

RFCL leads change innovatively

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CICF Venture's 100 percent leveraged buyout of the allied businesses of Ranbaxy Laboratories Ltd, now called RFCL, has in over a year made phenomenal progress. It reached an understanding with Wipro to transfer its BioMed business which includes employees, assets, liabilities, operations, customers and partnerships. The company's growth is almost double of the market growth rate. It has achieved all this by tackling its greatest challenge post-MBO--management of its human resources. Through out-of-box re-organization, re-structuring and re-strategizing efforts, RFCL today has evolved from a 16 plus layered organization into a flatter and transparent entity with only three management bands--Leadership, Operations and Execution. RFCL is present in three different markets through four SBUs--Rankem, Vetnex, Diagnova and Neosynth. While Rankem offers laboratory solutions to the research and scientific community, Vetnex products and services reach out to the animal health industry. Diagnova offers products and services for in vitro and in vivo diagnosis for improving human health care. Neosynth is an R&D outfit at RFCL which is building development and research capabilities for both Vetnex and Rankem businesses so as to make the businesses "holistic" and globally competitive. Sushil Mehta, managing director, RFCL, shares with BioSpectrum the company's future plans.

How has the Wipro BioMed acquisition proved beneficial to you?

While organic growth has been our mainstay during the last one year, RFCL is now poised to leap into a new growth phase, through inorganic growth. With mergers and acquisitions happening globally in the biomedical industry and with direct entry of many international players into India, the business requires game changers. We believe it is best for Wipro BioMed to team up with RFCL, a committed organization in the field of life sciences and laboratory solutions.

Wipro BioMed brings to the table key principal relationships like Fujinon, Mindray, Promega, ICPBio, Vital Diagnostics, and Partec through its in vitro diagnostics, life sciences and medical endoscopy portfolio. The complementing of customer mix and product offering is almost 100 percent, with practically no overlap. Through this acquisition, Diagnova (the diagnostics SBU of RFCL) improves its market position from double digit level to high end single digit level in the \$375 million market which is growing at 15 percent per annually. Diagnova is aiming for leadership position in the domestic market in next three years.

Top Row (L-R): Ashok Jain, Nandlal Chaudhary, Top Row (L-R): Rajeev Gautam, V R Miranda, R Govindan

For RFCL it is the first inorganic growth initiative. In the industry, to the best of our knowledge it could probably be the first.

What are your future plans?

The future plans will be to accelerate our journey to be a globally respected company in the field of life sciences and laboratory solutions, providing quality products and services and creating winning relationships.

Through organic growth for all our businesses we are looking at "Double the Market Growth" in domestic market to attain leadership position in next 3 to 4 years. To achieve this we have invested in people development and through empowerment created the best teams in respective industry domains. Expanding business relationships with niche principal partners will ensure that basket of offering is bigger day by day.

Two years ago we were a company with three-four research/development scientists. Today this team has grown to 30 as of now. This team constitutes Neosynth which is the R&D platform for RFCL. This will drive our development capability, especially, for veterinary products beyond soft and semi-regulated markets.

Exports will have to be accelerated to become a global player. We doubled our exports last year and will again double this year. However, honestly even this will not take us far as our export initiatives have begun only in the last two years and there is a huge and diverse market to be catered. Acquisitions in key international markets will drive the acceleration in building up a global life sciences and laboratory solutions outfit at RFCL.

RFCL has made a good beginning, with Wipro BioMed acquisition, to its inorganic journey and is targeting more strategic acquisitions in the months ahead.