

Outsourcing Pharma

OUTSOURCING ON THAT SIDE OF THE PACIFIC....

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Working
with Asia

Tariffs and Trade

Would they Impact on outsourcing?

- Research is typically not a tool for trade wars
- There could be local Taxes...which are prevalent across the globe.
- Some regions across the globe provide tax exemptions.
- Dual Taxation treaties amongst the two countries help to tide over potential tariff issues, if any.
- Liberalized policies on Stake holding

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Culture
& Language

Cultures classified....

Individualist cultures, emphasize personal achievement regardless of the expense of group goals, resulting in a strong sense of competition. Examples: United States and Europe,

Collectivist cultures, emphasize family and work group goals above individual needs or desires. Examples: India, China, Korea, and Japan,

<<Hall, Nishimura, Shoji; Nevgi, Anne; Tella, Seppo 1960 to 2009)

Culture	Western: High Context	Eastern: Low Context
Context	Low	High
Approach	Individualistic	Team driven / Collectivist
Decision making	Better	Good
Quality	Good	Better
Focus	Linear	Multitasked
Priorities	Individual	Societal/group
Communication	direct, precise, dramatic, open, expresses true intentions	indirect, ambiguous, harmonious, reserved and understated.
Hierarchically	Low	High
Achievement focus	Distributed	Uninterrupted

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All of us are different.....isn't it?

India
Communication style
Extrovert
Forceful
Lively
Interrupts
Uses silence
Thinks aloud
Talkative
Overt body language

Taken from Chapter authored by Shoji Nishimura, Anne Nevgi & Seppo Tella;
www.helsinki.fi/~tella/nishimuranevgitella299.pdf

Cultural features
A lot of power of traditions
High commitment to complete action chains
Multi-active and reactive
Talking culture
Dialogue-orientation
Low(er) situational relevance
Highly diverse and contradictory
Unpunctual
Hierarchical
High respect for elders
Collectivistic in local group; individualistic with outsiders

Cultural / Professional parameter	Western	Indian
Say NO	Denies if he/she thinks it cannot be done. No need to waste the time of either party.	Will avoid saying NO. Will try to do pushing the limits.
Time commitment – Both cultures have different mindset, and none of them are wrong.	Commits 6 days, if he/she thinks he/she would deliver in 4 days. Keeps buffer time considering the worst case scenario; Most likely delivers in 4 days.	Commits 3 days, if he/she thinks it may take 4 days. Gives challenging commitment and tries to achieve; Sometimes may take 4 days.
Will be done	Says this only when he is 100% sure.	Says when he is ~90% sure, but tries the level best; mostly completes it.
Business focus	Master of one – A Specialist	Jack of all – A Generalist. Can be converted to a specialist if the situation demands.
Work is driven by	Process driven. No chaos. Completes systematically.	Process + Rush at the deadline. Performs better under chaos.
Everyday work	Management by Objective	Management by Control
Business Transactions	ONLY contractual terms matter	TRUST matters more
Importance	Transaction > Relation	Relation > Transaction

About India.....



- 52** India tops the list in the entire world when compared with the average working hours by Millennials in a week - 52 hours/week. [Millennial careers: 2020 Vision - Forbes]
- 4** India is ranked 4th in the number of doctorates in the world, after the US, Germany and the UK. [Millennial careers: 2020 Vision - Forbes]
- 1** India is the world's biggest outsourcing destination in terms of financial attractiveness and business environment. [A T Kearney's 2016 Global Services Location Index (GSLI)]
- 2** India is 2nd after the US, as a country with the highest number of English speaking population. [Wikipedia census]
- 3** Every 3rd pill in the world is made in INDIA. [July 2017 -India Brand Equity Foundation]
- 50** More than top 50 Indian pharmaceutical companies have a presence in the regulated markets - US, Canada, Western EU and Japan. [July 2017 -India Brand Equity Foundation]

Caution....across 12-15 time zones

— A word of caution....be aware of the “fly-by-night” operators, which offer poor quality reports!!



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Communications...

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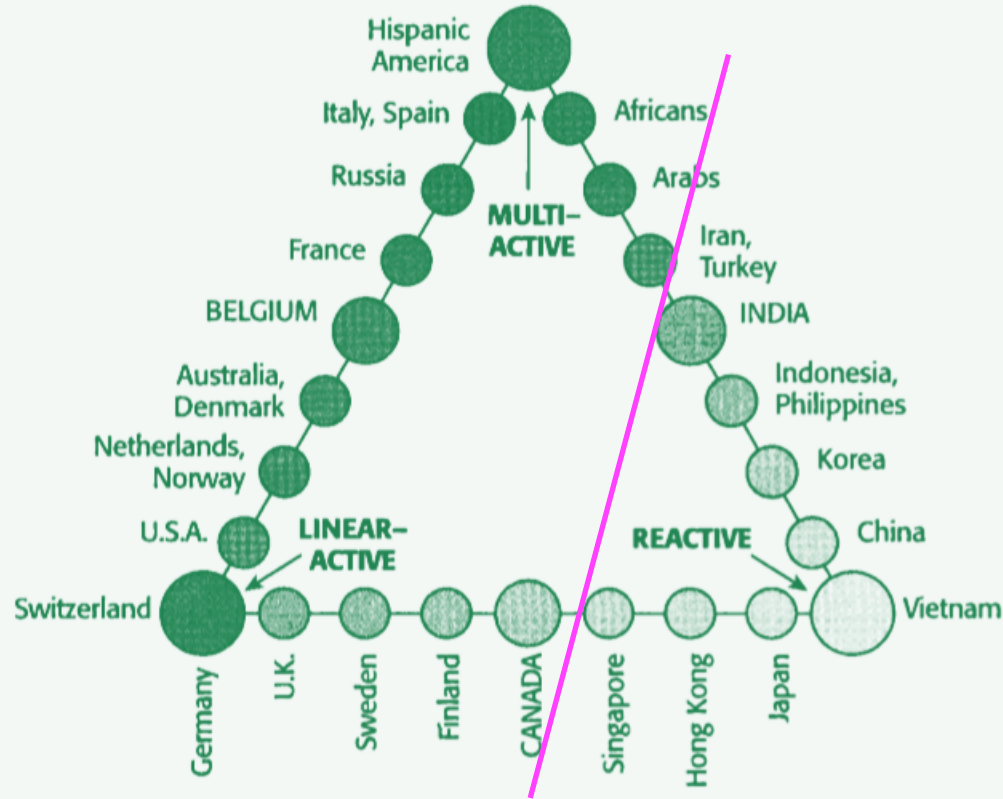


Figure 1. Cultural categories of communication (Lewis, 2005, 89).

Business Language



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English is a
common
language

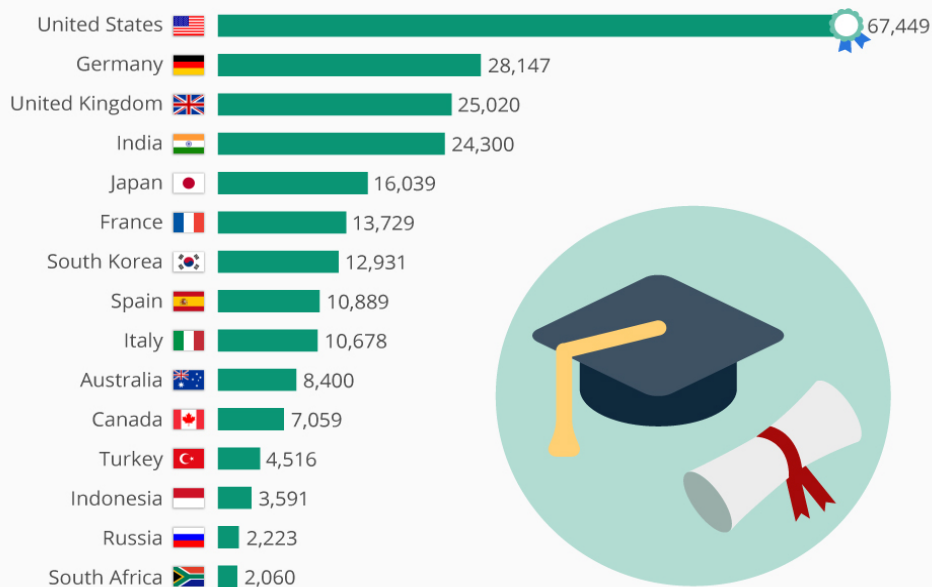


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Competency & Problem Solving

The Countries With The Most Doctoral Graduates

Number of doctoral graduates (all fields) in 2014



@StatistaCharts

Source: OECD

statista

Education & Work Ethic

- High quality education
- Rigorous science orientation to fundamentals
- Top notch universities/institutes;
 - Significant population of western educated scientists (Ph.Ds and Post Docs) return to contribute hugely to the Indian science
- Strong Industrial Training built in on entry in jobs
 - Work bench training,
 - milestone based competency evaluation &
 - Strong meritorious growth prospects.

Education & Work Ethic

- Participation in major international scientific, regulatory and technical events
- Positive and problem solving ... never give up attitude,
- Humility
- Never calling it a day before completion of the assignment for the day,
- Work comes first,
- Highest commitment for timeline compliance

Quality consciousness: GLP Compliance

- Global GLP standards
 - Extra cautious attitude to match with the expectations of the regulators as well as western world
 - Electronic data capture and full traceability of work
 - High standards for Quality assurance,
 - Continuous quality monitoring using quality indicators
 - Facility audits, protocol, live phase, draft & Final report audits are logged in Audit Management systems!)
 - Improvement program Training and awareness on global Quality and regulatory standards to ensure compliance
 - High standards for quality assurance, including real time reporting of audit observations, 100% QC at study team level, mock/surprise audit of facility by GLP experts from Europe, Japan and US, rigorous CAPA system in place

Assurance parameters for you

Audit the lab, and meet the scientists, and the leaders.
Review the background control data and audit history.
Focus more on the quality processes and practice.



Check how many International conferences are attended?
Ask for education and turnover ratio of manpower.
Check how long the leaders have stayed within the company?



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Work across 12-15
time Zones!

Advantage Asia!

- Asians understand that they are an Extended R&D of their sponsors
- Comparable science and quality delivered at your doorstep, 12 hours earlier!!
- Asians convert these time-zones into advantage for the sponsors!
- Asians are always ready for discussing the progress/results.... even if it is very late in the evening....
- Flexible work hours

Global merges with local

- Global Operations ensure quick facilitation....local representatives in all the 4 major trade continents to facilitate timely communication....
- The sponsor's trust, & motivation to stimulates creativity and productivity.
- It works better to ensure retention of creativity and productivity by ensuring that the relationship is involved and motivational and not simply transactional.

Working with Asia

Strategies for developing business and products in Asia & India

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Business With India

Grow global business, economically and productively!

Take advantage of

- Intellectual capital...western trained technocrats,
- Economies of scale
- Assured of global quality,
- Buying power brings economical advantages

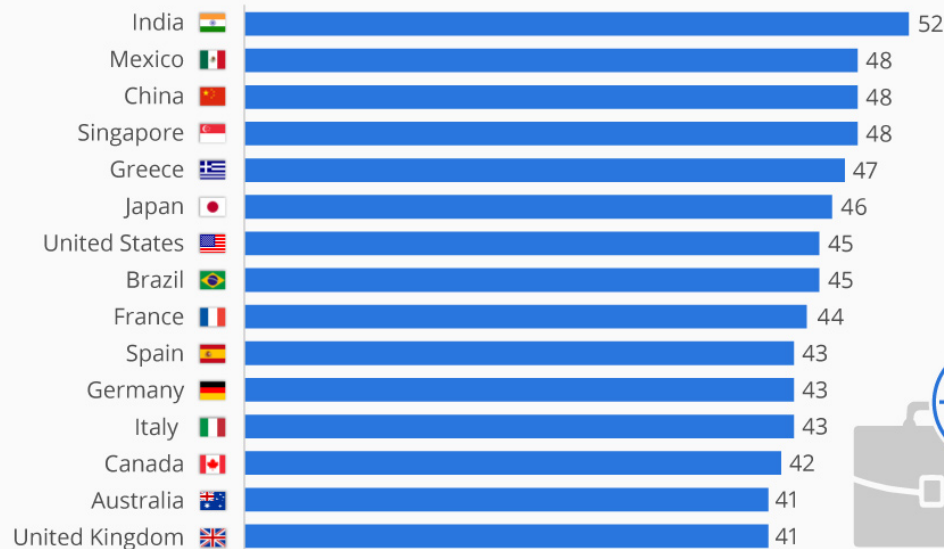
Working with Asia

Working with Asia; Indian Context

Working hours

Where Do Millennials Work The Longest Hours?

Average number of hours worked each week in 2015 (people aged 20-34)



Lifesciences Industry in India: Fast growing and Regulated – 1 of 2



India is the 3rd largest Pharma market by volume and 10th in terms of value globally.

Every 3rd pill in the world, is Made in INDIA.

Largest Provider of Generic medicines Globally (20%)

Over 10,000 pharmaceuticals and biotech companies.

More than 550 US FDA Approved facilities, highest for any country outside the US

India Pharma is expected to expand at a CAGR of 12.89% to reach USD55 billion by 2020 (conservative projection).

The drugs and pharma sector attracted cumulative FDI inflows worth ₹874.25 billion (US\$ 13.45 billion) between April 2000 and Dec2015

More than 60,000 distributors and about 800,000 pharmaceuticals retailers.*

Approval time for new facilities has been drastically reduced.

Source: July 2017 -India Brand Equity Foundation www.ibef.org; <http://www.tradingeconomics.com/india/exports-of-pharmaceutical-products>

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Lifesciences Industry in India: Fast growing and Regulated – 1 of 2



More than top 50 Indian companies have presence in the regulated market (US, Canada, Western EU and Japan).

More than 100 companies from India are present in 50+ countries.

Indian healthcare market is ₹6,500 billion (USD100 billion) (Dec 2015)

Healthcare sector is expected to reach ₹16,250 billion (USD 250 billion) by 2020.

Growing at a CAGR of 17%

The hospital and diagnostic centers attracted FDI worth ₹221.6 billion (US\$ 3.41 billion) between April 2000 and Dec2015

Approx. 50% of the essential medicines that UNICEF distributes in emerging countries come from India

Indian medical tourism is pegged at ₹195 billion (US\$ 3 billion) per annum (Dec 2015)

Domestic Market size valued at US\$ 11.2 Billion
Continuous double digit growth estimated

India's filing of Drug Master Files (DMF's) with USFDA is among the highest in the world.

Source: Jul 2017-India Brand Equity Foundation www.ibef.org; <http://www.tradingeconomics.com/india/exports-of-pharmaceutical-products>

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Communications With Asia; Indian Context

Communication

Telecommunication
services are
ubiquitous



Thanks!!