "hyper-local" operators who create a small niche by "servicing" a handful of doctors, will disappear. Only serious Indian players will be able to maintain the quality requirements and survive. Even these Indian companies will refocus their portfolio to products where they are capturing more of the value stream. Third-party manufacturing will remain but only for players who can buy large enough quantity to gain purchasing power with the supplier.



*MNCs will not be able to charge a premium for their off-patent product neither will they be able to win in the Gx space unless they have their manufacturing in India. The seriously India-invested players will have no choice but to bring in their international portfolio to India, at a more palatable price point.*

## **2. MNCs will bring new products**

The IPR environment has improved a lot in India over the last decade. The major obstacle to new product launch in India today is not the IPR but the price. MNCs will not be able to charge a premium for their off-patent product neither will they be able to win in the Gx space unless they have their manufacturing in India. The seriously India-invested players will have no choice but to bring in their international portfolio to India, at a more palatable price point. With the government working on increasing medical coverage, volume projections in India might start to look better for some of these drugs. But even if the volume does not increase, I don't believe they will have a choice.

## **3. MNCs will partner with Indian companies to manufacture or market**

The non-invested MNCs will take the tie-up route even more aggressively. With the pricing pressure increasing everywhere else, India and China will at least be in the second wave of new product introductions after US, Europe and Japan. MNCs being left with no choice but to introduce new product is the biggest positive I see from the Gx only move.

## **4. Marketing will change**

With no brand, there will be no brand management. Retailer and distributor engagement will become FMCG-like. No company can offer disproportionately high margins to retailers because free market will take care of that. The interesting question is, will companies continue to promote the off-patent molecules to the doctors? Maybe top 2 players will, not more than that. Number of medical reps will fall dramatically, but some of them will be absorbed to increase the penetration of these companies to the hinterland.



*It will be a plus for the industry after the initial pains- entry barriers will increase, competition will reduce and the serious players can focus on science.*

### **5. More R&D in India by MNCs and Indian companies? -**

Okay, this is more like a wish than any possibility. One way to price new products for Indian markets is to bring R&D to India and bring down R&D cost. Also, will Indian companies finally start taking R&D more seriously. What's wrong in wishing?

### **6. Customers will win**

If done well, I see it as a net positive move for the patients. Despite the narrative, in India medicines are among the cheapest in the world so there is no upside for patients there. Patients will, though, have access to quality medicines at rational prices. New, innovative medicines from around the world will be available for them.

And lastly, it will be a plus for the industry after the initial pains- entry barriers will increase, competition will reduce and the serious players can focus on science. **M**



**Rajeev Kumar** is a senior pharma sales professional.

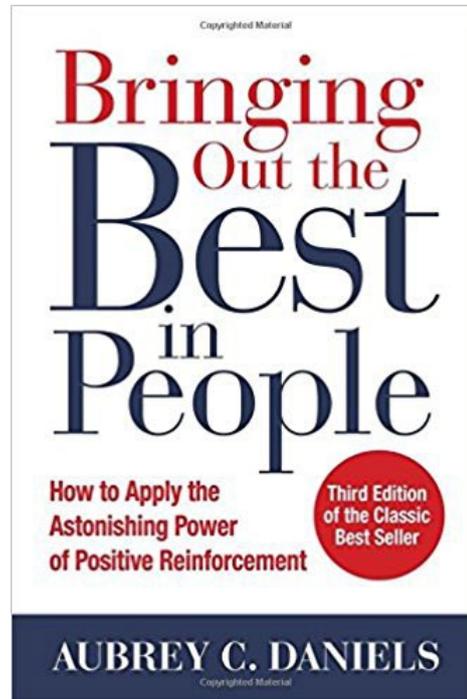
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## Book Review: *Bringing Out the Best in People*

*Using the power of positive reinforcement to bring about lasting behavior change*



### Vivek Hattangadi

**A**fter *One Minute Manager* this is one of the best books I have read on how to become an effective manager. I wish it was published 30 years back.

If you want to have a team of performers, then this book *Bringing Out the Best in People: How to Apply the Power of Positive Reinforcement* I would say is mandatory.

What is Performance Management? Firstly, it is not synonymous with the term 'appraisals'. Dr. Aubrey Daniel, the author of this book says: "In simplest terms, it's a way of getting people to do what you want them to do and to like doing it."

Performance Management is also not about performance reviews, organizational hierarchy, or pats on the back. Rather, it is a scientific approach to managing behavior rooted in the field of behavior analysis, he says in his book.

You all know "What gets measured gets done." However, measurement alone doesn't change behavior.



*Antecedents have limited control over behavior. An effective antecedent gets a behavior to occur once. Consequences get it to occur again and again.*

Consequences do. Measurement is necessary for efficient change but in no way is it sufficient.

And for this ABC Model works the best. The ABC Model establishes the relation between Antecedent events, Behavior, and its Consequences.

“Surprise!”, he says, “People don’t do what you tell them to do”. If they did, the corporate world would have been a much better place. Why telling alone does not bring out the best? Because this does not change the behavior of people. There are two ways to change behavior.

Do something before the behavior occurs and after the behavior occurs. What comes before the behavior is antecedent; what comes after the behavior is consequence. Antecedents set the stage for the behavior to occur and the consequences alter the probability that the behavior will occur again.

An antecedent is what comes before a behavior, what sets the stage for the behavior to occur. When managers want their employees to do something, they resort to antecedents like assigning a task, giving instruction, setting a deadline, providing training.

These are all helpful and necessary steps, but antecedents typically have a short shelf life. They activate and direct behavior, but they don’t do a good job motivating behavior for an extended period of time.

Antecedents have limited control over behavior. An effective antecedent gets a behavior to occur once. Consequences get it to occur again and again.



An effective antecedent gets a behavior to change once. You invest heavily in antecedent activity such as circulars, slogans and motivating activities. Because antecedents get the behavior to change once or twice, you must continually repeat the messages. Antecedents are important to initiate behavior, but not sufficient to sustain behavior.



*Negative reinforcement generates enough behavior to escape or avoid punishment. Improvement is described as “just enough to get by”. Positive reinforcement generates more behavior than is minimally required. Positive reinforcement is important for putting in discretionary efforts. Its presence can maximize performance.*

What can really motivate people to repeat a behavior over time are the consequences it produces.

This is common sense, if you think about it. If a behavior produces a favorable result, you're more inclined to repeat it, right? In fact, everything you do on a regular basis has been reinforced in some manner. This reinforcement is a powerful factor in shaping your behaviors, whether you're consciously aware of it or not.

Behavior therefore, is a function of its consequences. People do what they do because of what happens to them when they do it. The behavior of people is the only way anything is accomplished in business. Organizational accomplishment is dependent on behavior. Improvements in quality, increases in productivity, or creativity are the result of asking people to change.

Behavioral consequences are those things and events that follow a behavior change the probability that the behavior will be repeated in the future.

In order to get your people to respond you must understand the 'why people do what they do,' which is a function of consequences.

Negative reinforcement generates enough behavior to escape or avoid punishment. Improvement is described as “just enough to get by”. Positive re-





inforcement generates more behavior than is minimally required. Positive reinforcement is important for putting in discretionary efforts. Its presence can maximize performance.

Discretionary effort is the level of effort people could give if they wanted to, but above and beyond the minimum required. (See figure 2) Many managers manage performance in such a way that motivates employees to do only enough to get by and avoid getting in trouble through negative reinforcement.

The only way organizations can earn discretionary effort is through the effective use of positive reinforcement. Positive reinforcement is any consequence that increases the probability of the behavior that it follows. The more likely that people experience positive and immediate consequences for their behavior, the more likely they will be to enjoy what they are doing and gladly go above and beyond the minimum required.

By eliminating negative consequences for critical business behaviors and then building in frequent positive consequences for those same behaviors, organizations can tap into the discretionary efforts of their workforce. Not only is this good for business, it's good for the organizational culture and the workforce.

This is what performance management is all about. Every HRD Manager and every General Manager or Vice President must study and absorb the book *Bringing Out the Best in People: How to Apply the Power of Positive Reinforcement*. It is published by McGraw Hill Publications. An investment of US\$ 30 will surely pay rich dividends. **M**



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