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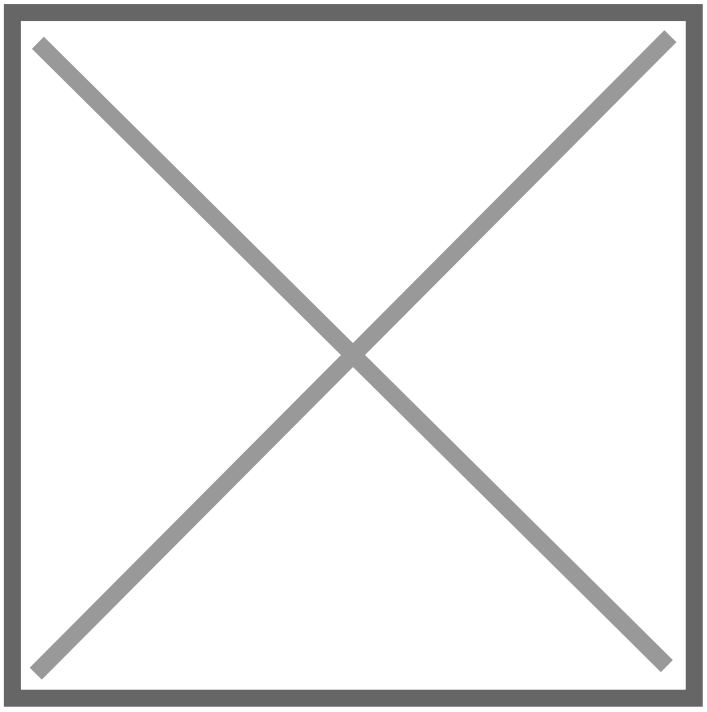
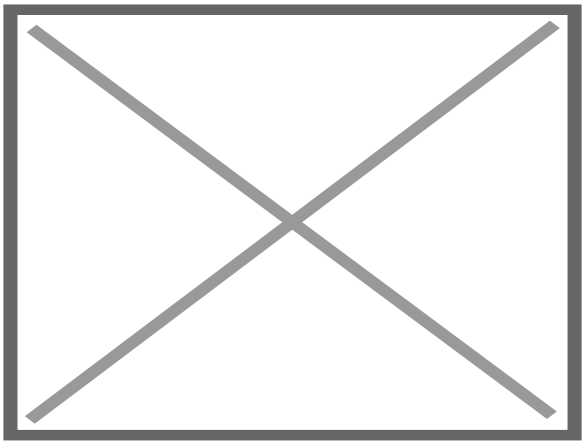
Change Agent

09 December 2010 | News



Deep engagement with her environment is zen for her. The city she lives in, industry for which she is the forerunner, company she has built and then reinvented Ã¢â?¬â?? she is hands-on everywhere. Dr Kiran Mazumdar-Shaw, CMD of Biocon, is raring to go some more distance to be the change she wants to see



Challenges are not new to her. Dr Kiran Mazumdar-Shaw's journey from 1978 to 2010 has been ridden with them. Right from trying to find a job for herself to setting up Biocon, to taking it where it is today - half-a-billion dollar in revenues with 4,500 employees, and a future ready business model - none of this has been a cakewalk. And Biocon is back at the top of the BioSpectrum-ABLE ranking as the No.1 company after conceding that slot to Pune's Serum Institute for the last four years.

Strategic transformation Â

In the last 10 years, she led the transformation of Biocon from an enzyme makerÂ to a biopharmaceutical company Ã¢â?¬â?? from the front. Ã¢â?¬Å?The strategy to pursue this transformation path has been that of a clear-cut differentiation at every level. We have been very committed to our strategy from the very beginning,Ã¢â?¬? says Dr Mazumdar-Shaw.

For Biocon, this strategy translated into technology becoming the first differentiator. Then followed the development of technology platform to build this business, which at a broad level was fermentation. The company chose microbial fermentation, pichia fermentation and cell culture as platform differentiators. Ã¢â?¬Å?When one follows a technology-driven strategy, it is important to identify and plug the gaps. When we realized that biomanufacturing is going to be an all-pervasive strategy for us, we decided to add mammalian cell culture. And that's where partnership with Cuba's Center for Molecular Immunology came in,Ã¢â?¬? she says.

Next on line was the product strategy. Biocon went though painstaking details again to zero down on the products to build and develop Ã¢â?¬â?? from API to statins to finished products to the disease area Ã¢â?¬â?? leading it to diabetes, which today still is the single largest unmet medical need in India. Ã¢â?¬Å?We went on to combine our insulin strategy with the pichia fermentation platform,Ã¢â?¬? she adds. The Cuban opportunity also allowed Biocon to focus on the autoimmune diseases.

For Dr Mazumdar-Shaw, all these developments came together to formulate into an important mission Ã¢â?¬â?? the mission of delivering affordable innovation. And that essentially sums up what Biocon is onto, and is a driving factor in every decision that is taken in the company.

However, the mother of all challenges that a company faces, has just arrived for her: The proverbial Ã¢â?¬Å?next

levelÃ¢â?¬? Ã¢â?¬â?? challenge of scale. With a vision of putting a Biocon product in every market, globally, she has already moved to tackle it. The recent Pfizer-Biocon deal is a step in this direction. So is the $160 million investment to set up manufacturing and research facilities inÂ Malaysia. Though the minutiae of the challenge is a tough-one for any business. Integrating the islands of excellence Ã¢â?¬â?? that demonstrate efficiency, competence, reliability Ã¢â?¬â??Â into a system that allows scale-up, and consequently gives the competitive edge in the global multi-location market place, is something she believes will be easier to execute along with a partner like Pfizer, which has world class systems in place. So, while the deal is a marketing deal, the learnings from Pfizer will have a far-reaching positive impact on Biocon.

Change is her inspiration

She is an inspirational figure for millions of young Indians who want to emulate her as one of the most well known entrepreneurs of the country.

But who inspires her?

Ã¢â?¬Å?I am inspired by a large number of people... I get inspired by people who have brought about change despite obstacles, and have done amazing things Ã¢â?¬â?? irrespective of how big and small these are. N R Narayana Murthy (Infosys), who has created the burgeoning Indian software industry, Dr Devi Shetty (Narayana Hrudayalaya), who has created the affordable hospital model, Dr Bala Manian (ReaMetrix), well into sixties, came back from the US to set up a very innovative company in India, Dr P Babu who helped me build Biocon, DrÂ R A Mashelkar (former DG of CSIR) who has been instrumental in creating the patent regime in India... every one around me has been an inspiration in some way or the other. I take inspiration from all quarters. In terms of personality type Ã¢â?¬â?? daring risk-takers who bring about a change inspire me most,Ã¢â?¬? Dr Mazumdar-Shaw says candidly.

Challenges on the horizon

Biocon has arrived at a stage where it is counted among the Top 20 pure biotech companies in the world, in terms of size, product portfolio and employees. What Next?

Mazumdar-ShawÂ is the first one to acknowledge that the challenges are many. Ã¢â?¬Å?Each phase brings in a new set of challenges. Getting to understand innovation and drug development is a challenge. I will have to learn a lot about the risk associated with the global drug development, Ã¢â?¬Å?she points. Ã¢â?¬Å?And then take some of Biocon's products global. Managing the scaling-up is a challenge. Keeping the momentum going is itself a challenge. Attracting good people and keeping them as engaged and passionate as I am, is a challenge.Ã¢â?¬?

Even as Biocon prepares to face these challenges, there is enormous pressure on her time, due to the visibility that has come with the titles of Ã¢â?¬Å? Poster Girl of Indian BiotechÃ¢â?¬? or Ã¢â?¬Å?India's Richest WomanÃ¢â?¬? or Ã¢â?¬Å?One of the most prominent face of Bangalore and IndiaÃ¢â?¬?. How much time does she get to devote to Biocon now?

Ã¢â?¬Å?My time spent outside is not that much. But because of media coverage it looks out of proportion,Ã¢â?¬? she says. Ã¢â?¬Å?I am involved with a number of institutions outside, but modern communication tools help me do most of what is required from Bangalore itself.Ã¢â?¬?

Ã¢â?¬Å?In my earlier years, it was very important to build the biotech image for the country. So, I used to spend a lot of time in attending conferences, leading delegations. I have led many delegations to the US, UK, Australia, Germany, France... now I have to become selective, as I cannot factor it all in my schedule. However, I continue to be very engaged with my city - Bangalore and some other national-level interests of the industry.

Ã¢â?¬Å?I am on the Prime Minister's Council, India-US CEO Forum, Board of Trade, Ministry of Commerce & Industry and Innovation Council... I am able to contribute my bit via these forums... as most of work can be done offline with just a couple of meetings a year.Ã¢â?¬?

Ã¢â?¬Å?Of course, I continue to remain involved with ABLE (the Association of Biotechnology-Led Enterprises which she founded in 2001) because I believe biotech has not come of age in India. There cannot be just one Biocon as the public face of Indian biotech. We need at least 12-15 biotech companies going public, to be able to say that the sector has arrived. Till then, I have speak for the industry,Ã¢â?¬? Mazumdar-Shaw justifies her time well spent outside the company.

Ã¢â?¬Å?We are getting carried away by the growth story of India Inc., and gloating over it, without backing it up with the infrastructure that is required for that kind of growth,Ã¢â?¬? she says. Unless the country gets its act together and does something about infrastructure, having an industry-ready talent pool and stemming corruption; we will not be able to realize the full potential of the opportunity,Ã¢â?¬? she advises.

Ten years ago, when Biocon rebranded itself as a biotechnology company, there were many skeptics. Now, 10 years later, there is grudging admiration for the tenacity displayed byÂ Biocon under her leadership. For, despite ups and down, Biocon

stuck to the vision outlined by her; delivered a number of products in diabetes and oncology sector, became a leader in the chosen field, built up an integrated platform with manufacturing, research and services. And of course, setting the stage for other companies to follow with a blockbuster IPO in 2005. What has happened in the last decade is just the beginning. The best days of Biocon will come in the next decade, when its insulin products and a few more, will be available in markets around the world, thanks to the tie-up with Pfizer.

Ã¢â?¬Å?Manage the eco system, not the ego systemÃ¢â?¬?

Q Given that you are a hands-on leader, how do you balance this with your core team?

Each one in my team shares my vision Ã¢â?¬â?? all the things that I passionately believe in. I delegate extensively. I want people to take ownership of their roles and responsibilities. I do not micro manage or even macro manage. My main strength is strategy and I focus on it. I focus on showing the way, setting the direction and paving the way. I just drive the vision. Every one of my key people is a strategic person. They deliver on what I state and more on those lines. For the delivery side, I delegate to the experts I have on the team.

Q Beyond your core team, how do you get the thousands of employees at Biocon share your vision?

I have always inculcated a very high level of ownership in the organization. That sentiment has percolated down the line, and by osmosis is absorbed in the company. I am proud of the fact that we do not penalize failures and encourage entrepreneurial risk-taking in the organization. People who work here are not shy or fearful of risk taking. This is a company that tolerates mistakes and failures. And it is because of this culture that is osmotically imbibed in the company, that we have taken on daring projects and embarked on business plans Ã¢â?¬â?? which have been daring by any standards.

Essentially, what I say in 'normal speak' is: manage the ecosystem not the ego system. The essence percolates down on its own.

Q What is it about a business leader that set him/ her apart?

The DNA that sets business leaders apart is: They need to be very clear and articulate about the mission; they should be perceived as bold and global in their vision; and above all, have a bearing of influence that essentially comes from a sense of their achievements. In today's context, leadership is looking beyond your company and articulating your sector's and country's interest.

Ã¢â?¬Å?Charting the road mapÃ¢â?¬?

Q Is Biocon the brand that you are focusing on, or are there individual products being positioned as brands?

In the market, there are strong standalone brands Ã¢â?¬â?? that make companies. It is important to have a product brand focus. We hope that from our product portfolio, some of the products like Insugen, BioMAb will emerge as brands. If you look at the Biocon strategy, each one of the segments that the company is in, is anchored around a brand. For example: diabetes has Insugen as the anchor brand, oncology has BioMAb as the anchor brand and, nephrology has Erypro. These brands will speak for themselves when each of them become a 100 crore brand, however, in the formative years, a brand leverage is required Ã¢â?¬â?? which is brand Biocon. In that respect, the company's positioning as a reliable brand is just as important in fact, more so. So, Insugen can become the firstÂ 100 crore brand in India; and that will be our first milestone. Next level, of course, will involve taking it to the multi-crore level. Â

Q How did this marketing deal with Pfizer impact the company?

It is interesting when you engage with a large company. On one level, it is a giant, at another, it is about people. On the face of it, a large pharma would be a daunting partner, but when we actually got down to engaging with key people we found a lot of good vibes and good chemistry on both sides. In the initial years of Biocon, we have worked in partnership with Unilever and that was also a fantastic partnership. It was a similar situation. At the company level, we were pygmy and they a giant. However, at the people level there was a great degree of mutual respect. The fact that we were able to scale up from a small entrepreneur-driven firm to a professionally- run company, is due to the learning we had from having Unilever as a partner for 10 years. With Pfizer as a partner, it will again be a steep learning curve for Biocon. Pfizer brings in huge systems that we can benefit from, and deepen our knowledge base across functions ranging from marketing, supply chain to regulatory. Essentially, it brings about a certain discipline with which we go about our activities in all areas Ã¢â?¬â?? be it financial reporting, GMP, R&D or regulation. It is an opportunity for us to learn and move to the next level. In fact, this learning about systems is a key aspect in managing the challenge of scale.

Q Now, Biocon itself has graduated to the level ofÂ aÂ foreignÂ investor. What is this strategy about?

Malaysia was a decision we took as a de-risking strategy. Basically, we looked at what isÂ happening in India. Unfortunately, infrastructure in India is sub-optimal. Government in India has done very little apart from spelling out the enabling policies.Â They have not supported high technology industry like ours, with a high-end reliable infrastructure. Today, I cannot afford to invest $200 million in Vishakapatnam where there is no surety of reliable power supply, water and effluent treatment. If I were to put in capital for all this, then the capital cost would be much higher. Compared to this is Malaysia, which has turned out to be such an attractive proposition Ã¢â?¬â?? better tax incentive, much better infrastructure, guaranteed power, water and effluent treatment support, training and R&D incentives Ã¢â?¬â?? in a comprehensive package. When I evaluated how much it will cost, to run an operation like this at Johor in Malaysia versus Vishakapatnam, I saw that, in the long term, we were better off in Johor.

In Malaysia, biotech is a thrust area and the government is going great length to get the sector up and running for the stakeholders. I recollect, that about five years back, I had given my inputs for the biotech policy in Malaysia. And I see today, that all of these have been made actionable. They have even waived-off 'Bhumiputra clause' and have instead factored in R&D grants and incentives for training local people. Training is expensive and they are willing to support the industry.Â It has turned out to be a comprehensive attractive proposition.Â I have taken this investment out of India to Malaysia only because I am not happy with the industrial support that is available in the country at this point in time.Â

Nandita Singh & Narayanan Suresh in Bangalore