

Project report on himalaya products



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INDUSTRY SNAPSHOT

The global medical industry is one of the worlds fastest growing industries, absorbing over 10% of gross domestic product of most developed nations. It constitutes of broad services offered by various hospitals, physicians, nursing homes, diagnostic laboratories, pharmacies and ably supported by drugs, pharmaceuticals, chemicals, medical equipment, manufacturers and suppliers.

The medical and health care industry provides enormous employment opportunities to choose from. Apart from using the services of medical professionals, this industry also utilizes the expert services of public policy workers, medical writers, clinical research lab workers, IT professionals, sales/marketing professionals and health insurance providers.

SIZE OF THE INDUSTRY

The United States of America has one of the largest medical and healthcare industries in the world, followed by Switzerland and Germany. The USA's medical industry comprises of more than 750, 000 physicians and 5, 200 hospitals. USA witnesses approximately 3. 8 million inpatient visits and 20 million outpatients visit on a daily basis. Furthermore, the United States of America has the largest workforce i. e. one in every 11 US residents employed in the health care business.

The Global prescription drug market was \$550 billion in the year 2006. Also, the total health care expenditures across the world were \$4. 5 trillion last year. Of which, US solely account for \$ 2. 2 trillion, \$ 2 trillion in OECD countries and remaining \$ 0. 3 in other countries of the world.

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MAJOR SEGMENTS OF THE INDUSTRY

The global medical industry is highly fragmented, comprising of various ancillary sectors namely medical equipment and supplies, pharmaceutical, healthcare services, biotechnology, and alternative medicines sectors.

Medical Equipment and Supplies:

It consists of various establishments or units engaged in designing, manufacturing, selling and distributing of surgical and medical instruments, ophthalmic, lab apparatus, electro medical, dental, irradiation, surgical appliances and supplies.

Pharmaceutical Industry

It consists of several establishments involved in developing, researching, marketing and distributing drugs or medicines. Globally, the market share of pharmaceutical industry is US \$340 billion. The global pharmaceutical sales account for US\$ 602 billion, with an annual growth rate of 7%.

Healthcare Services Industry

It includes various establishments dealing in different type of services like testing, outsourcing, compliance, chemical analysis, transcription, quality assurance, validation, and other types of services. The global market share of biotechnology services industry is worth US \$ 50 billion, which is soon expected to witness a hike in coming years. Presently, pharmaceutical testing service industry values to US \$ 5. 9 billion, which is predicted to reach US \$ 9. 5 billion by the end of 2009. Microbiological testing service industry accounts for US \$ 2. 4 billion. Globally, the medical outsourcing services industry accounts for approximately US \$ 200 billion.

Biotechnology Industry

It is one of the most research-intensive segments of the global healthcare industry. Biotechnology industry is composed of many establishments, which are engaged in making wide variety of biotech products. Biotechnology is primarily being used by the pharmaceutical industry but there are other industries like agriculture, mining, waste treatment industries as well, which are making continuous use of biotechnology. Biotechnology companies focus on developing methods or products used for preventing, diagnosing and treating dozens of life threatening and chronic diseases. The biotechnology industry has mushroomed since its inception and at present it is equivalent to US \$ 50. 7 billion. China, USA, India, Australia, and France are the market leaders of biotech products in the world.

Alternative Medication Industry

It consists of various groups involved in the promotion of different forms of alternative medications and therapies like ayurveda, homeopathy, aromatherapy, massage therapy etc. The total market size of alternative medicine is valued at US \$2. 7 billion while global market for traditional therapies accounts for US \$60 billion.

Dietary Supplements Industry

As per the Office of Dietary Supplements, consumers in the USA spent \$20. 3 billion on dietary supplements in 2004. This comprises of vitamins, minerals, herbs, botanicals, amino acids, whole foods, nutraceuticals, etc, the USFDA regulates dietary supplements differently than the “ conventional” foods and drug products. Regulated by the Dietary Supplement Health and Education

Act of 1994 (DSHEA), the manufacturers are responsible for ensuring the safety of dietary supplements before they are marketed. The industry derives much of its demand from growing health awareness, ageing population, consumer spending, and nutrition trends. Bringing out innovative products, effective merchandising and competitive pricing determines the manufacturers' profitability. Supplements are sold via supermarkets, drugstores, Internet, mail orders, health food stores, and by direct sellers.

KEY GROWTH DRIVERS OF THIS INDUSTRY

There are various factors, which govern the growth of the medical and healthcare industry. Some of the key factors are:

- Continuous investments in research & development has resulted in increased productivity and better quality of drugs, medicines, medical instruments, hospital equipment, and other medical supplies used in medical industry.
- Provides employment to large chunk of human population. United States of America has the largest workforce i. e. one in every 11 US residents employed in the health care business.
- Increased costs in the medical treatment in the developed nations have driven patients to migrate to Asian countries.
- Rise in ailments among the ageing population especially in developed nations has led to the increase in demand of variety of drugs or medicines.

Innovative techniques of drug discovery and drug development, new cures and treatments, gene testing for insurance, genetic predictions of disease

and related issue, human cloning and reproductive technologies are the other key drivers of the medical industry.

FUTURE PERSPECTIVE OF THE INDUSTRY

The future perspective of medical industry seems to be immensely bright and encouraging for this industry in terms of the expected surge in global demand and upsurge in investments. Several trends such as globalization, continuous investments in research and development, newer techniques of drug development and discovery, product proliferation, mergers and acquisitions are the key drivers of this industry.

Increasing corporatization of Private Healthcare in the backdrop of a growing and affluent middle class is an emerging trend that has been pushing the growth of this industry. Health Insurance and Medical Tourism are the other significant trends, which are governing the global healthcare and medical industry. Most of the nations are now emphasizing on the accreditation of medical professionals so as to ensure legitimacy of the services provided by them. Robust advancement in the field of information technology will allow critical medical data to be processed and transferred quickly over larger distances, thereby saving time of both the patients and physicians in the speeding delivery of treatment.

THE INDIAN HEALTHCARE MARKET

India Spends US \$ 22. 7 Billion On Healthcare

HEALTHCARE MARKET (2005 VS 2025)

Healthcare is the third largest growth segment in India

THE CURRENT STATUS OF HEALTHCARE

Out of pocket semi-urban and rural expenses higher than Urban

DRIVERS OF GROWTH

- Increasing health awareness, Increasing spends on health
- Health Insurance penetration
- Increasing disease burden – lifestyle diseases
- Awareness of healthcare and preventive care
- Employer provided healthcare
- Community based health plans

INDIA PREFERS PRIVATE PROVIDERS

Private expenditure as % of total expenditure on health : 82. 7 (2004)

MAJOR PLAYERS

Healthcare services is highly unorganised segment in India

ABOUT HIMALAYA

The Himalaya Drug Company was founded in 1930 by Mr. M. Manal with a clear vision to bring Ayurveda to society in a contemporary form and to unravel the mystery behind the 5000 year old system of medicine. The Himalaya Drug Company is a leader in the Indian phyto-pharmaceutical (Ayurvedic) products ever since its founder M Manal, while visiting Burma in 1930, discovered how elephants were pacified and developed the world's first anti-hypertensive drug, Serpina.

It offers a wide range of pharmaceutical, personal care, consumer and animal health products. Over 300, 000 doctors around the globe have

endorsed Himalaya's products and consumers in over 70 countries rely on Himalaya for their health and personal care needs.

The company has pioneered the use of modern science to rediscover and validate the secrets of Ayurveda, the centuries-old Indian system of medicine. It employs cutting edge-technology to create pharmaceutical-grade ayurvedic products. Himalaya is dedicated to providing the highest quality and consistency in herbal care products and the company was also awarded the ISO 9001-2000 certification in 2003.

Himalaya has always focused on developing safe, natural and innovative remedies that will help people live safe and healthier lives. Himalaya's history is one of innovation through research. The company believes that ideal healthcare system lies in the synergy in between ayurveda and modern science. Himalaya's constant endeavour is to create innovative products that satisfy the health and personal care requirements of contemporary living.

VISION

To bring ' Ayurveda – the source of natural medication', to the society in a modern-day form and to untangle the mystery behind the 5000 year old system of medicine.

MISSION

Establish Himalaya as a science based, problem solving holistic brand with its source entrenched in the ancestry of nature and characterized by trust and healthy lives.

Not just consider the local markets but also broaden their horizons across regions (worldwide) with a long term in-depth approach, by adopting the highest ethical standards at each step.

Value, consider and utilize the inputs of all the stakeholders of the ‘Himalaya family’ to garner the seed to shelf policy. The focus is on adopting eco friendly practices to support the environment that we live in.

The employees are expected to support the Himalayan promise of exceeding consumer expectations each and every time.

PRODUCT & SERVICES

Himalaya’s products can be broadly classified into 3 main ranges viz.

Healthcare

Health maintenance, eye care, skin care, cardiac care, immune booster and cough control

Personal Care

Health care, oral care, hair care, skin care and baby care

Animal Health

Daily care products for sensitive cats and dogs

Each of the products under the categories mentioned above are ayurvedic and have no side effects after use.

Constant innovation has been the mantra of the management at ‘Himalaya’. Himalaya has had some exceptional innovative products in its product offerings that has helped it grow in stature. Some of the most successful innovations that have helped Himalaya become the leaders in ‘Herbal Healthcare’ are as follows;

Serpina – Derived from the plant ‘serpentina’. It was a natural tranquiliser with anti-hypersensitive properties. Was the world first natural hypersensitive medicine launched in 1930.

Liv. 52 – An apt example of innovation at Himalaya. The R&D department was given the job to come up with a natural remedy that improved liver function as that was the main concern of people then in 1950. The team came up with a natural medicine that became the ‘hallmark’ of innovation. Today, 1 billion tablets and 13 million syrup bottles of Liv. 52 are sold annually across the globe.

Bonnisan – A sweet tasting natural paediatric digestive tonic introduced in 1972. Soon after launch it became the leading brand in its category and today is India’s number 1 paediatric digestive product. On further research in Malaysia, Bonnisan also helped cure the long standing asthma problems in several preteens.

Reosto – A unique herbomineral preparation that slows bone loss and strengthens bone. The plant hormones that are present present in Resto influences the bone formation and also minimizes the risk of fracture caused by osteoporosis.

Menosan – It is an ideal alternative to ‘Hormone Replacement Therapy’.

Menosan helps women during the menopausal and post menopausal stages.

The plant derived hormones i. e. phytoestrogens are completely risk free and help women cope with the menopausal discomforts and mood swings.

PureHands – A herbal sanitizer that kills 99.9% of the germs and prevents infection. The germicidal action on Neem, freshness of lemon and softening action of hrivera has helped this product gain acceptance in the market.

Himplasia – A product that was launched in 2002 to help ‘aged men’ deal with the prostrate problems. This is a natural product with no side effects and men could start taking this medicine early and hence restrict the growth of the prostrate.

Hair Loss Cream – This product helps reduce hair loss, stimulate hair growth, increase hair thickness and improve tensile strength of hair. The regular use of this product lead to a 20% reduction in hair loss in just 2 weeks.

In their effort to do something good for the society, Himalaya has also forayed into many community services and corporate citizenship programs, which are a part of their ‘corporate social responsibility’. This has been broadly classified into ‘Health, Education, Community and Environment’.

Himalaya has constantly been investing in ‘Training, Education and community welfare projects’. They have taken the global cultivation practices, contract cultivation techniques and rain water harvesting techniques to the farmers. Partnerships with companies like Shristhi Special Academy (NGO) and IDEI has helped them walk an extra mile towards community services.

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GLOBAL PRESENCE

Himalaya has grown from being an Indian Ayrvedic brand to a global player with its products being well accepted in more than 70 countries. It has a sound base in USA, Middle East, Europe and Asia and has been diversifying its base rapidly.

Himalaya went onto instituting a global company in the name of 'Himalaya Global Holdings Ltd.' which is a parent company of the Himalaya Drug Company worldwide.

The company has its offices strategically located in 7 regions through which they reach across to 71 countries. One of the offices in Bangalore (India) extensively looks into the pharmaceutical operations for India, Russia and Asia Pacific while another office in Bangalore looks into only the consumer products.

They have their other offices in:

- Europe – Latvia, Middle East – Dubai which also caters to the South African region
- U. S. A. – Texas Houston which caters to USA, Canada, Mexico, South America and the Caribbean
- Singapore – This office caters to East Asia and South Pacific
- Johannesburg – This office caters predominantly to South Africa

HIMALAYA – NEW INITIATIVES

Himalaya has come up with 'State of the art' – Retail Outlets that cater to only 'Himalaya Products'. This is a strategy adopted by Himalaya to entice

customers to buy more Himalaya products. This chain of exclusive Himalaya stores is a retail strategy adopted by the company to increase the accessibility, visibility and enhance the consumer shopping experience. In the fiscal year 2006, Himalaya has 92 exclusive retail stores and the number has been increasing ever since.

These retail stores also act as crucial information centers where the customer queries are answered by trained managers. Also, these outlets are electronically linked to a Customer Relationship Management (CRM) Cell, which is assisted by a team of medical doctors who respond to specific customer health queries.

Customer Interaction Management – Himalaya outsourced the entire integration project to a company called ‘Talisman’. CIM has helped Himalaya respond to the queries from the customers, doctors and distributors. The main advantage of outsourcing CIM was that they got the module up and running in 2 weeks. Hence, all the queries were catered to and the expertise of Talisman helped them build a strong and fool proof CIM. Also, the work load has been reduced as the primary scanning is done by customer service representatives of Talisman and then the calls / emails are forwarded to the in-house people.