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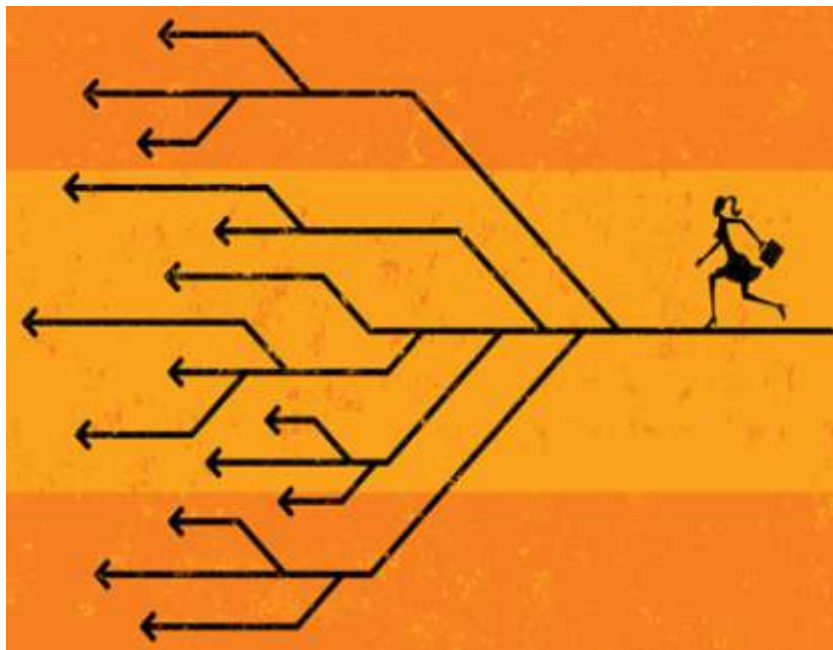
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On the Cover



Factors Impacting Industry



With the evolution in the Pharmaceutical domain, managing and growing the industry is a major issue. It is important to identify the impact of the different factors on the industry. Read the article to get insight into the evolving pharmaceutical domain and the growth drivers to move your company forward. - By **Dr. R. B. Smarta**



BRIEF OVERVIEW OF THE NEW BOOK

STRATEGIC PHARMACEUTICAL MARKETING

The pharmaceutical industry today is faced with significant challenges owing to the volatile and competitive business environment. For both survival and growth, it is imperative for pharmaceutical organizations to rethink their way of doing business, especially their marketing.

The book 'Strategic Pharmaceutical Marketing' thus, focuses on the practice of marketing prescription medications. It highlights the political, economical, social, technological and regulatory perspectives of pharmaceutical marketing, examines consumers, prescribers and explores positive marketing, pricing and distribution strategies. It provides a detailed explanation of pharmaceutical marketing as well as provides real-world case studies to demonstrate certain aspects.

The book is scripted from an industry and academic perspective. It allows pharmaceutical marketers to have a detailed understanding of the functions of pharmaceutical marketing thus, helping them plan their marketing strategies in a more accurate and precise way.

Individuals entering the field of marketing pharmaceutical products- sales personnel, assistant product managers, marketing staff as well as policy makers will achieve an in-depth understanding of the pharmaceutical industry. The marketing models described in the book along with promotion, distribution, and pricing scenarios, competitive analysis and market research will benefit the pharmaceutical marketer as a whole.

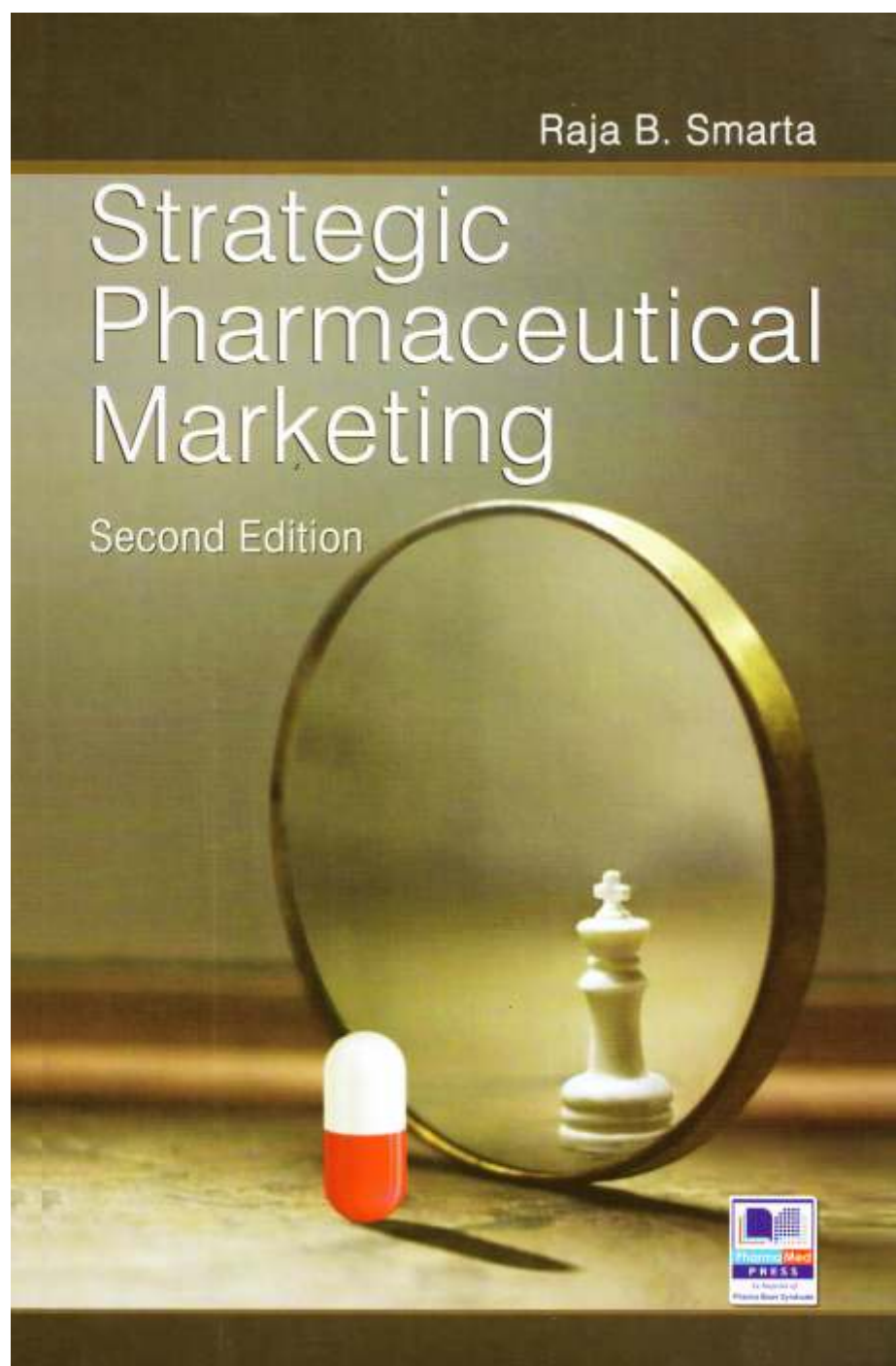
The book would provoke you to think of the surface and latent problems in new ways, find out different and more imaginative solutions and reflect on different options for tomorrow to cope with the changing situations.

The book also deals with pharmaceutical marketing financial analysis to help measure the success of the marketing decisions and return on investment.

This book, written in a reader-friendly style will help the marketers and CEOs of the pharmaceutical industry to bring about synergy in their strategies and operations, by thinking about the options, and looking at innovation as an important ingredient for progress. It will also help to generate cost-effective and new marketing approaches. Professionals in healthcare as also marketing executives in other industries will also find the book useful.



Launch of a New Book



7th Book of Dr. R. B. Smarta

FACTORS IMPACTING INDUSTRY

The Indian pharmaceutical industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharmaceutical industry, which is set to grow at an annual rate of 5 per cent between the same period. The Indian market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr. Arun Singh, Indian Ambassador to the US. maceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US\$ 12.91 billion in FY 2015-16, according to data from the Ministry of Commerce and Industry. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US\$ 1,641.15 million.

Pharmaceutical Evolution

In India, when Pharmaceutical Front was established, India missed **branding** and went ahead with **exports**. Leading in exports due to availability of the raw materials required and the Indian knowledge of reverse pharmacology were ready to establish our domain in acquiring the right techniques and knowledge of **process patents** and leading the Pharmaceutical Front with **branded generics**. Now, there is a change in the Indian Market, due to product patents, and therefore the pharmaceutical industry is concentrated on patented **"generics"**. The direction in which Indian pharmaceutical industry is evolving and with the government support to industry, it can be stated that the Indian market would evolve with NMEs' and new patents for the world.

- "Is it worth our while to make a serious play in India?" is no longer the central question. Instead, industry is deliberating over, "How can the Indian market scale up to an even higher growth trajectory, and achieve its full potential?"
- CEOs are asking, "How can we establish undisputed leadership in these important markets?"

In addition to these, several specific questions arise:

- How can industry stimulate growth drivers to expand the market faster? What are the risks to growth and how should these be managed?
- What are the most attractive opportunities in the Indian market? What are their unique characteristics that will demand localized business models?
- Which capabilities will differentiate the leaders of tomorrow, and which will be 'tickets to play'? What will be the relative importance of sales force coverage

versus sales force capabilities? How can brand building capabilities be enhanced in view of diminishing new product launches?

- Would the way organisations are structured and managed need to change as the portfolio of opportunities becomes more diverse? To what extent will industry need to attract talent from outside?

Where is the Indian Pharmaceutical Market Going?

Around 10 trends are set which define the direction and the future of the pharmaceutical industry.

1. **New normal domestic growth** after demonetisation will set in based on consumption pattern depending on demographic dividend.

2. **Ethics, regulatory compliance, transparency, and good manufacturing quality, marketing,** and business practices would emerge.

3. Innovative practices to comb **rural markets** will be explored as growth levers.

4. **Patient centricity** will be essential and there by business model will be compelled to move towards, epidemiology led products and services.

5. While treating patients Inclusiveness of **alternative systems** in chronic diseases will increase its pace and other alternatives like Ayurveda Homeopathy and as concomitant and successive treatment will be acknowledged.

6. Government efforts to make Indians healthy will increase manifold through, medicinal plants (as CSIR and other research institutes have worked on decades), nutritional-supplements, and medical foods. (As besides FDA, FSSAI is a parallel regulatory will be effective in correcting health of Indians.)

7. Unpredictable **socio-political disruption** alongwith implementation of other commercial decisions like GST etc. will affect and streamline the industry practises.

8. Increasing **medical infrastructure** along with **health insurance** and role of nutrition will make industry more balanced to treat the patients holistically.

9. Improved technology in **R&D, medical diagnostics,** new drug development, genetics, will modernise all treatments and create new standards with cost and outcomes.

10. Those companies who have presence of **manufacturing on US** will get more benefits of US consumption.

improvisation may be employed to make them meet the pharmaceutical promotional requirements.

Implementation Efficiencies: Developing a very clear communication across the organization on the digital marketing strategy is the essence for the success of the digital promotional strategy. More importantly if the final implementation is at field force level, a very well designed training and feedback mechanism should be in place to ensure efficiencies in the implantation of the digital promotional strategy. This is one of the key factors for organizations to reap the benefits of a well formulated digital promotional strategy.

Effective use of feedback data: Every digital activity throws up a lot of data back into the digital marketing system. Effective use of this with the help of standard analytics will be the most important activity of the digital marketing strategy. Preparing for such data and converting it into valuable information for the organization will drive the future focus on the digital marketing strategy of the organization.

The Learning curve and way forward

The learning curve for pharmaceutical product promotion could be a steep one with the maturity of the digital marketing methods and the ease with which they can be implemented. A well- formulated digital marketing strategy should be starting point for implementation of digital marketing in some of the marketing mix areas. The way ahead seems to pose challenges in the formulation of the digital marketing strategy, while implementation seems to be relatively easier with the available infrastructure and readiness of the organization.

About the Author

Dr. S. Syamal Ram Kishore is currently working as President-Business Development at Vital Therapeutics and Formulations Pvt. Ltd. His work experience of over 23 years is mainly into pharmaceutical product management, Business Development and Strategy. He is doctorate in management and his research areas of interest are strategy, product and Sales Management.



based customer engagement could be starting point for this. Industry adoption of such methods for customer engagement as a part of product promotional activities is still largely missing.

Training and feedback tools for the digitally responsive field forces are an essential requirement since the traditional communication channels are rapidly becoming extinct. The SFA (sales force automation) is the least that industry could adopt as a tool to address digital connectivity for reporting and training. The implementation of SFA in the pharmaceutical industry in India is still at its infancy. Manual reporting or email based reporting is still used by a large majority of the organizations.

What could be a comprehensive “Digital Strategy” for a pharmaceutical company? Answering the above question seems to be the first step for the pharmaceutical industry as they plan to embark on to a digital marketing strategy. Adoption of a digital marketing strategy, by majority of the pharmaceutical product promoting organizations is something which the pharmaceutical industry should be aiming at this time; a more comprehensive approach could result in small and medium players also adopting the digital marketing drive. This can have a direct impact on improving field force productivity and reduction in field promotional expenses, if a well-conceived digital marketing strategy is formulated.

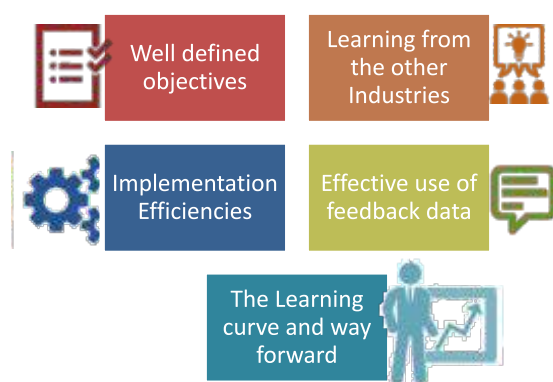


Fig. a. Elements of a Typical Digital Strategy for Pharmaceutical Product Promotion

Well defined objectives: Every organization has its sales strategy and field promotion strategy defined. Digital product promotional strategy needs to draw inputs from the grand promotional strategy. In other words the marketing and product management teams need to have digital promotional inputs embedded into their brand plans right from the beginning of the promotional plan. These promotional plans would pool up and result in a well-defined set of objectives for the product group, SBU and finally the organization as a whole.

Learning from the other Industries: Pharmaceutical product promotion has always been slow at learning from the other industry practices mainly due to constraints faced by the pharmaceutical product promotion. However, it is appropriate to learn from the other industries since they have been effective users of the digital marketing tools effectively. A certain degree of customization or

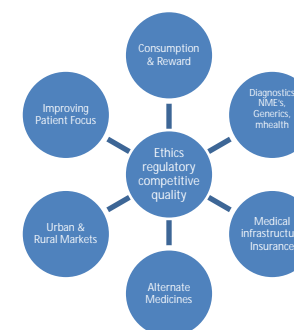
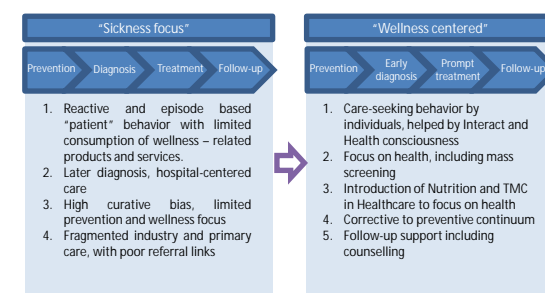


Fig. a. Seven Forces Model for New Pathway of Pharma Industry

Patient's mindset – a biggest shift:

The biggest trend set and followed by the Indian population is of the 'shift in the mindset of Indian population'. This shift in mindset leads to the evolution of the Pharmaceutical Business leading it to be a '**wellness focus market**' from '**sickness focus market**'.



Source: Bain and Co.

Fig. b. Mind Shift

This shift can be called as continuum from 'corrective proactive phase' in pharmaceutical market. The reflection of this shift will be seen in the retail outlets and even changing the composition of stocking of every pharmacists. From stocking 90% of Rx drugs has already changed to 60% of medicines and 40% of personal care products. It may further get increased to 60% on personal health care products.

Industry Issues:

Along with the change in empowerment of patients, enabling medical infrastructure and growth momentum, the central question about the Indian Pharmaceutical market has changed as well.

Empowering Indian Patients:

Rising income levels of patients and enhanced medical infrastructure have underpinned the step-up in growth trajectories. This growth has been broad-based across therapy and geography segments. Several leading players are beginning to focus on new and emerging therapies and opportunities.

Seven Drivers of Growth:

These drivers emerge for India from seven force model of trends and patient empowerment:

1. Population growth at around 1.3 per cent every year and a steady rise in disease prevalence will increase the patient pool by nearly 20 per cent by 2020.

2. The affordability of drugs will rise due to sustained growth in incomes and increases the insurance coverage.

Rising incomes will drive 73 million households into the middle and upper income segments. In addition to income growth, health insurance coverage will augment affordability. By 2020, nearly 650 million people will enjoy health insurance coverage. Private insurance coverage will grow by nearly 15 per cent annually till 2020



Fig c. Health Insurance Penetration

The largest impact will be seen through government sponsored programmes that are largely focused on the 'below poverty line' (BPL) segment and are expected to provide coverage to nearly 380 million people by 2020.

3. Government spending in healthcare will increase significantly. It has been growing at 18 per cent annually since 2005 to 2006 and is translating into a higher level of access in tier-II and rural markets. In addition, this will create a USD 4.5 billion segment of pharmaceutical products within the government's public health spending.

Driven by income growth and greater penetration, rural markets have grown a few percentage points above the overall market. Going forward, the share of rural markets will move up 25 per cent by 2020, up from the estimated 20 per cent currently. Tier-II markets, in contrast, will get marginally squeezed out. However, given their important role in providing rural access, they will stay relevant.

4. Affordability, Attitude and Alignment (AAA):

Affordability and attitude alignment will be the single largest driver of growth.

DIGITAL LESSONS – PERSONAL CHOICE

The pharmaceutical product promotion has always been challenged by the evolving communication channels and their dynamics. This has been more pronounced in the last decade with the rapid and drastic changes witnessed in the communication channels across industries. Pharmaceutical industry has been no exception to this. However, the impacts of these changes have resulted in some kind of a passive response by the industry. There could be various reasons that could be attributed to this response, but the most important of them seemed to be the lack of an appropriate digital marketing strategy.

The traditional approach to pharmaceutical product promotion was skewed towards the finished dosage forms or formulations, while the other segments of the industry were mostly involved into industrial product promotion. In other words the emphasis of business to customer orientation is mostly witnessed in the pharmaceutical finished dosage forms promotion, while a business to business orientation could be observed in the other segments of the industry. Both of these approaches to pharmaceutical product promotion seem to have been impacted by the rapid changes in the communication channels and digital marketing phenomenon.

Impact on the communication channels:

The pharmaceutical product promotion adopted by formulations marketing organizations was entirely through company owned medium called the professional sales representative or the medical representative. The medium restriction is inherent and continues to be the only major channel for pharmaceutical finished dosage forms promotion.

Impact on this medium has been no less as compared to that of the other mass media. The digital connectivity has resulted in medical representatives using devices which are internet enabled. These have drastically changed their ability to converse and understand their customers better. They have been ready to employ devices other than the traditional promotional inputs to reach their customers. The entire reporting and feedback mechanism is moving towards digital communication channels that are easily available to the field forces.

Gaps in the Adoption of Digital Marketing Tools

When the medium (Sales Force) has evolved towards embracing digital interventions, organizations are expected to respond by adopting digital interventions in product promotion and sales management. The current levels of adoption of digital communication channels for field force management and promotion are abysmally low in the pharmaceutical industry.

Promotional tools with interactive digital content for detailing product information to the customers is becoming essential, since the customer is used to watching digital content while seeking information from websites. This clearly indicates the obsolescence of printed promotional literature. But printed promotional literature continues to be the mainstay for product promotion in the pharmaceutical industry. With sales force personnel embracing digital technology, the field force expectation for digital promotional tools for customer engagement are very high. Social media

Thinking Fresh



Digital Lesson- Personal Choice



It is very challenging for the Pharmaceutical companies to communicate and promote product with only one way of marketing, it has been witnessing a change in communication and branding. Read on to get an insight on the impact on the Pharmaceutical Communication channels and the gaps that need to be filled as discussed By - Dr. S. Syamal Ram Kishore



More than 28 million households, nearly 20 per cent of all households in rural areas, will climb out of the deprived income class during the next decade. In addition, health coverage through RSBY will further enhance the affordability for healthcare and enable rural patients to be treated for serious illnesses and higher cost procedures.

5. Health care Professionals:

These markets could grow further if the shortage of doctors and other care issues are acted upon. There are 0.33 allopathic physicians per thousand people in rural areas which is half the national average. While the government has announced plans of upgrading infrastructure at primary health centres (PHCs) and community health centres (CHCs), the shortage of manpower continues to be a bottleneck.

6. Pharmacists and retail outlets:

Currently, 80 to 85 per cent of the market is being accounted for by the retail segment. Even in next 5 years, we expect the retail segment to remain the mainstay of the market.

7. Hospital consumption:

Consumption in hospital settings will rise to a considerable 25 to 30 per cent share of the market. India will continue to witness a remarkable rise in medical infrastructure. It will take a dramatic shape in infrastructure and care delivery systems will undergo major shifts. As a result, the hospital segment of the pharmaceuticals market will enhance growth.

Patient care delivery:

There are several ways of how care delivery is likely to evolve in hospital settings and existing health care delivery system.

First, the market will see different types of hospital formats such as day care centres, specialty centres, micro and macro surgical centres, mother care centres, eye care centres etc.

Second, hospitals will focus on consumer experience along with profits.

Third, corporate hospitals will adopt different treatment protocols for critical and life-saving procedures and treatments.

Fourth, hospitals will increase and assist in building pharmaceuticals product brands.

Fifty - mhealth - mobile platform will energize to correct and control the care outcome. Hospitals will become **point of care across segments**.

Indian Pharma Market segments:

The fast-growing and evolving health opportunity has several implications.

Trade – through Pharmacists / Retailers

Hospitals – Government, private and trust
Rural and urban education, accessibility, affordability, attitude related markets
Product profile as it includes nutrition - the coverage of professional practitioners
Insurance companies - empowering factor
M-Health patients / family
Medico treatment – protocols
Advocacy groups

New Consumer healthcare market is ripe for growth:

New consumer healthcare segment in pharmaceuticals comprises of two segments. The first is the RX-to-OTC segment, comprising brands that have been built through the prescription route but over time, move on to being self-medicated. All low involvement and low risk products would go in this segment such as pain/acidity etc. Pure-play OTC includes non-Rx brands like Pancharist Zandu, Dabur Honey etc. This nascent FMHG (Fast Moving Healthcare Goods) category of condition-specific nutrition products such as zero calorie, Amway Brands etc. Consumer healthcare segment would grow at higher pace.

Way forward:

CEOs who have questions about how industry should factor growth would find enormous opportunities in these drivers in India.

As pharmaceutical companies aspire for leadership in this market, they face three implications.

1. First, companies need to **constantly innovate** on the back of consumer insights. Players will need to depend more on research to understand and formulate products accordingly, instead of indiscriminately launching 'me too' products and extensions.

2. Second, pharmaceuticals players in particular will need to enhance their **markets management** and **reach capabilities**.

3. Third, companies will need to focus on scaling and high volume **business model**.

About the Author

Dr. R. B. Smarta, Founder & Manager Director of Interlink Marketing Consultancy Pvt. Ltd., has more than 45 years of experience in the industry including over 30 years in management and business consulting. Being a thought leader, he has helped the management of a number of organizations set up and grow through strategy consulting, sales & marketing effectiveness, organizational development interventions, successful mergers & acquisitions and innovative video-based training packages for the Indian pharmaceutical, nutraceutical, diagnostics, critical care and healthcare domains.



About the Author

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Beneficial effects in diseases

Phytopharmaceuticals are anthocyanidins, carotenoids, lycopenes, flavonoids, glucosinolates, isoflavonoids, polyphenols, omega-3 fatty acids, phytoestrogens, resveratrol, phytosterols, probiotics and terpenoids. These nutrients have specific pharmacological effects in human health and they have anti-inflammatory, anti-allergic, antioxidant, antimicrobial, antispasmodic, anti-ageing, anti-diabetic and many more therapeutic benefits and hence can be effective in diseases such as Cancers, Obesity, Hypertension, Glaucoma, Rheumatism, Diabetes, HIV/AIDS etc.

Positive aspects of Phytopharmaceuticals

These natural ingredients are more easily and more readily metabolized by the body. Therefore they may produce fewer, if any, side effects and may provide increased absorption in the blood stream resulting in more thorough and effective treatments. So, Phytopharmaceuticals will boost the innovations and development of new drugs from plants enhancing the research in drug development for various diseases. It will provide a new direction for treatment of certain diseases thereby helping the pharmaceutical industry to grow.

Indian Regulations

Ayurveda, Unani, Siddha and Homeopathy (AYUSH) are traditional Indian medicines and come under the department of AYUSH of the Indian regulations. Whereas, the phytopharmaceuticals are under the purview of the Central Drugs Standards Control Organization (CDSCO) as per the 2015 regulatory requirements. After NDA approval from CDSCO, the marketing status of the new phytopharmaceutical drug would be like that of a new chemical entity-based drug. The new regulation for phytopharmaceutical is in line with regulations in USA, China, and other countries involving scientific evaluation and data generation.

Conclusion

Phytopharmaceutical is comparatively a new industry. Due to the current turn of events and increasing awareness among consumers, preference for natural products as compared to chemical based products is increasing. The need to find cure for many diseases and increasing research and development in this area creates a growth factor for the new product pipelines. So with such scenario the question pharma companies need to address is will this be a profitable venture to step in and if yes, what are the steps they need to take to make it a successful product pipeline.

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Special Feature

Four Wise Steps - Execution



At the beginning of the year, sales managers chalk out comprehensive plans to hit target sales but by the end of the first quarter, most of them are forced to settle with mediocre results. Even the most brilliant plans fail to meet targets! The problem – there is a gap between strategy and execution. This article provides an effective 4 step approach to address the challenges in sales execution in the midst of the daily spiral of routine activities and helps you give your sales team the execution edge! - By Dr. Ruth D'Souza



FOUR WISE STEPS – EXECUTION

Most companies understand that they need to have some kind of plan in place - a plan to get the business from point X to point Y, whatever those points may be. For a sales manager, this may mean, formulating a plan to grow sales by a certain percentage from the last year or to capture a new market segment. A brilliant plan puts you on the competitive map, but only solid execution can keep you there. You have to be able to deliver on your intent!

Most managers know how to plan and are aware of the fundamentals in sales planning i.e. to meet basic standards for being specific, measurable, limited in scope, and sufficiently funded etc. If your plan is weak, then you are out of the league for successful execution in any case because missing any of those standards can create vague, ill-defined goals that are therefore nearly impossible to meet. Sales planning can be an extremely complex process involving numerous sub-processes like analyzing the market environment, determining the organizational efficiencies and growth rate, estimation of resources, forecasting sales levels, determining the action plan, identifying corrective measures and many more. A large time and effort goes into each of these activities and most experienced managers are brilliant on getting these processes right. These sales plans are well tracked by fine presentations, charts, team meetings and resource plans, ably supported by the marketing team and head office. Despite this, most organizations face a problem executing a well-defined plan that is formulated taking care of all essential parameters.

According to research published in The Harvard Business Review, “Companies realize only 40-to-60 percent of their plan's' potential value”. Successful leaders know these numbers and understand it takes much more than a great plan to be number one.

The glitch

Planning usually happens at the top level and managers put in their best resources to formulate a plan taking care of all factors. They believe that once this is done, they are just one step away from results! The mid-level managers are then put on the job to execute this plan. Most of the time there is so much focus on formulating the plan that, in the whole process the challenges faced at execution are neglected. Executives often understand the plan but are clueless about the role they play in going from point X to point Y and how they should do it! Successful leaders know that planning is just the baby step; execution is the daddy!

Execution takes more time than planning and needs more focus. The real enemy of execution is the 'spiral'! The spiral is the massive amount of energy spent on doing activities that is necessary just to keep your operation going on a day-to-day basis. Time and human energy being limited, once executives get caught up in this spiral, they lose focus from the main plan and it ultimately goes down!

Addressing the challenge of execution

While you cannot avoid being sucked into the daily spiral of activities, achieving goals in spite of the daily grind is the key to successful execution. Here is a four-step approach to address the challenge of execution.

International industry is concentrating on treatment for lifestyle diseases, hence, the major investments of the companies have gone towards lifestyle diseases and patenting products. However, the market today is filled with ayurvedic products, traditional medicines, Chinese herbs, nutraceuticals, dietary supplements etc. to take care of various indications in both geriatric and pediatric patients. The herbal healthcare industry is estimated to be around \$ 47 billion while India's contribution is \$ 1 billion.

Similarly, another positive change in the industry is due to Biosimilars, a biological product made from living organisms- plant or animal cells, which has to be similar to the original biologic drug and the only difference allowed is with the non-active ingredients or components. Biosimilars have a promising future for companies manufacturing biologics, as the products are as efficient, safe and reliable in delivering results as the original biological product but at reduced costs. They are used in treatment for Inflammatory Bowel diseases, Crohn's disease, Cancer, HIV/AIDS, Alzheimer's disease, Multiple Sclerosis and other serious diseases. Biocon, Dr.Reddy's, Zydus Cadila, Wockhardt, Intas, etc. – are already active in biosimilar markets in India. The global biosimilar industry is growing rapidly with the market estimated to reach \$ 20 billion by 2020 and this could emerge as a growth driver for the pharmaceutical industry.

For the companies which cannot afford investing in biologics they have another avenue which I would present is phytopharmaceuticals. Let me provide you a difference between nutraceuticals and phytopharmaceuticals. It is as follows:

Nutraceutical product is a food or fortified food product that not only supplements the diet but also assists in treating or preventing disease, so provides medical benefits. The main differentiating point between a Nutraceutical and Phytopharmaceutical is that nutraceuticals are not tested and regulated to the extent of pharmaceutical drugs. But with the advent of phytopharmaceuticals that gap is addressed.

Whereas, a **Phytopharmaceutical** can be defined, “As a drug that includes processed or unprocessed standardized materials derived from plants or parts thereof or combination of parts of plants, extracts or fractions thereof in a dosage form for internal or external use of human beings or animals and intended to be used for diagnosis, treatment, mitigation or prevention of any disease or disorder in human beings or animals, but does not include administration by parenteral route”.

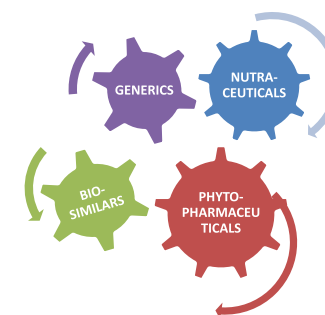


Fig a. Different products in the pipeline

WHO WANTS TO CREATE A NEW PRODUCT PIPELINE?

Introduction

Change in lifestyle has led to the rise of diseases of the heart and increase in the number of people suffering from diabetes, leading to increased number of cases reported for cardiac arrest and patients suffering from diabetes. This corresponds to the rise in sales of pharmaceutical products. The Indian pharmaceutical industry has a hub of activities in process to provide the healthcare system with variations in treatment options, for newer diseases including research and development, manufacturing branded, generics and branded generic drugs, manufacturing APIs etc.

Indian Pharmaceutical Industry is at a mature stage from its nascent stage back in the 1970s and today accounts for 10 percent in terms of volume and 2.4 percent of in terms of value of the world market and is the third largest, in terms of volume and stands at thirteenth position in terms of value and is expected to grow at a compounded annual growth rate of 15.92% between 2015-2020.

The market is also looked upon as a destination of branded, generic as well as branded generic drugs which contribute 70 percent of market share in terms of revenue. The patented drug market contribute 21 percent whereas, over the counter (OTC) drug market contribute 9 percent of total USD 20 billion revenue of the Indian pharmaceutical market.

The industry has tremendous achievement over the years due to the various challenges faced by the industry. To understand the future opportunities that lie at hand we take a look at some of the issues faced by the industry and the coping strategies.

Industry Issues

As the business environment is continuously changing, the situation in pharmaceuticals is such that it is flooded with generics and it is becoming difficult for pharmaceutical companies to differentiate between products. Even product definition is expanded from merely being a product, to its indications, contra-indications, caution & compatibility with other drugs, food and drug interactions and thereby lot of consulting and FAQs.

Besides these issues in the market, youngsters have also learnt how to identify products available in the market for various indication or disease, and also which product will correspond to a particular indication. Hence, there is a lot of awareness amongst patients for even generic products. Along with the generics load, there is a proliferation of competition and I may not exaggerate even one molecule may have 80-90 competitors in India.

As the sales model has changed from knowledge exchange to transaction, the current industry is finding it difficult to create an edge in the market. This edge can be created by, creating a new product pipeline as well as differentiating existing products through service consulting and other counseling centers. Besides, there are also possibilities of launching new products and creating a product pipeline through biologics, nutraceuticals, ayurvedic products and also newly accepted as drugs- phytopharmaceuticals.

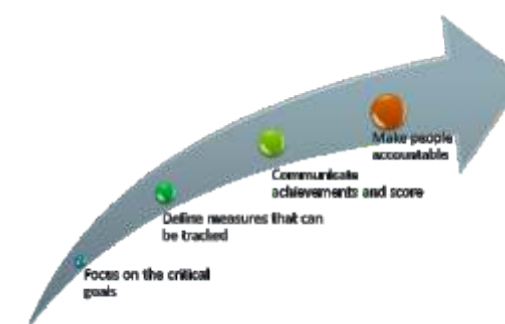


Fig. a. Addressing the Challenges of Execution

I. Focus on the Critical Goals

Every team member must focus their effort on one or two goals that will make all the difference, instead of allocating mediocre effort to dozens of goals. The critical goal can be decided by asking "If every other area of our operation remained at its current level of performance, what is the one area where change would have the greatest impact?"

The critical goals must be **SMART**

S- Specific - Detailed oriented but be clear enough to every executive. The pathway from X to Y must be defined and executives must specifically know how their efforts contribute in the process from X to Y.

M-Measurable - Goals must be clearly measurable with input measures and output measures.

A-Achievable - Goals should not be easy to reach but should challenge the team to rise to their highest level of expectation.

R- Realistic - Realistic goals can be achieved. Being realistic does not mean thinking small. Rather it is crucial to estimate time required to achieve such goals and allocate time to them.

T- Time bound - The date by which that goal must be achieved needs to be specified.

Take for example the establishment of a new product. Unless the new product sales goal is set using SMART parameters, the sales team will tend to achieve its overall sales volume target from old/existing products. This would probably take much less effort than working on a new product. Often new products die precisely because of this.

While senior leaders will undoubtedly determine top-level goals, they must allow the leaders at each level below to define the goals for their teams. The sales executives at lower levels in the organization must align their goals to help achieve the goals at higher levels.

2. Define measures that can be tracked

Once formulated, there has to be a measure that tracks the execution of the goals. The measures act as checkboxes to progress from point X to point Y. Usually measures are post facto and act like a post mortem. Instead, we need measures that focus on efforts. Tracking efforts can predict results. These are also known as lead measures, since they tell you if you are likely to achieve the goal or not while you are working towards the goal. A lead measure is predictive, meaning that if the lead measure changes, you can predict that the end result will also change. These are extremely important measures while tracking execution since they are influenceable and controllable before the end result. These lead measures enable you to close the gap between what you know your team should do and what they are actually doing.

A sales executive can have tracking measures such as speaking to 25 prospects in a week. If conversion rate is 20%, let us assume this gives an end result of a lakh of Rupees in sales for the month. Now, considering this, if there is drop in number of prospects spoken to or in the conversion rate in the first week, we can predict that the sales for the month will surely not be achieved unless we make up for this drop in the following weeks. Thus, if the aim is to get a lakh in sales revenue for the month, the team can take steps to keep up to the target if they track lead measures. Once the month is over, all they can do is a review of success/failure in achieving a lakh of Rupees in sales but they are no longer in a position to control the end result.

3. Communicate achievements and score

Everyone needs to know the score at all times, so that they can tell whether or not they're winning. People disengage when they don't know the score. When everyone on the team can see the score, the level of commitment rises, not only because they can see what's working and what adjustments are needed, but also because they now want to win.

The scoring system should be simple, easily visible, clearly indicate tracking measures and the team must know at a glance if they are winning. The engagement is not because the organization is winning or the leader is winning, it is because they are winning. Sales people must be informed about scoring. Often, they are only aware of their own performance and that too only when the month is over. A regular flash of achievement scores or a countdown reverse score, can help bring a sense of urgency to goal achievement.

4. Make people accountable

In today's world where everything revolves around teamwork, often the accountability edge is lost. Individual accountability is a mindset and the process of regular reviews of effort and results is vital to bring in a sense of accountability. Weekly reviews through phone/ Skype together with monthly reviews need to be scheduled. Reviews must begin with assessing efforts/results of last period. Typically, we see that as a practice, managers spend 80% time on analysis and review with not enough time left for detailed planning for the future. This approach leads to frustration and demoralization of the team. A better approach would be to reverse the process with a mere 20% time to be spent in review, thus freeing up 80% time for addressing challenges of implementation and setting goals for next week/ month.

Thought Leadership



Who wants to create a new product pipeline?



With the growing uncertainties and changes in the pharmaceutical industry every company wants to be ahead in the race. But how will this be possible unless newer strategies or a unique way is identified to be different? This article chalks out certain possibilities to develop newer product pipelines as per the companies need to stay positioned in the competition
- By **Dr. R. B. Smarta, Ms. Rochelle Rodrigues.**



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<http://www.businessdictionary.com/definition/effectiveness.html>

About the Author

Ms. Anagha Gavande, Sr. Research Associate, Interlink Marketing Consultancy Pvt. Ltd., is a Post Graduate in Nutraceuticals. She has been successfully assisting in various Research-based Consultancy Projects and actively contributing to various marketing activities as well. She has contributed in writing reports, developing content for company's presentations, articles and other publications. She is even working with Digital Marketing and Content development for the company.



Another aspect is the accountability and individual contribution of managers. The role of each member in the team is to add value to the team below and not over take the job of the subordinates. Whether you lead a small sales team or a whole company, no significant result is achievable unless people change their behavior. You need to get team commitment and make them accountable to ensure the plans are implemented. Commitment comes with addressing how their contribution will benefit them (and the team overall). Also, letting your employees know that you are there with them throughout the process of execution will alleviate their fear of failure.

The key to results

While sales planning is very important for an organization as success cannot be achieved by haphazard actions, it would be pointless if plans gave no results. For a substantial difference in sales revenue, the challenges of execution need to be well addressed. Execution must be converted into a process and adequate attention must be paid to all the 4 key steps.

About the Author

Dr. Ruth D'Souza is the Managing Director of InteGREAT PEOPLE – a leading Corporate Training firm, specializing in helping Sales & Marketing teams develop THE EXECUTION EDGE. With over 30 years of experience in Strategy Consulting and People development, her current focus is to offer training interventions that help organizations bridge the strategy to execution gap. Dr. Ruth D'Souza is a much sought after facilitator for her practical, implementation oriented approach and her ability to bring about a transformation in the knowledge, skills and mindsets of Sales and Marketing teams. Academically, she holds a Doctorate in Management, a Masters degree in Marketing and a Bachelor's degree in Microbiology. She is a certified management consultant (CMC), an advocate for ethical leadership, an avid researcher and writer.





Fertile Engagement as Priority



The advent of the internet has changed the way we live and interact. Time pressures, falling levels of interaction with doctors, need for involving patients and exploring effective ways and means to do this are a need of the hour. This write up discusses the scenario and a few pointers that can serve to improve interaction in the future. - By **Mr. Uday Lawate**

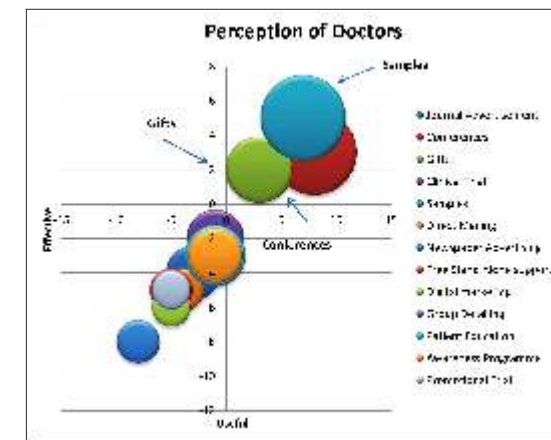


Fig. c. Perception Map of Aided Doctor Responses
Source: Interlink Knowledge Cell

Therefore, the impact of both the above inputs is enormous and with the right direction can be utilized by the company.
Interpretations

The above graphs demonstrate that doctors recognize different types of promotional tools under the different categories i.e. personal use, educational and scientific promotional tools and personal touch.

Personal touch is one of the most important categories. It includes MR visits which are the most important aspect as it inculcates all the three criteria: Awareness, Innovation and Impact. An MR visit is claimed to be the most important promotional input in the above discussions as it provides the doctor information and insights of the product and the market. Therefore, well-trained MRs is important as they represent the company and are the brand ambassadors.

Personal Use has been the second most important aspect, which includes samples. They are brand reminders and even provide a personal benefit to the doctors. Educational and scientific promotional tools would be conferences and Journals. Conferences are very useful and effective according to the studies. Journals could be more useful and effective, if more relevant.

Digital marketing when seen in the unaided section has a good weightage and in the upcoming years would be a very effective promotional input.

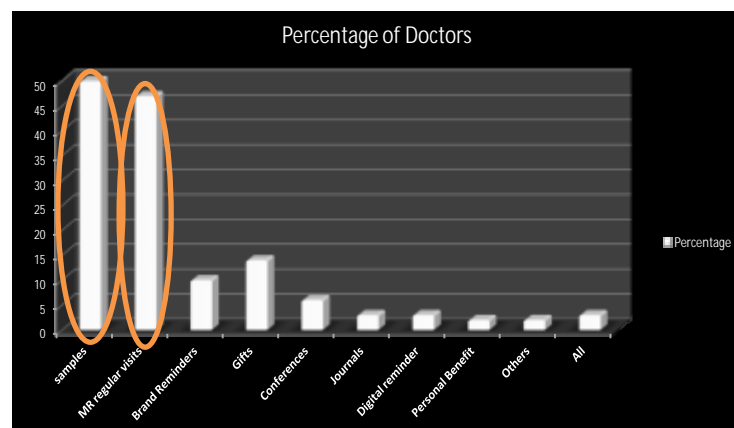
Limitations and Scope for Future Research:

- Although care has been taken to choose a representative sample, the results might still not reflect population characteristics.
- The study was conducted on one specialization of doctors i.e. Physicians. Physicians are one largest target segment for pharmaceutical companies.
- The findings of this study can only be generalized for understanding the impact of promotional tools on physicians' prescribing behavior.
- Further study may be conducted among different specialties of medical profession.

Effective Promotional Inputs:

Effectiveness is defined as the degrees to which objectives are achieved and the extent to which targeted problems are solved. In contrast to efficiency, effectiveness is determined without reference to costs and, whereas efficiency means 'doing the thing right', effectiveness means 'doing the right thing'.⁰¹

Effectiveness is a very important trait in a promotional input. An effective promotional input may not be in sight all the time, but the effect on the prescription generated by the doctor is maintained. An effective promotional input should be used frequently for a fair enough prescription generation. The impact of an effective promotional input is the reason for an uplifted prescription of a product. Therefore, a combination of both the factors is very important for converting a doctor and generating the desired prescription.



Sample Size (N) = 100 Doctors

Fig. b. Unaided Doctor Responses for Useful Promotional Inputs

Source: Interlink Knowledge Cell

According to the above perception map, samples, conferences and gifts are the most useful and effective promotional inputs for doctors that can generate prescription. At the same time, clinical trials, awareness programs and patient education are promotional inputs that we really need to work on, as right now they are not very useful and effective but they are definitely gaining importance

(The above figures, fig. a and fig. b were the unaided answers, which show that according to the doctors, the first and the most important thing for pharmaceutical promotion is the samples, which are the best reminders of the product, and which also help them understand the capability of the product. The second most useful and effective promotional input that comes to their mind is the 'visit of the medical representative'. A medical representative is like a brand ambassador and the best source of information about the brand and competitive brands according to the Doctors.)

FERTILE ENGAGEMENT AS PRIORITY

Pharma industry relied heavily on interacting with physicians and making products available at retail counters. The third stakeholder in the picture i.e. patient was mostly in the background. Quite a lot of this has changed and priorities need to be recast. Change is the only constant as the adage goes. Identifying changes and adapting to them is key. Better still is to be the first mover and initiate change as it helps to be ahead of the curve. At an event organised by OPPI, Mr. Nitin Paranjpe of HUL spoke on future of FMCG and TV advertising. He made it clear that advertisements in programs alone will not suffice. In future whole programs will be named after brands, they will be sponsored by brands and the entire pattern of spend on TV promotion will change. This was towards the latter part of the last decade and this has indeed happened – HUL recognised the need and showed the way.

What was trigger of this change? Clutter in the two minutes break, remotes that helped surf channels and the general belief that claims in the advertisements were not always true.

Is this what has happened to us in the pharma industry? Come to think of it: how many medical reps (Business Managers!) does a physician see in a day? How frequent are these "interruptions" in her/his program of seeing patients? What does the doctor do when a particular day or slot is allotted to see this group? Could it be serving as the little two minute break when we surf channels – the physician is switched off.

Apart from mushrooming of companies and brands, one key change has been the source of information. Time stressed physicians have better sources of information accessible at the time of their choice – thanks to the internet.

The other change is patient awareness. Patients know a lot more than what they knew in the past. They ask questions to physicians which might never have needed to be answered earlier. They reach out to independent sources or to companies on their own.

Before this scenario, the only tenable source of information was the Sales Force. How has that changed? Gone are the very early days when a group of doctors would listen keenly to a company representative addressing them. How many reps speak what is expected and how many give the correct information? Leave aside the question of the number of representatives who speak with conviction or speak science. Not to undermine their capabilities, but competition is so tough and time so short that nothing other than brand name comes out. All-in-all, physicians are no more dependent on this source for the information they need.

The differentiators of quality, uniqueness of packaging, availability and price are now perceived as given and are not the exclusivity of any particular brand.

Doctor not necessarily the sole decision maker:

Decision making these days is not in the hands of the practitioner alone. Constraints are observed in many forms. A few hospitals do not allow entry of sales persons as

they tend to reduce the efficiency of the doctor (cutting into time meant for patients). Many have formulary advisory or guidelines to be adhered to or are required to prescribe only the generic, while the pharmacy dispenses the product in stock.

Although we are not subject to very stringent rules regarding relationships of pharma companies with doctors and their relationship with patients, a couple of examples might well give an idea of the things to come. Towards the end of the last decade, France had a mechanism in place that required pharma companies to gradually reduce the number of visits to specialists over next few years. As mentioned in the Health System Review 2015, limits have been placed on visits by pharmaceutical representatives in hospitals. In Germany, physicians have to inform patients in writing of the anticipated size of the fee in case the patient is not reimbursed by insurer or other source of funding.

Retail pharmacies:

Here it is no more the act of generating prescriptions, but providing the best margins to ensure that prescriptions are not substituted. Retail chains are here to stay and therefore the possibility of booking orders from any such stores individually is remote. The new option of purchasing products through online stores can only grow exponentially. It can potentially cut off the “feedback” mechanism so popular in our industry.

All said and done, this is another pointer to the shrinking role of the conventional medical representative.

Where is the patient?

In this whole scenario, the one who demands greatest attention but is the most neglected group so far was the patient. Yes, everyone involved was catering to the patient, but the patient was never at the centre of activity. More and more companies now want to drive the “patient centric” approach. So a sales representative has to be equipped to perform a patient/caregiver support function. Can she/he really step up to this new need?

The way forward:

Engineering sales teams might provide clues to this situation. To sell a machine, they meet people from various functions such as procurement, production, finance, quality control, projects and many others. They might have to work from a blue print to the final installation of the equipment and ensure that the output is delivered as per the parameters agreed upon. It is interesting to find the engineer stand next to the machine operator to prove the output. It certainly is different from role of a Key Account Manager (KAM) since a KAM is still not actively engaged with a patient just as a sales engineer is with the machine operator. May be here is the key: “patient interaction”.

Not all that easy and the reasons are not too far to visualize.

- Medical reps need to be trained as counsellors to deal with patients and care givers
- Counselling and hard core selling are two very different roles. The personality

Should there be one MR visit or two? How should the visual aid be? Maybe the journal is a better option than a conference. But, these are just factors we would think about and not know. So, on what should we spend? Or on which doctor should we spend? How much should be allotted per doctor or per promotional input?

Which promotional input should be used more extensively and which should be used scarcely. These all are the questions that rattle in every entrepreneur's head and it is hard to understand that should there be cost cutting in the marketing section or not. Well, with all the answers to all these questions still, we do not look at the exact issue.

The cost of promotional input should be defined by certain characteristics and perception of the inputs.

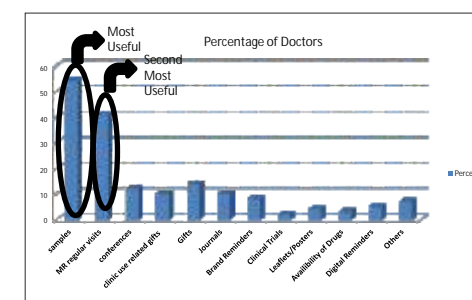
As a team, Interlink conducted a small survey with a certain set of promotional inputs, with the characteristics to be identified in that promotional inputs used. It is just a way to understand the perception of these promotional inputs on the selected population. A pharmaceutical company can use the same technique to understand the requirement of the promotional inputs in their particular area.

Doctors' Perception about Promotional Inputs

Finding out what doctors think about promotional inputs, and what effect they think the inputs have on them, is important because it can help us to develop relevant interventions. Promotion may affect people in ways that they do not know about, or are reluctant to tell others about. A doctor perceives the promotional input with respect to many factors, but the two basic criteria on which the best promotional input is devised is its **usefulness** and **effectiveness** to the Doctors.

Useful Promotional Inputs:

Promotional inputs which is useful to the doctor in his or her daily practice serves as good reminder to the doctor of the drug and its brand. If a promotional input is not very useful, or does not help the doctor then it would have no impact on him/her after a particular time. Therefore, usefulness is a very important factor in the eye of the doctor. Useful promotional input changes the thought to a prescription.



Sample Size (N) = 100 Doctors

Fig. a. Unaided Doctor Responses for Useful Promotional Inputs

Source: Interlink Knowledge Cell

PROMOTION BURNING – A NEW DILEMMA

Charles Darwin's famous principle 'Survival of the Fittest' suits to every aspect of life and so does business. The daily increasing competition is a challenging factor for the businesses to survive. Competition brings in the factor of change; one who reacts in time to the frequent changes can only survive the competition. These rules apply to the Pharmaceutical Industry as well; everyday there is a new company launching a new product which in turn increases the market dynamics. In the Pharmaceutical competition the key opinion holders are the medical practitioners. Marketing a product to these practitioners is an exhaustive and exclusive job.

Marketing in Pharmaceutical Space

“The aim of marketing is to understand and know the customer so well that the product or service fits him and sells itself.” – Peter Drucker.

As the ultimate aim of marketing is to increase sales, as described by Peter Drucker, then the main objective of any organization is to increase its profitability by understanding the needs of the consumers, so that fulfilling them is easy. In most of the other commercial organizations it is easy for the consumer to choose the brand of desire or as per the needs. But in pharmaceutical industry, the marketing customer and the end consumer fall in two different categories. Although the product is bought to cure the disease, but the brand is decided by the physician.

The first aim of pharmaceutical marketing is to identify the customer i.e. prescribing physicians, retail chemists and purchasing consumer. The sales and marketing team of pharmaceutical companies should be able to identify these customers and satisfy their needs. The promotional strategy of a pharmaceutical industry relies greatly on scientific data and research inputs. The scientific knowledge is shared with the customer that is doctors who have enough knowledge to analyze the products. The base of the entire discussion is to concentrate on the physician prescription behavior.

The marketing methodology of a pharmaceutical company is outlined to direct the physicians' prescription towards the drug. The sales and marketing team focuses to orient the prescription behavior to the organization brand. It is very important to understand the effect of drug promotion on the prescribing behavior of the doctor and the use of the drugs given the growing money which is spent on promotional activities.

Marketing Expenditure – A Dilemma

With the growing Competition and the need to develop best marketing strategies, it is hard to decide whether or not to spend on marketing and if yes, how much?

According to the Ethical Code for Pharmaceutical Marketing, companies should not spend on gifts and personal doctor expenditure, but then is there any other way to maintain the relationship with the Doctors?

traits required to execute these are different. Hence selection is another important aspect

- Ensuring continuity. Patients and caregivers do not prefer to have three new faces in eight months! Our teams need to ensure stability

- Ability to retrieve data from the data bases, interpret it and convert that knowledge into information useful for physician or patient interaction is another skill required

- Data security is a concern and confidentiality is not easy to maintain in our context. Indian Medical Association has recently launched a campaign “koi sun to nahi raha hai” (hope someone is not listening) as reported in The Hindu on 9th of January, 2016

Is the concept of “Inside Sales” a viable option? Have an interactive website, put a few tele-callers on the job and start interaction. One may jump to it as it brings down the cost, improves profitability and still services doctors.

Success stories can give us a lot. AstraZeneca did it with Nexium in 2010 in the US. A lot of care and effort needed to be taken while planning to take this route. A similar infrastructure can be used to service patients as demonstrated by MSD India during the launch of Januvia and Janumet. So vast and specialised is this field that it can be an independent topic of discussion. Several large pharma companies in the developed countries have turned this into success and volumes have been written on the typical circumstances, benefits and pitfalls. Oncology, diabetes, hypertension, allergies and other therapy areas have taken this route. Companies such as J&J, AstraZeneca, Sanofi-Aventis, Abbott, Novartis, MSD, Amgen and the list can go on, have demonstrated benefits of patient interaction.

With the advent of the internet and smart phones, physician interaction has changed. Patient centricity is no more a point of debate; it is only a matter of finding the right way to ensure a result oriented action! Those who respond quickly and correctly, stand to gain in the future.

About the Author

Mr. Uday Lawate has close to three decades of experience in Pharmaceutical Marketing and Sales in India coupled with Consulting experience across major countries in Europe and Asia-Pac with many MNCs. He has worked on Multi-channel Promotion models as also call centre to promote interaction with patients. He has a track record of creating major brands across therapy areas three of which have been #1 All India. He institutionalized the first in-house developed CRM system in Indian pharmaceutical scene and has improved productivity and quality of doctor interaction and product sales through effective application of Data Analytics.





Growth Lever Hunger



Tertiary care, being a lever for pharmaceutical companies, is a dimension everyone wants to understand. The awareness of the factors related to this sector such as medical insurances is something that needs to be promoted. An increased rate of tertiary healthcare and its utilization as a lever is a question which our expert will try and entertain in this article
– By *Dr. Anant Patil*



Promotion Burning – A New Dilemma



*In today's world it is difficult to understand in which sector of your business do you spend and with so many options around it is a disaster to choose the right one. Read on to get some insights from our end – By *Ms. Anagha Gavande**



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About the Author

Dr. Anant Patil (Mumbai) - Certified Consultant of Interlink, Medical support Dr. Anant is MBBS, MD (Pharmacology), MBA, he has close to 10 years of experience in Pharmaceutical Industry. He has worked as a consultant for medical communication, training and strategy. Dr. Anant has also worked for various Pharma companies like Sanofi India, Abbott India, Alembic etc. He has close to 20 papers in various journals and conferences to his credit. He has been a medical consultant to Interlink for several years.



GROWTH LEVER HUNGER

In marketing, term “Lever” is used for a specifically designed strategy for growth i.e. increasing sales from a given consumer group over a specific time period. The growth of pharmaceutical sector depends on several factors, important being the changing dynamic of health epidemiology. Important stakeholders of pharmaceutical industry include patients, healthcare providers and hospitals.

There are only two ways of improving growth of any market-increasing output from the same customer or increasing the number of customers. If tertiary healthcare is to be considered as a growth lever, then these facilities should reach to more patients for management of their health conditions. For this, one needs to understand the reasons why patient seek healthcare at tertiary centers. Tertiary health care centers significantly differ from the primary health care centers in terms of resources for diagnosis and management of diseases including life threatening conditions. In India, tertiary care services are provided by medical colleges, advanced research institutes or big corporate hospitals.

Changing dynamics of health related epidemiology and pharmaceutical industry:

There has been a clear shift in the disease burden from communicable diseases to non-communicable diseases.¹ The important non-communicable diseases which have grabbed the attention because of associated morbidity and mortality include cardiovascular disorders, diabetes mellitus, cancers and chronic lung diseases.² The main contributing factor for this shift is socio-economic transition which has resulted in increasing urbanization, changing lifestyles and food habits.² Similarly, there has also been significant improvement in the awareness about health and also the income of people resulting in better affordability of health services.

Considering these dynamics, increasing burden of non-communicable diseases, rising income level resulting in better affordability of health services and improved awareness about prevention and treatment of diseases among general population would be the clear drivers of the growth for pharmaceutical industry in coming times.³

Reasons for seeking care at tertiary health center:

The patients visiting tertiary care centers can be broadly divided into two categories-those who approach themselves for the diagnosis and treatment of diseases or those who are referred by other healthcare professionals. Patients from well to do families either directly approach the tertiary care center or are referred by their family physicians whereas financially constrained population rarely visits these centers by themselves. They are usually referred by the healthcare professionals at primary or secondary healthcare centers because of the unavailability of advanced diagnostic facilities and intensive care at these set ups as well as since tertiary healthcare centers have trained personnel and facilities for advanced investigations and treatment of diseases.

Delayed diagnosis resulting in poor outcomes is one of the major concerns for chronic diseases. A publication by Bradford and colleagues⁴ has highlighted the

missed and delayed diagnosis of dementia at primary care. The contributory factors for this include problems in communication between healthcare providers and the patient, education, and resource limitations. The true prevalence of missed and delayed diagnoses of many other diseases might also be similarly high. With improved awareness among general population and improved paying capacity for the health services, it is obvious that more people will approach tertiary care centers for timely and accurate diagnosis and better disease management.

Health care at tertiary centers: Challenge

People from well to do families do not face major challenges for utilizing the services at tertiary care center. However, cost is a major challenge for poor people seeking services at tertiary healthcare center. Financially constrained population faces double whammy of high cost of care in the private sector and lack of insurance for medical conditions. These people get entangled in the vicious cycle of poverty, illness and financial liability.⁵

Measures to improve the tertiary healthcare utilization:

For improving access of healthcare at tertiary center, increasing the penetration of medical insurance and public private partnership are the two important measures. Government is trying to improve the access to hospital care by partnering with private hospitals. Some government sponsored schemes have been successful for facilitating the process of improved access. A paper published by Anuradha Katyal and colleagues⁵ has highlighted the outcomes of private sector participation in providing tertiary health care in the states of Andhra Pradesh and Maharashtra. In this paper authors have compared the changes in different measures of healthcare from 2004 to 2012. The results show that the average inpatient expenditure for private hospital has increased in both states.

Several factors are known to play role in the prescribing behavior of the healthcare practitioners. Some physicians may be influenced by the promotion by the pharmaceutical industry.⁶ If hospitalization is considered as a lever for growth of the pharmaceutical industry, the chances of hospitalization for unnecessary reasons cannot be ruled out. **Therefore mere hospitalization should not be considered as the lever for growth. Instead, if improved patient outcome and better quality of life is considered as lever, utilization of tertiary healthcare services automatically becomes an important component of the strategy.**

Training of primary care physician for timely referral of patients is important for both diagnosis and management of certain diseases. Timely referrals can increase the rates of early and accurate diagnosis of diseases and better management of conditions which are difficult to treat at primary and secondary care level.

At the moment, the medical insurance is still in the infancy especially in the rural areas in India. Efforts should be done to increase the penetration of insurance in rural areas.

Coordinated efforts between government, private sector, insurance agencies and healthcare professionals are necessary for optimal use of healthcare services at

tertiary centers. The success ultimately depends on the involvement of community, so efforts should also be strengthened to improve awareness about insurance and increased confidence and to increase trust about tertiary care hospital among general population (figure a). These measures are not mutually exclusive but are greatly interdependent, hence should be done together.

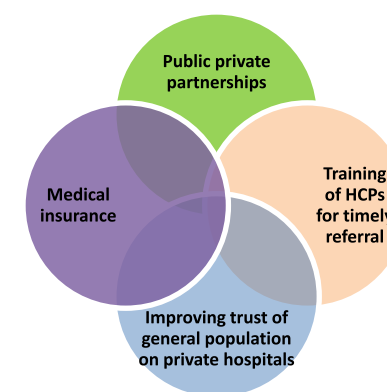


Figure a. Measures to improve healthcare utilization at tertiary care

Utilization of services at tertiary care should not be the only focus of the overall strategy. This is an “outside-in” approach. Rather, “inside-out” approach should be of great help i.e. having goal of holistically improved patient outcome and better quality of life. This goal is largely impossible without utilization of tertiary care services which also sometimes but not necessarily always include hospitalization. All efforts should be directed towards improving patient outcomes which can only be achieved if “the right patient reaches/referred to the right tertiary care center at the right time”

Summary:

“Tertiary care” can be a lever for growth for pharmaceutical sector. If tertiary care is to be considered as a lever of growth, increasing public private partnerships and promoting awareness about medical insurance among general population are necessary. Training of primary care physician for timely referral of patients for early and accurate diagnosis, and better management of conditions which are difficult to treat at primary and secondary care level is also important. Increased rates of tertiary healthcare utilization may result in better patient outcomes provided, “the right patient reaches/ is referred to the right tertiary care center at the right time”

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