



Grab the opportunity when it comes

It is time for the beneficiaries of liberalization to lead

■ K Anji Reddy

I am a scientist and not an expert who can speak on the economy of our country. But we scientists are very optimistic people. I firmly believe that as a country of 1.2 billion strong people, there is no reason why our economy cannot grow at 8-9 percent. We are still at the bottom of the economic activity and there is enough headroom to grow.

I say it so emphatically, because when we became entrepreneurs, we were chasing capital. We had great difficulty in raising funds. But today, times have changed. Capital is chasing entrepreneurs but not able

to find a suitable match. We definitely need to bridge this gap.

India can also grow if we, the people of this country, collectively fight the practices of creating ill-guarded wealth and maintain homogeneity and stability in the environment. The beneficiaries of the liberalized regime should now take the centerstage and lead.

TAKE CALCULATED RISKS

Over the last decade, we have proved that our entrepreneurs are probably not only the best, but they are

difficult to find elsewhere in the world. Unlike India, in other developing countries we get to see businessmen who have grown not because of their business acumen or skills, but due to the strong government patronage they receive. But in India, the onus lies with the entrepreneurs to chase capital and take risks. We cannot expect a linear graph in business. Business will always have ups and downs. It is important for entrepreneurs, who have capital, to take risks. That would be the game changer.

About 8-10 years back, I remember watching a small group of engineers, 28-29 years old, meticulously designing a chip at a company located in Hyderabad. The tiny chip, designed by those young Stanford-returned graduates, sitting in the Silicon Valley of India, later went into Apple iPod, a product that made the difference for Apple. The scale of innovation achieved by those young engineers amazed me. Apple smartly took the opportunity that these hardworking engineers created and made fortunes. This could have been a good chance for an Indian entrepreneur to invest in a revolutionary chip which changed the face of Apple. So, my suggestion for the next generation is—grab an opportunity when it is there. They come rarely. If you miss it, you will not get it again.

PHARMA'S SECRET RECIPE

The pharmaceuticals industry is unique. Unlike other businesses, we are in the business of changing the way people live; a business of giving lives. When Rituximab was launched in 1997, it was a life-giver. Dr. Franz Humer, Chairman of Roche Pharmaceuticals, is on record saying that if Rituximab was discovered five years earlier, his wife would be alive. This was a very profound statement. We are proud to be in a profession that has dimensions like no other business.

Dr. Reddy's has many firsts to its credits. Be it filing the First Para IV application or buying companies in the US from multinationals, turning them around and making them strong. Dr. Reddy's has a position

AT A GLANCE

- Dr Reddy's has three core businesses: pharma services and active ingredients, global generics and proprietary products
- The company posted consolidated revenues of ₹9,670 crore in FY12, crossing the \$2 billion mark

of strength today. Few people would be aware why Merck, one of the most admired pharmaceutical companies in the world, chose Dr. Reddy's as its ally (Authorized Generic partner). The reason for this alliance has its roots way back in 1981; a time from which we shared business relations with the global pharmaceutical giant. When the government refused to import Methyl dopa from Merck directly, Dr. Reddy's came to the rescue, supplied the bulk drug exactly up to their quality, and helped the brand survive.

Thirty-one years ago, Merck knew that Dr. Reddy's could manufacture Active Pharmaceutical Ingredients of a quality equal to or better than Merck. The general manager of the Merck plant that time, Dr. Richard Clarke, who later became the CEO, obviously had strong faith in the capabilities of Dr. Reddy's. It is this consistency in the business that has made all the difference for us over the years. Hence, the roots must be strong for any business to be successful in the long run and to gain recognition from people.

The pharmaceuticals industry thrives on differentiation. It will take time to discover new drugs and formulating them. Indian pharmaceutical companies must know where they exactly are, and where they want to spend their money.

They will then be able to come out with proprietary products that can be taken to the entire world. There may not be dozens of compounds; only one compound can change the history of a company. If the big pharmaceutical companies in India can come out with one proprietary product each, it can transform the Indian pharmaceuticals industry.

India took the right step in acknowledging the patent law in 2005 and we are heading in the right direction. Our innate urge to spot opportunities and make a success out of it will certainly lead us to greater heights. ■

K Anji Reddy is the Founder & Chairman of Dr. Reddy's Laboratories