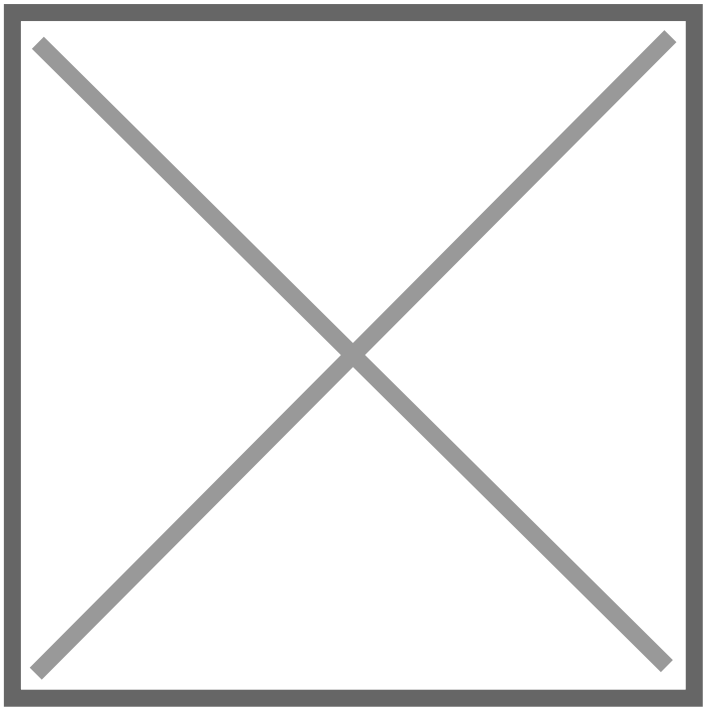
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Habil Khorakiwala - Wholly dedicated to life sciences

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"Wealth in the new regime flows directly from innovation, not optimization; i.e., wealth is not gained by perfecting the known, but imperfectly seizing the unknown."

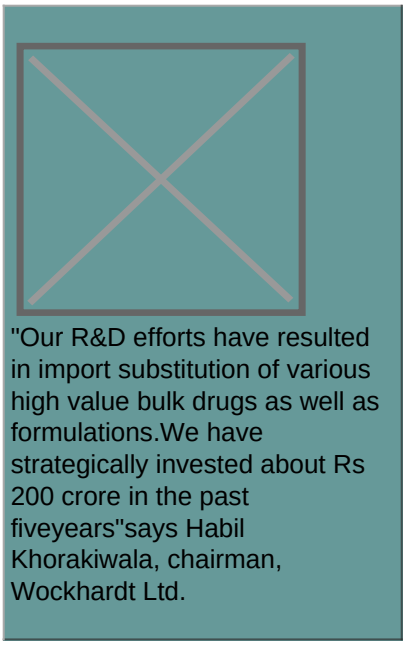
- Kevin Kelly says in his book New Rules for New Economy

This is what Habil Khorakiwala, chairman and managing director, Wockhardt Ltd believes in. Often described as soft-spoken, friendly and accessible, he is the man behind the success of Wockhardt. Habil is the eldest son of businessman Fakhruddin Khorakiwala, who is the chairman of the Mumbai based Akbarally's chain of departmental stores. After majoring in a pharmacy course from LM college, Ahmedabad, he acquired a masters degree in pharmaceutical science from the Purdue University, USA. In the sixties, his family bought a small pharma company in Mumbai called Worli Chemicals Works, which manufactured medicines for common ailments. He took over the reins of the company after his return from USA and changed the name to "Wockhardt", which means "work hard" in German language.

Armed with a good education in pharmacy and management (he did an Advanced Management Program from the Harvard Business School), Habil Khorakiwala with confidence strode ahead with his ventures. When he took over the reigns of Wockhardt in 1966, it's turnover was just around Rs 4 lakh with 20 employees on its rolls. Since then, under his stewardship, Wockhardt has grown to become one of the three Indian pharmaceutical companies considered truly global players with a multi-disciplinary R&D program, quality products and international alliances and joint ventures.

Today, Wockhardt is doing business ranging from the manufacture and marketing of pharmaceutical formulations, bulk drugs, vaccines, medical nutrition and animal health. It is mainly because of the dedication, sincerity and stewar-
dshipness of Habil Khorakiwala, Wockhardt has made it big in four decades, from a turnover of Rs 4 lakh in 1966 to Rs 742 crore in 2002. It grew by 14 percent in 2002. It made a net profit of Rs 109 crore, up 6.6 percent compared to the previous year. Now Wockhardt is one of the country's leading healthcare organizations, serving the medical community as a pharmaceutical and research-based organization. Considering Habil's achievements, the Institute of Marketing & Management has honored him with award for 'Excellence as Top CEO' for the year 2002.

Khorakiwala expanded his company's business operations to UK, employing over 2,500 people in eight plants and nine offices worldwide. At present the company's products are available in over 90 countries across the globe.



"Our R&D efforts have resulted in import substitution of various high value bulk drugs as well as formulations.We have strategically invested about Rs 200 crore in the past fiveyears"says Habil Khorakiwala, chairman, Wockhardt Ltd.

Signature style management approach

'Customer focused' is his advocacy. He strongly believes that it is the way towards a faster growth. This customer-centric approach has filtered down to every decision and action in Wockhardt. His signature style is much evident in the management processes at Wockhardt. Open culture, participatory management practices, innovations, continuous improvement, speedy response, empowering individuals and enjoying one's job - are all hallmarks of Wockhardt's culture.

Apart from that, he considers human capital among the most valuable assets for any company. He says, "the proactive reviews, policies and process will attract and retain the substantial pool of scientific, technical and managerial resources through a work environment. This approach encourages initiatives, provides opportunities and recognizes the performance and potential of its people through a judicious mix of incentives, performance bonus and grant of stock options."

His style of approaching the new ideas, handling the problems and implementation of the ideas fetched him The Indian Analytical Instruments Association's LifeTime Achievement Award. He has also received the Shiromani Vikas Award for his 'outstanding and inspiring contribution towards national development' in 1992, at the hands of the late Nobel Prize laureate Mother Teresa.

Dream coming true

Habil has a dream of making Wockhardt the most admired pharmaceutical company in India. His vision had showed him the doors of biotechnology at a time when it was not a fashionable area to be in. Habil's plans of developing Wockhardt as a specialist drug company in the domestic market and a producer of biogenerics globally saw some restructuring in the company. The firm restructured, spinning off its parenterals division into a separate company, and a nother company called Wockhardt Life Sciences was formed. This brought in a shift in the product portfolio of the company dominated by low margin acute therapy products towards biotechnology and high margin products. The focus was shifted to chronic therapies, mainly biotech products in diabetes and oncology with a thrust on vaccines and generics with delivery based products. And it has developed the ability to construct genes and express them in various systems. Wockhardt became the first major pharma company in India to make a move in biotechnology, and focussed on new drug discovery and novel drug delivery systems.

Khorakiwala says, "a biotech drug has no chemical substitute. Biotechnological products are in a much better position to establish the kind of therapeutics that are required. There is no treatment in those areas. So that time it appeared to me that in 10-15 years it was going to become more and more important. That is what is happening now. "

Over a period of time Wockhardt emerged as a front runner in the biotechnology revolution with the indigenous research and a range of biotechnology products, backed by a big marketing and sales team. Apart from research and manufacturing, Khorakiwala's customer focused approach helped Wockhardt to look at the healthcare sector. This supported the management to set up super specialty hospitals in different parts of the country in association with Harvard Medical International.

"We are amongst the front runner in establishing a comprehensive concept to market program for recombinant biotechnology research. Our team has developed endÃ¢â?¬â??to-end capabilities including constructing genes, expressing proteins using three major expression systems. It has resulted in the introduction of two biotech products Ã¢â?¬â?? Biovac B (Hepatitis-B vaccine) and Wepox (Erythropoietin). We are the leaders in Biovac B in India and we have cornered over 25 percent of the market share for Wepox. We are the early entrants in the global biotechnology market by exporting the above products to South America. This has put India on the global bio-generics map. Exports from the current biotechnology products Ã¢â?¬â? Biovac B and Wepox Ã¢â?¬â?• and the forthcoming products will be growth drivers in the coming years as the products get registered in numerous countries," Khorakiwala said.

Besides India and USA, he said, Wockhardt has identified Europe as a key market for its products. Wockhardt's export market has been growing at a rate of 35-40 percent. In 2002 its international business has jumped to 41 percent.

Khorakiwala said, "under new chemical entity program we have also developed a recombinant human insulin and it is undergoing clinical trials. Our new drug discovery program, started four years ago, has yielded lead molecules. And we have completed pre-clinical work of a life saving MRSA responsive anti-infective which is even superior to others. This drug is now undergoing human (phase-I) clinical trials."

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In the field of novel drug delivery technologies, he said, "we are focussing on patentable technology for anti cancer products and other novel drug delivery systems in the areas of cardiology, diabetes and psychotropic substances." Wockhardt launched Progtase Depot Injection--India's first 30-day-acting 'depot' injection and Nadoxin Cream-- India's first and only topical quinolone anti-bacterial, in 2002.

Besides doing research in biopharma, Wockhardt is also into agri sciences and aqua business. Khorakiwala divergent views on life sciences pushed Wockhardt to set up agri business venture called Biostadt. "Agri science section is a benchmarking with the leaders in agri industry. We are one of the leading players in the agro-input industry with focus towards diverse business areas like plant growth promoters, plant protection chemicals, seeds and aquaculture products," he said. "Biostadt is amongst the front-runners in establishing the product 'Biozyme' that improves crop productivity. It has found extensive usage and excellent response from the customers on various crops to increase farm productivity. This product is well established in domestic and overseas market. Some of the biozyme-line extensions are biozyme, vegetables and biozyme fruits. Our agrochemical range extends to insecticides, fungicides and herbicides. Biostadt is venturing into the business of marketing seeds under the brand Hi-Q Seeds. As the name itself signifies, we want to keep the highest quality parameter for out product ranges. Hi-Q seeds include F1 vegetable hybrids, cotton and other cereal hybrids," says Khorakiwala.

Strong foundation

"With 2005 around the corner the larger pharma companies are spearheading the change with greater emphasis towards drug discovery and development and synergies through enhanced reach, economies in scale of operations and in R&D. The opportunity lies in unlocking the potential accumulated in the focussed and continued research and
evelopment activities for our biophar- maceuticals, novel drug delivery system products and new chemical entities for tapping both the domestic and international markets. Although we are well positioned in the emerging business, but don't want to lose our market share," Khorakiwala said .

Looking at the facts, we have developed a strong team of 300 scientists at the Wockhardt Research Center, which is involved in the pursuit of discovering new drugs, constructing genes, innovating drug delivery systems and novel chiral chemistry for developing active pharmaceutical ingredients, he said

Briefing about the R&D initiatives, Khorakiwala said, "our R&D activity is categorized into three divisions. The first division concentrates on developing new bulk drugs (novel drug delivery system) and generics. The second division concentrates on recombinant biotechnology. At present, the second division is focusing on technology absorption with the assistance of scientists from abroad. While the third division is dedicated for discovery of new molecules. Our R&D efforts have resulted in import substitution of various high value bulk drugs as well as formulations. We spent Rs 46 crore on R&D during 2002, compared to Rs 40 crore in 2001. So far we have strategically invested about Rs 200 crore in the past five years."

About the future plans, Khorakiwala says, "we are in the process of development of formulations on new molecules belonging to various categories. Research in the field of diseases for which allopathic treatments are not available or side effects are too

many."

The other side

Considering the contributions of Habil Khorakiwala to pharmaceutical industry the government of India is utilizing his services by nominating him to the advisory board, the think tank, of Council Scientific and Industrial Research, for technical inputs on major R&D and other issues of national importance.

Like his father Fakhruddin, who is a philanthropist, Habil, a nominated member of the national managing committee of Indian Red Cross Society, too has interests in the community development. In the aftermath of the earthquake that struck Gujarat in 2001, Wockhardt adopted an affected village. He is personally involved with the project and has galvanized the company and employees to help towards the rehabilitation of the village. Khorakiwala, who is married to Nafisa, and has three children, Huzaifa, Murtaza and Zahabiya, loves reading, swimming and management studies.