

Pakhiyala Bhaskara Rao

Sviss Labss Limited

Pakhiyala Bhaskara Rao is an exceptional technocrat. He chose to do his bit in the healthcare industry with a social conscience. He set up a pharmaceutical company that manufactured bulk drugs for sale at low prices. Started in 1992 with an initial outlay of Rs 17.40 million, Sviss Labss makes over Rs 54 million each year, growing at a steady 10% over each year.

Millions of people use the common analgesic Ibuprofen (often sold under the name Brufen) with little thought to the systems that ensured that such a drug could be available in such abundance for so cheap. Bhaskara Rao can rest easy today knowing that he helped such a future come about. Said to be a master at handling people, Rao used his skills to handle demanding managerial posts at offices with the Nagarjuna Group, and as a consultant, before deciding to take full advantage of his abilities and join the bulk drug industry. He says that his strengths are his ability to take calculated risks and facing challenges with determination and courage.

But he doesn't have to say that, his record speaks for itself. When the loans for the starting capital were delayed considerably, Rao persevered at following up on all the details and wearing down the opposition by never allowing them any slack. He is one of the few who had trouble during the liberalisation reforms in the nineties, as cheaper imports from China threatened to render his company's operations unviable.

Taking up the challenge, Rao changed the company's business model and leveraged the infrastructure and technical capabilities to enter into contract manufacturing services to provide drug intermediates. To do this, the company's skills were synergised with the marketing and financial strengths of leading pharmaceutical

companies. In fact, this association with some of the most innovative pharmaceutical companies was a major turning point in Sviss Labss' corporate life, and led to a strategic shift in the business model to be more in line with globalisation.

Taking the bull by the horns is thus nothing new to this expert manager and he proved himself yet again in 2004 when an illegal labour strike threatened to disrupt the workings of his company. Carefully choosing his sides, he showed firm action by dismissing union workers who were abusing the system to restore the company to peace. Following this up with a positive approach and well chosen welfare measures ensured that the employees reposed full faith in the management's methods and supported them completely.

Considering these innovative means of handling crises and situations it is little surprise that his philosophy for success involves thinking laterally and dreaming big. While he is an advocate of working incessantly for something we are passionate about, he says that this attitude must be tempered with self-knowledge and an ability to think out of the box when necessary.

Sviss Labss' first factory was located in Ranipet, in a district of Tamil Nadu, built using savings from promoters, close associates of the family and friends. The rest of the money was obtained from loans with state financial institutions, SIPCOT and TIIC, with most of the working capital financed by the State Bank of India. The equipment was sourced from Indian manufacturers with the highest quality control measures available, and technology expertise was provided through consultants hired from Hyderabad. Within 2 years of starting the factory,

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it was certified under the Good Manufacturing Practices (GMP) regulations of the US FDA and by the WHO. A large amount of the manufactured drugs were exported, leading to large profits.

After the economic reforms and the subsequent shift in the company's method of working, the company recovered remarkably and within five years the profits returned were large enough to wipe out accumulated losses and repay all institutional debts. Since then, Swiss Labss has only grown bigger each successive year and is now one of the largest manufacturers of Ibuprofen drug intermediates and specialises in critical reactions. Their ISO 9001:2000 quality management certification ensures the permanence of the company which handles about Rs 36 crore of drug intermediates per year.

An avid reader and traveller, Bhaskara Rao hopes to spread the spirit of value-based entrepreneurship and ethical business principles. In time, he hopes to get even more involved in social work and philanthropy and is interested in spiritual activities.

He leads through action, and his vision for the company brings to mind a global enterprise that has earned its reputation at achieving stated business objectives through honesty, fairness and a firm dedication to its customers, shareholders, employees and society in general. Indeed, one of the reasons for Rao to start this venture was that he wished to contribute to India's manufacturing expertise, provide employment and contribute to the national exchequer, a goal which he has achieved many times over in just the recent past, and looks to achieve again in the future.