

Make  
healthcare  
joyful,  
rejuvenate  
life



### Shining Perspective

- Nobody enjoys a tablet for well being. The tablet is a technical format which does not aspire human beings
- The laboratory will release a tablet format, but that does not mean the **selling proposition** has to be a tablet
- Because children do not relish a tablet, calcium was put into a soft cheese brand called Laughing Cow. In the same way Popeye the comic character was created to digest spinach
- For adults probiotic tablets should indicate a form of Nirvana

Asia is fast becoming global hub for research and development. The sector has high growth potential in developing nations. The growth in the sector will continue to be driven by product innovations as new drugs are discovered.

The sector is witnessing a paradigm shift from “sickness care” to “wellness” treatment. Changes in consumer needs are driven by the evolving lifestyle trends. Products and services revolving around concept of wellness will see increase in demand.

Telemedicine & remote health care facilities are predicted to play critical role in future provisions of health care at home.

Most of the nations are stressing on accreditation of medical professionals to ensure legitimacy.

Power of online social networking waits to be harnessed to enable increased patient to patient interaction. This will further change the way service is experienced by the consumer.

As more and more people fall prey to lifestyle diseases, there will be increased demand for counselling treatments. Attention to grooming and looking good is gaining momentum. Share of wallet is shifting from necessities to lifestyle and wellness products such as beauty and rejuvenation.

The most significant development with socio-cultural consequence for Indian society is availability of prescription drugs. More and more young Indians today feel free to explore their sexuality without inhibitions. This industry is bound to grow as more and more young become aware about the pill.

### **Industry Growth Drivers**

- Strong growth in Emerging markets
- Demand for quality healthcare

- Rising ailments among the ageing population especially in developed nations has led to the increase in demand of variety of drugs or medicines
- Growing levels of lifestyle-related chronic diseases in the developed world
- Continuous investments in R&D, increasing productivity and raising quality of drugs, hospital equipments
- Increasing investments in infrastructure
- Growing Medical tourism & Health insurance
- Increasing corporatization of Private Healthcare in the backdrop of a growing and affluent middle class has been pushing the growth of this industry
- Innovation
- Falling trade barriers (GATT) and regionalization (NAFTA, Europe)
- Increasing health awareness in countries like India
- Increasing penetration of health insurance
- Globalization
  - Removal of traditional borders exacerbated by the internet creates tremendous potential for global outreach to the broader community of patient

### **Industry Competitive Scenario**

- Intense competition between global and national players
- Mergers & Acquisitions
  - Big Pharma is looking forward to acquisitions of smaller biotech firms to boost the drug pipeline

- Alliances and contractual relations between players in this market are shifting rapidly
- Outsourcing investment in drug discovery and product development grows, emerging countries will gain more technical knowledge and become potential competitors to the established pharmaceutical giants
- Expiry of patents on major branded products, allowing generics to enter the market and drive prices down
- Medical tourism- Global competition is emerging in the health care industry
  - Wealthy patients from developing countries have long traveled to developed countries for high quality medical care
  - A growing number of less-affluent patients from developed countries are traveling to “third world regions

## Industry Complexity

- The industry is highly fragmented
- Entry barrier- Huge capital investment
- Government regulations
- Product regulation
- Weak Intellectual property (IP) laws in developing nations like India
- Managing Profitability/margin
- Managing attrition of skilled workforce

- Supply chain complexity
- Justifying Return on investment (ROI)

## Industry Pain Areas

- Low growth in the developed market
- Rising healthcare cost
- High R&D expenditure
- Despite continued R&D investment, fewer innovative breakthrough treatments are managing to reach the market
- Higher cost of new technology & technology up gradation
- Lack of transparency
- Lack of skilled manpower
- Declining profitability
- Spurious drugs/ Counterfeit drug
- Short product life cycle
- Inadequate patient-centered care
  - Health organizations remain focused on their own concerns, not necessarily on what is best for the patient
- Increasing competition from emerging economies
  - Major patents expire and generic companies in countries like Israel and India enter these markets, there will be increasing competition from emerging economies on the former pioneer nations
- Post M&A transition & challenges



**Delivering extra benefit**

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