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100 Years In India – GSK’s Secret Sauce To Not Just Stay Relevant But Thrive

by Anju Ghangurde

GlaxoSmithKline Pharmaceuticals’ MD tells *Scrip* how the company has been able to reinvent itself, contemporize brands and get supply chain innovation right as the UK-headquartered firm marks 100 years of operations in India. GSK’s equivalent of the 'Amazon model' for vaccine ordering and the new temples of industry are some of the other facets the executive discussed in the first instalment of this two-part interview.

From the days of infant formula milk in the 1920s to new age vaccines and therapies now, [GSK’s](#) 100-year journey in India in many ways mirrors the story of the country’s evolving healthcare needs.

Generations of Indians have grown up on the infant formula milk brand Farex, which has since changed hands, but many in the country still fondly associate the product with Glaxo (as the company was then known). That kind of brand association, built on the edifice of trust and quality, extends to GSK’s current portfolio as well and is something that the firm prides itself on, but more on that later.

Bhushan Akshikar, managing director, [GlaxoSmithKline Pharmaceuticals Ltd.](#), recounted how way back in November 1924 when GSK set up shop in India, the country’s population was around 250 million (versus about 1.43bn currently) and the biggest healthcare need was nutrition.

“For a country that was deficient, including in areas like milk, it was the biggest reason why GSK initially focused on improving and serving the healthcare needs through the lens of nutrition,” Akshikar told *Scrip* in an interview.

Ability To Reinvent Itself

What's striking is that GSK's 100-year history has seen the UK-headquartered company rule the roost on the Indian market for the bulk of those years.

Akshikar, the eighth Indian to helm GSK Pharmaceuticals in the country (JS Khambata led the list of Indian leaders and was MD between 1978-1990), attributed the company's strong showing over a century of operations to a sense of purpose and commitment in serving the healthcare needs, reinvention, and supply chain efficiencies. (Also see "[Interview: Revolution At GSK India](#)" - Scrip, 22 Apr, 2016.)

"One of reasons why we've still been able to thrive is our ability to reinvent ourselves. At the core of that purpose of serving the needs at scale and with impact, has also been a deep-rooted understanding that you need to keep evolving as an organization consistently, if you want to stay relevant in this country," the executive declared.

Akshikar recalled that at the start of his pharma career on the sales front (not with Glaxo), medical representatives from Glaxo were always seen as individuals who are "strong in science".

"I think that's a variable that has remained consistent. Everything that we've done has been on a moral high ground of science-led promotion, and those are parts of our genetic code that haven't changed," he stated.

The GSK long-timer has seen the company evolve both from the outside and inside; like many from his generation, Akshikar too grew up on Farex, a product that went to Heinz when it acquired Glaxo's Family Products Division in the 1990s.

"That's, again, a part of our evolution process. Some of those portfolios don't even exist in our remit today, and yet we are successful, and the reason is because we've been able to reinvent our model time and over again."

More recently, globally GSK separated its consumer healthcare business to form [Haleon plc](#), an

GSK India Chief On Pandemic Decisions, Refreshing The Portfolio

By [Anju Ghangurde](#)

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GSK India managing director Sridhar Venkatesh outlines how the company navigated pandemic-related turbulence and "stuck its neck out" to ensure uninterrupted supplies of key drugs. The executive also discusses launch prospects for products including Xevudy in India and an intent to "refresh" the company's vaccines portfolio.

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independent listed company.

“Globally, that decision having been made, I see a very clear intent now in spelling out what a biopharmaceutical company means.”

Akshikar noted that over the years he has seen GSK making some bold bets, “not shying away from calling out what needs to change”, and therefore making those strategic choices in terms of “where to operate and also how to win”.

Getting It Right On The Supply Chain

Akshikar also highlighted how GSK got “everything right” in innovation on the supply chain side for the first 60-70 years in India.

“If you look at the way GSK was structured, we were probably one of the first companies which put up a geographical footprint across the board, not just for finished formulations, but even bulk drugs and intermediates,” the MD explained.

GSK’s Worli factory in the heart of Mumbai (then Bombay) was established in the 1930s while the 1960s saw the company set up modern manufacturing facilities in Aligarh, Uttar Pradesh, and Thane, Maharashtra. The 1980s saw another site come up in Nashik, also in the state of Maharashtra.

“We were one of the first in Maharashtra to have a fine chemicals factory [in Thane]. So, if you look at value creation and innovation on the supply chain side, GSK got that right from the very start,” he maintained.

“We talk of make in India now. But I think GSK was probably at the forefront in living the ‘make in India’ model right from 1924 and that’s continues today. We still have our factory in Nashik.”

The site in Nashik remains key to the company’s operations but more widely, GSK, like many other foreign firms in the county, has made a strategic pivot and now relies on 20 contract manufacturing organizations across India.

The company’s Worli premises where GSK’s registered office stands may no longer house the factory but for ordinary city folk the landmark is associated with a range of memories – many Mumbai seniors will hilariously recall how in the yesteryears bus conductors on the route often referred to the Worli stop as “Glazgo” much to the amusement of passengers.

Trust Mark, Signature Of Quality

On the brands side of things, Akshikar outlined how GSK has been able to position older products like Augmentin (amoxicillin and clavulanate) and Calpol (paracetamol) for sustained

growth, while also embarking on new category creation for novel vaccines and therapies in the portfolio or lined up for debut (*watch out for the second instalment of this interview for specifics*).

First up, GSK India's boss contended that internally the company doesn't really see products like Augmentin as mature brands.

"We always say that there are no old or new brands, only old minds. We look at every single brand/asset, as a trust mark, as a signature of quality, where patients, physicians and caregivers are waiting and depending on us to not only make these brands available and accessible, but also the science that goes around," he underlined.

India's top-selling brands: Old is gold but the order changeth

By [Anju Ghangurde](#)

28 Mar 2014

Mature brands continue to rake in the moolah on the Indian pharmaceutical market despite intense competition and price controls, thanks to effective life-cycle management strategies.

[Read the full article here](#)

He noted that in a country like India where anti-microbial resistance (AMR) remains a concern amoxy-clav as a combination still has about 92% susceptibility, "which means in an era where you have third generation cephalosporins and penems getting rampantly used, sometimes misused, you still have a molecule which on the WHO listing of antibiotics is a first step and remains completely susceptible, largely speaking".

That comes on the back of efforts where companies like GSK "do science" and talk about where such products should be used and not be used as well. A case in point is GSK's India Infection Index, a one-stop platform to access scientific data that helps prescribe appropriate antibiotics and analyze trends and changes in susceptibility patterns of select pathogens.

"We have almost 40,000 distinct healthcare professionals (HCPs) who come and visit this data to find out which pathogens are relevant, which pathogens are creating what infections in their respective zip codes. So that's the kind of intersection of technology and science that we are bringing to the core," Akshikar elucidated.

"That helps us also enable physicians to make choices about choosing the appropriate antibiotic. That's one way we contribute to this effort of AMR."

Notably, Augmentin, launched in the 1980s, continues to sit pretty in the rankings league table in India; IQVIA data for August places Augmentin as the top ranked brand on the Indian pharma market with sales of INR770m (\$9.2m).

For Calpol, still one of the biggest paracetamol brands in the country, GSK, as part of contemporizing the portfolio, launched variants of the product bringing not only science, but also benefits to patients in terms of faster onset/disintegration of the tablet, and therefore potentially faster relief.

Calpol+ with “Optizorb” formulation, which facilitates faster paracetamol absorption in comparison to competition, was introduced in March 2023.

“We got the Optizorb technology in a commoditized category like this, especially after COVID-19, when the prices of paracetamol had gone through the roof; we’ve still continued to make those investments, because we truly believe that there are patients who are waiting at the end of that value chain,” Akshikar added.

Other innovative efforts include GSK’s VaxiKart online vaccine ordering app, what Akshikar described as the equivalent of the Amazon model for vaccine ordering. HCPs can use the app to manage inventory, place orders and avail offers from their preferred distributors across the country.

For instance, pediatricians can order whichever vaccines they require via the app, “democratizing” the whole process and ensuring access and the right levels of inventory at their end.

“If you think of what GSK did 30-35 years ago, probably one of the biggest changes we did was we created the vaccination ecosystem [in India], and this is one way to further build on what we did, but also to help therefore the brands stay relevant,” Akshikar said.

“I think there's a lot to be done in continuing to contemporize our portfolio, and we certainly see a continued runway for many of these assets in the coming decades.”

MNCs Continue To Reshape, Remodel

Akshikar, who joined GSK in September 2011 and has held leadership positions in markets like Africa and the Middle East prior, also weighed in on the dramatically different face of the Indian pharmaceutical market, once dominated by multinational firms prior to 1970 to the reversal now where Indian firms lead the rankings.

IQVIA data for the month of August 2024 indicates that Indian firms account for almost 84% share in the Indian market, with multinationals holding the balance 16%. Both groups, though, saw similar momentum in the month, with Indian

Big Pharma Restructures Commercial Teams In India

companies registering growth of 7.7% while MNCs notched growth of 7.3%.

India's Patents Act 1970 had abolished product patents for pharmaceuticals, food and chemicals and allowed only process patents in these fields leading to a shift in momentum for local companies. The Indian Patents (Amendment) Act, 2005 then introduced product patents in the country in compliance with TRIPS provisions.

GSK's India chief, at the outset, though clarified that as a healthcare professional, he is equally proud of the strides that the Indian pharmaceutical sector has made around access to modern medicines, affordability and, more importantly, the upgradation that has happened in quality standards across the wider industry.

Akshikar also underscored that in GSK's 100-year history in India, it was the number one company for more than 75 of those years. "I think it's a part of the evolution process, and that's the way I see it."

Multinationals, he pointed out, continue to "reshape and repurpose and remodel" their business context for the Indian operations, and GSK, still features amongst the top two multinationals operating in the country. (Also see "[Foreign Firms Not Fatigued In India, Game For 'New Things'](#)" - Scrip, 28 Mar, 2022.)

"We still are materially relevant for the simple reason that out of the 1.4 billion Indians that we have for whom healthcare needs are important, we currently serve at least 270 to 300 million Indians, if not more, with brands which touch the lives of so many people," Akshikar asserted.

Various product categories including paracetamol or antibiotics both systemic and topical, are able to still create a "lot of value", both for patients/consumers and also healthcare practitioners, in terms of access to those medicines and vaccines, but more importantly, even the science related to that.

"Multinationals still remain relevant, and I keep believing that as we move forward, the collaboration will only increase. There's so much to collaborate, than just to compete," he observed.

By [Anju Ghangurde](#)

06 Dec 2022

More foreign pharma firms, this time Sanofi and GSK, are reorganizing sales and marketing efforts accompanied by layoffs in India. *Scrip* talks to experts about what's driving the right-sizing and the wider trend.

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New Temples Of Industry

GSK's India boss also referred to the marked momentum seen in the global capability centres (GCCs) space, as multinational firms tap into the India talent pool to drive efficiencies, contribute to innovation and derisk operations, alongside capturing cost gains. (Also see "[Transformative Innovation: How India Can Up Its Game, Big Pharma GCCs Add Value](#)" - Scrip, 1 Dec, 2023.)

Akshikar stated that no longer are greenfield manufacturing plants industry's mainstay, but that "the new temples" of the industry are things like the GCCs, because they bring in a lot of innovation.

"They create ecosystems which will further accelerate (innovation), and I think to the credit of multinationals, those are some of the things that remain still rooted around why we exist, apart from, of course, serving the needs of millions of Indians."

Almost all top research-based pharma multinationals including GSK, [Pfizer Inc.](#), [Sanofi](#), [Roche](#), [Merck & Co., Inc.](#), [Novartis AG](#), [Novo Nordisk](#), [Eli Lilly and Company](#), [Bayer AG](#) and [AstraZeneca](#) have either invested in GCCs or are expanding activities at these centres in India. A range of activities spanning the complete R&D value chain, drug commercialization, manufacturing and supply chain, physician and patient engagement, business strategy, and digital operations fall under the ambit of these GCCs, seen as the sandbox of innovation.