

# The introduction to ranbaxy business essay

[Business](#)



**ASSIGN  
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**Submitted to:**

**Mr. C. Nagapavan**

**Faculty (Asst. Prof)**

**Centre for Business Administration**

**Central University of Jharkhand**

**Submitted by:**

**Kumar Alok**

**IMBA- 1st Sem.**

**Centre for Business Administration**

**Central University of Jharkhand**

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C: UsersAB ka lappyDesktopRanbaxy. gifIntroduction to RANBAXY  
Ranbaxy was started by Ranbir Singh and Gurbax Singh in 1937 as a distributor for a Japanese company, Shionogi. The name Ranbaxy is a combination of the names of its first owners Ranbir and Gurbax. Ranbaxy Laboratories Limited is basically a pharmaceutical company that was incorporated in India in 1961. The company went public in 1973. Daiichi Sankyo - a Japanese pharmaceutical company gained majority control in June 2008 by acquiring a 34.8% stake in Ranbaxy for a value of \$2.4 billion. Later on, in November 2008, Daiichi - Sankyo completed the takeover of the company in a deal worth \$4.6 billion by acquiring a 63.92% stake in Ranbaxy. Meanwhile, in 1998, Ranbaxy entered the US market, the world's largest pharmaceuticals market. Ranbaxy exports its products to 125 countries with ground

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operations in 46 and manufacturing facilities in seven countries. It competes with the maker of brand-name Zocor, Merck & Co.; IVAX Corporation (acquired by Teva Pharmaceutical Industries Ltd.) and Dr. Reddy's Laboratories (from India). Most of Ranbaxy's products are manufactured by license from foreign pharmaceutical developers, though a significant percentage of their products are off-patent drugs that are manufactured and distributed without licensing from the original manufacturer because the patents on such drugs have expired. Company Details

**Name of the Company: Ranbaxy Laboratories Ltd.**

**Place of Registration: Gurgaon**

**Major Stake Holder: Daiichi-Sakyo.**

**Key People:**

Dr. Tsutomu Une - Chairman Non Executive & Non Independent Director. Mr. Arun Sawhney - C. E. O and Managing Director. Mr. Takashi Shoda - Non Executive & Non Independent Director.

**Other important people:**

Dr. Anthony H. Wild (Independent Director)Mr. Rajesh V. Shah (Independent Director)Mr. Akihiro Watanabe (Independent Director)Mr. Percy K. Shroff (Independent Director)

**Organizational Structure:**

Departments of Ranbaxy

**Accounting and Finance:**

Potential employees are well-skilled in the accounting and finance arenas, basically exposed to all facets of the accounting and finance functions as well as heavy interaction with multiple levels within the organization.

**Human Resources:**

It looks after the fact that its employees are well organized, motivated, and highly adaptable with good working knowledge of compensation and maintain healthy interpersonal relationship. In addition, company's work culture demonstrates a high degree of written and verbal communication skills.

**Information Technology:**

SAP R/3 is the latest in ERP software. Ranbaxy runs SAP R/3 ERP software.

**Sales and Marketing:**

The Sales divisions including Brand, Generic, and OTC Sales call on targeted hospitals, wholesalers, distributors and large retail chains to sell a variety of Ranbaxy products.

**Business Development:**

Business Development seeks and evaluates business and product opportunities for Ranbaxy. Prospective candidates should have a maximum of a bachelor's degree, an advanced degree preferably coupled with a scientific background and strong financial and quantitative skills.

### **Creative Services:**

The Creative Services Department serves as an in-house resource for creative solutions responsible for the creation and design of packaging, advertising and collateral material.

### **Drug Safety and Pharmacovigilance:**

Drug Safety and Pharmacovigilance focuses on the science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other drug-related problems.

### **Regulatory:**

The Regulatory team plays critical roles throughout the product lifecycle, from concept through product commercialization. The team provides strategic, tactical and operational direction and support for working within regulations to expedite the development and delivery of safe and effective products for the healthcare system. Continuous changes in the regulatory environment, as well as new science shape the dynamic and expanding scope of the Regulatory team. Products Asthmatic equipment, chemical products, branded generics, medicines of cardiovascular, central nervous system, respiratory, dermatology, orthopedics and nutritionals and urology segments and lifesaving antibiotics.

### **Company's Production Plants:**

Ranbaxy has world class manufacturing facilities in 7 countries namely India, Ireland, Malaysia, Nigeria, Romania, South Africa and U. S. A. FIVE FORCES MODEL

**Prominent Competitors:**

Sun Pharma, Dr. Reddy's lab, Cipla, Lupin, GlaxoSmithKline, Cadila Health, Divis Labs, Glenmark, Biocon, Piramal Health, Aventis Pharma, Wockhardt, Pfizer etc.

**Market share of different companies in India:****Substitute Products:**

Many other companies use to make similar products as of Ranbaxy. Some companies are Cipla, Aventis, and Pfizer etc. Suppliers: J. B Pharma Associates, SRL Religare Diagnostics, Oxynova Laboratories P Limited, Sumed Standard Works, Chemical House, Hikal Limited, SRL Ranbaxy Laboratories, Ranbaxy Fine Chemicals Limited.

**Distributors:**

All leading medical stores, hospitals etc.

**Buyers:**

Patients, Hospitals, Doctors etc

**Distribution Process of Ranbaxy in India:**

DOCTOR (through recommendations)

**Market share of different medicines in India:**

**Explain: From this chart we can understand the value of Ranbaxy products in India.**

**Potential for new Entrants:**

In India the pharmaceutical industry is one of the biggest industries. For survive in this industry a company has to do many works. First of all they will

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have to make reach among the public by doing some social or environmental works, such that doing free health check-up camps, distribution of medicines etc. The company should also have the potential to serve the day by day increasing population. Secondly, for surviving in the industry they can also use the cost strategy to compete, that means they can keep the cost less as compared to the products which are similar to other companies. SWOT

## ANALYSIS

### **Strength:**

The company is one of the leading industry leaders. It is having a very strong Research & Development department. The company is having a very good Board of Directors. Many experts and experienced people are working in the company. The products such as many of the antibiotics are life saving for the people. Company is having reach to more than 100 countries in the world that shows that company is having a global presence.

### **Weakness:**

The company deals with his products in some specific areas such as malaria, HIV etc. The distribution of the products of the company is not so good. In rural areas it is very much difficult to get the products of this company. And this is one of the major problems for the company. One of the major problems is also that the rates of products are very costly so the segment of low level and lower middle level are away from the reach of company products.

**Opportunity:**

The company can have its product in many segments. It should increase its production so that it can serve to the increasing population. The company can also manufacture many of the other product rather than medicine. It can manufacture surgical equipment's etc. The company can make its reach to each and every area by improving its distribution. It should promote its product in different areas.

**Threat:**

Many competitors are there in the pharmaceutical industry. So there is a very tough competition for the company to survive. As it is not having good distribution so any other company can go there and provide their products and it will be a tough task for the company to competitive that time. Many companies are very close competitor to the company so there may be a chance that they occupy the market share of the company. Government regulation may also give impact in development.

**ENVIROMENTAL ANALYSIS**

Ranbaxy is fully committed to achieve Environment, Health & Safety (EHS) excellence and conduct its activities in the most responsible manner. Over the years, importance of EHS has been stressed and extensively promoted as a corporate culture within Ranbaxy. It is also clearly reflected and well defined into Ranbaxy's value statements of " Managing their operations with high concern for safety and environment" and " Be a responsible corporate citizen". Thinking and working responsibly so that the employees, the community at large, and the environment including the natural resources, are protected leaving minimal environmental footprints, is integral to <https://assignbuster.com/the-introduction-to-ranbaxy-business-essay/>



Ranbaxy's EHS philosophy. On the road to EHS excellence, Ranbaxy has adopted a top down approach and embraced the principles and codes of best EHS practices into its redefined world class EHS Management System.

Ranbaxy Laboratories Limited incorporated Ranbaxy Research Foundation in 1985 and was later reconstituted as a separate society as Ranbaxy Science Foundation and registered under the Societies Act in May 1994, with an implicit mission of giving impetus to research activity and help in reviving India's great scientific tradition. The Foundation instituted Ranbaxy Research Awards to recognize original outstanding contributions in the fields of Medical and Pharmaceutical Sciences. Every year the Foundation invites nominations for 4 awards - 3 Awards for Rs. 1, 00, 000/- each in the fields of Medical Sciences in Basic. Applied and Clinical and 1 Awards of Rs. 1, 00, 000/- in the field of Pharmaceutical Sciences. So far 104 scientists have been honoured by the Foundation. Ranbaxy has been working on the anti-malaria research project since May 2003. Although antimalarial drugs have a large market, it is a market with very limited resources. Together with the challenges of drug resistance, poor health systems, lack of affordable, safe and convenient treatment options, malaria treatment represents one of the largest unmet medical needs. Ranbaxy is developing a synthetic peroxide antimalarial drug in order to address this unmet need. The company has initiated Phase-III clinical trials for its anti-malarial new drug, Arterolane + PQP in India, Bangladesh and Thailand and is considering expanding the trial to several African countries. Ranbaxy, in its endeavours to make ARVs accessible to patients around the world, is leveraging its global network of offices, affiliates, joint ventures and alliances. With Ranbaxy products being marketed in over 125 countries and ground operations in 46 countries,

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Ranbaxy provides pre & post sales support to institutions, NGOs, and Ministries of Health, making Ranbaxy ARVs available in their respective treatment programs. Several humanitarian and government programmes have sourced ARVs from Ranbaxy. Some of them being MoH-Nigeria, MSF in various countries, MDM-Cambodia, MEDS in Kenya, etc. In Zambia, the Ministry of Health has lauded Ranbaxy's initiative in making available quality ARVs at reasonable prices in that country. In Latin America, Ranbaxy's ARVs have been registered in Brazil, Peru, Venezuela and Guatemala among other countries. In South East Asia, ARVs are being marketed in Vietnam, Cambodia and Myanmar already. Besides, regulatory filings are on in several countries in these regions. LEADERSHIP ROLE OF C. E. O

### **Ex CEO of Ranbaxy:**

Mr. Atul Sobti. He stepped down from the position of C. E. O and M. D on August 19, 2010. Furthermore the Board also noted his sincere appreciation his effort during his tenure as CEO and MD. He was the man who built the strong legacy of Ranbaxy as a premier global company. The present chairman of Ranbaxy Mr. Tsutomu Une also commented that " They are extremely grateful for the significant contribution given by Mr. Sobti. Under his leadership as CEO and Managing Director, Ranbaxy has realized various opportunities to repeat the strong operating performance while continuing to manage key challenges."

### **Present CEO of Ranbaxy:**

Mr. Arun Sawhney is the CEO & Managing Director of the company. He joined Ranbaxy in May 2008 and was elevated to the position of President-Global Pharmaceutical Business in January 2010. He was later appointed as

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Managing Director of the company effective August 20, 2010. Mr. Sawhney is an industry veteran, with over three decades of international experience in the chemical and pharmaceutical arena. He has held senior functional and management positions in global pharmaceutical companies like Max-Gb, Hindustan Ciba-Geigy, Bayer India Limited and Dr. Reddy's Laboratories Limited. Mr. Sawhney is also the founder member of Pharmaceuticals Export Promotion Council (Pharmexcil) and is currently a member of the Advisory Board of USP, in India. He is also the Chairman of the Pharmaceutical Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI) and a Member of the India-Malaysia, CEO Forum. An alumnus of IMI, Delhi, he graduated in Commerce from the Sydenham College of Commerce, Mumbai.

**The End**