

## THE PHARMA INNOVATION

# Strategic Approach of an Organization: A Pharmaceutical Prospective

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In present scenario competition is challenging, the organization has to become proactive and have strategic orientation. The strategic approach in the organization is most favorable and desirable requirement to capture the market share and maximize the profit. The strategic outlook starts from the top of management and percolate in the organization to the end point of sales force for the implantation of the set plan. In strategic approach the corporate strategies are designed and then market strategies are coming in the picture in the form of product, distribution and sales strategies. The success of strategy is evaluated from its results and impact on the target market in comparison to the set objectives. These articles discuss the strategic approach as the corporate and marketing strategies in context with the pharmaceuticals.

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*Keyword:* Strategies, Corporate, Marketing, Pharmaceuticals

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**INTRODUCTION:** Strategic approach of any organization leads to design of corporate strategy i.e. vision, mission, goal and objective of corporate houses. In light of corporate strategies the marketing strategies are designed. Strategic marketing starts with scanning and analysis of marketing environment on the basis of which strategies are formulated, implemented, control and review is done for the achievements and effectiveness of strategies.

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### Corporate Strategies

The art of planning, a action to achieve a specific

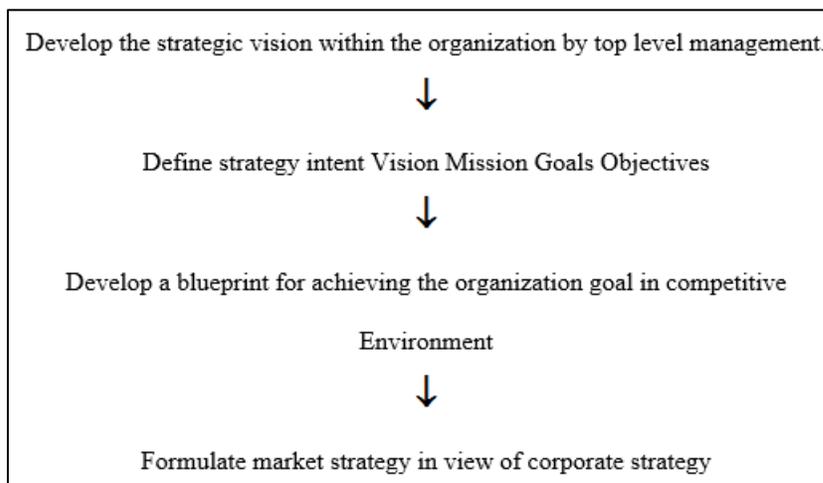
goal is called strategizing and the action plan is called a strategy. To face the challenges of market, Competition and globalization, marketer need to have strategic orientation and engage themselves in planning and implementing marketing strategies [1]. In this competitive edge Innovation is the key to catering the opportunity. The important issues involve in the corporate strategy are

- The company's orientation towards growth, stability or retrenchment. This referred Directional Strategy.
- The market in which the company competes through its products or business units. This is referred as Portfolio Strategy.
- Activity coordination and transfer of resource as for achieving capabilities among product

lines and business unit. This is referred as Parenting Strategy <sup>[2]</sup>.

Corporate strategy also includes decision regarding the flow of financial and other resources to and from a company's product line or

business unit. Transferring skills and capabilities from one unit to another, through coordination mechanism within the organization is essential in order to obtain synergies. For development of an unbeatable marketing strategy it is essential that marketer should have strategic vision.



**Fig 1:** Corporate Strategic Approach

The designing of marketing strategies are successive step of corporate strategies, which express the overall mission of an organization. The initiation point of which is strategic thinking in every aspect of business or product in which marketer are dealing <sup>[3]</sup>. The key issues of portfolio strategy, the sub set of corporate strategies are Market Scanning, Finding market niches, Product and service planning, Distribution channel planning and at last Managing results or outcome of the strategy implementation.

### Market Scanning

Starting point in strategic orientation is defining the market on the basis of relevant market analysis. It includes analysis of market by observing market trend in past, which reveals the penetration and reach of competitors and helps in identifying future opportunity existing in the competitive environment. Strategic prospective of marketing requires skillful analysis of the trends and how they affect the market size and demand for the firm's product <sup>[4]</sup>. By analyzing the market the marketer can describe his customer, their needs and wants and future marketing strategies

can be developed on that basis of market scanning and finally the marketer can identify this own place in market.

### Finding Marketing Niches

As the market evolves and customer become more define, the marketers need to adopt segmental approach carving niches in the market, penetrating and protecting them from competitive onslaughts is the game played by today's marketers <sup>[5]</sup>. In today's marketing environment these niches are becoming more and more apparent Price, Service, Conveniences, Technology and Fashion are just some of niches in Indian Market. The one important strategic decision for a firm that either to adopt these niches are to adopt a mass customization strategy <sup>[6]</sup>.

### Product and Service Planning

Product is perceived as a bundle of tangible and intangible benefits or as representing solutions to customer problems. The challenge for the marketer is not only to add value but reinvent the value constellation for the customer. Because of

this reason product and service planning becomes important. Which involves an analysis of the customer's perception of the firm's brand or that of the competitor's and the areas in which the customer is dissatisfied with the firm's brand and the competitor's. It also involves analyzing situations in which the customer uses the product and if there are any situations to which the marketer is not aware of. This is the most important decision regarding the product or service to offer, this makes a basic framework to plan the positioning and branding strategies <sup>[7]</sup>. The analysis involves answering of various questions like current and emerging use of product, position of generic product and there state in Product Life Cycle (PLC), Brand equity, Brand extension, retention or modification of product or brand. This is the most visible aspect of strategic decisions.

### Distribution Channel Planning

“*Jo Dikhta hai wo bikta hai*” is most attractive punch line to revitalize the distribution strategy by Pepsi. In Indian prospective success of any product or firm depends upon its ability to make the product available at the right place, at the right time, at right price and in the right quantities. Managing the distribution and inventory are the thrust areas for cost cutting and maximizing the profits. Distribution not only affects the availability of product but in inventory management too. Most of pharma companies are distributing their products through following channel.



Fig 2: Pharmaceutical Distribution Channel

The new strategies are to bypass the C & F agents and developed company own depots on state wise. Today's distribution patterns are changing, technology is making greater impact on distribution, new alternatives like mobile distribution, satellite communications and telecommunications in the country are developing perhaps it will be much easier for firms to keep track of their inventory positions in different market. Most of companies are using internet base software (SAP) for billing and inventory control. In future, technology will change perhaps eliminate many of the existing channel members. Tele shopping is the best example for that structural change <sup>[8]</sup>.

Retailing business is expanding, Pharma companies also exploring the retailing business in their own industry for exploring new retail avenues in the nation. Control and management of logistic is the key to success. Logistic is another item in the agenda of strategies for marketer.

### Managing Results

Marketers are facing competition from all directions, with pressure on costs, prices and margins, so it is mandatory that every rupee spent on marketing should be effectively utilized. This is another area where a strategic marketer has to use his analytical skills.

In words of a well-known strategist and thinker Kenichi Ohmae "the strategist to think strategically" According to him, "it is a Strategic and inquisitive mind that can frame the right questions so as to conduct an objective situational analysis and an analysis done for vindicating one's own preconceived notions do not lead to creative solutions and also intuition alone does not ensure profitability plan." <sup>[9]</sup>. He gives a framework of strategic thinking.

In current scenario Indian pharmaceutical companies are implementing various corporate strategies to get the leadership in domestic and international market by their strategic vision. Strategists are balancing between different variables to maximize the profit. The common corporate strategic routes used by the Indian pharmaceutical firm are Mergers and

Acquisitions, Focus on global generic market of developed countries, Focus on discovery research, Focus on Clinical Research, Technology collaboration, Explore growing OTC Market and More focus on Brand Building Exercise etc. <sup>[10]</sup>. Before development of any Business Strategy or Marketing Strategy it is necessary that strategist should think and analyze the strategic prospective of market.

### Conclusion

For every organization strategic approach is need of hour in this competitive era. Corporate strategies are reflecting the top level management outlook towards the future and form the basis for formulating the marketing strategies. Every organization has its own marketing strategy depending on product portfolio and target market. In case of pharmaceuticals it is one of the most important aspects in not only brand building but also positioning the company image in the market and prospective customers. Strategic approach to develop the corporate strategy and market strategy involves search of market niches, product and service planning on the basis of decided target market, design and development of product, distribution channel planning and at last evaluating the results or outcome of the strategy designed after its implementation.

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