

Evolving Role of Pharma CFOs – Business Strategist, Leader and Advisor | Industry Knowledge Exchange Forum

Express Pharma, in association with SAP India, as part of the Industry Knowledge Exchange Forum, invited Parag Agarwal, CFO, Dr Reddy's Laboratories and Rajesh Kuppuswamy, Life Sciences and Health Care Industry Advisor, SAP India to share insights on Dr Reddy's pill-plus strategy, against the backdrop of an ongoing digital transformation.



By EP News Bureau

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As part of SAP India's Industry Knowledge Exchange Forum (IKEx), *Express Pharma* took the opportunity to quiz **Parag Agarwal**, CFO, Dr Reddy's Laboratories on how his company, closely tracked by the top management, is digitally transforming itself into a "pill-plus" entity, by using deep data analysis and insights to increase patient-centricity, access and affordability. **Rajesh Kuppuswamy**, Life Sciences and Health Care Industry Advisor, SAP India shared his experiences of similar industry-wide projects.

Living up to IKEx's goal to create a forum to exchange ideas, learn from cross-functional experts and grow the industry to heights rapidly, the two leaders shared experiences on the opportunities thrown up by digital transformation as well as the challenges of doing it right, the first time.

A key stumbling block to any transformation is inadequate training of employees and varying degrees of digital maturity among the employee workforce. **Kuppuswamy** however cautioned that SAP research showed that inadequate training is one of the most common reasons for low adoption of technology.

Thus, initiatives like Dr Reddy's Digital Ninja training programme, to bridge the gaps in digital maturity among all levels of their employees, could spell the difference between operational excellence and chaos. One other part of the solution is to hire talent for their digital savvy, feels Agarwal.

Tech transformation needs a mindset change ...starting at the leadership level

While most pharma companies are already on the path to digital transformation, it could remain a buzzword, unless the top leadership drives this "mindset change" as Agarwal puts it. Thus, it is a good sign that even while the company is creating and mining "data lakes" for patient insights, Dr Reddy's has created a separate group to drive innovation, reporting directly to the CEO.

Though it's early in this digital transformation journey, Agarwal's expectation is that in a year or two, he'll have a dashboard that can tell leaders like him which part of the operations are on track and which parts need his attention. He is clear that today's "management by review" will have to make way for "management by exception."

Will this be enough? Not until companies become truly “technology-centric and not merely technology-enabled,” says Kuppuswamy, giving examples of past projects where companies shifted from making IT merely the enabler of business processes, to using technology to define new business models.

(Get an overview of some of these technology solutions at:

<https://www.sap.com/india/industries/life-sciences.html?pdf-asset=4af72390-c47c-0010-82c7-eda71af511fa&page=9&source=social-atw-mailto>)

The pill plus strategy

This transformation predates the COVID-19 pandemic in most sectors, but was jettisoned into high gear with all the business cycle disruptions over the past two years. In terms of growth drivers, like most pharma companies in India and the world, Agarwal said they are betting big on the India and emerging markets, while their differentiated pipeline of more complex products for the North America market should give them strong growth. Agarwal’s shortlisted future bets like biosimilars, digital (health) therapies etc too are in line with peers from the sector.

Dr Reddy’s evolution from molecules, to medicines/pills, and now the expanded purpose and focus to ‘good health’ in the broadest sense, is a long term strategic thrust, as they continue “transforming ourselves from a pill to pill plus company, that can provide services and platforms to healthcare professionals and patients.”

Reaching a technology tipping point?

So, has India’s pharma sector finally reached a technology tipping point, shedding its image of being a digital laggard? Going by Agarwal’s description of Dr Reddy’s digital transformation journey, some companies are clearly going the extra mile.

Again on a cautionary note, Kuppuswamy warns that companies need to be “very deliberate and have clarity on how to address this issue, because the cost of not adopting technology in the right way could severely hamper productivity.” Critically, he sees his role as “bringing to industry not just best practice, but also help companies think through to the next practice.”

As pharma companies accelerate their digital transformation initiatives to anticipate future patient needs and remain sustainable, the stage seems set for closer collaborations and higher expectations from partners as well as deployed technologies.

While pharma companies might have the intent, making that mindset change is critical. And technology partners and advisors will have to help pharma companies navigate the twists and turns till they reach a technology tipping point.

(To check out how customers are succeeding with SAP, visit the SAP Life Sciences Industry page, <https://www.sap.com/india/industries/life-sciences.html>)



Dr Reddy's Laboratories

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