

## Visionary Entrepreneur

(A Case Study Presentation on Mr. Amit Bhall - MD Biogen Biocare Pvt. Ltd made in Entrepreneurship National Seminar organised by AISECT University on 11<sup>th</sup> May 2013)

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### I. INTRODUCTION

Risk taking ability, Self-confidence, Decision making ability, Knowledge of communication, Ability to harvesting technology, Economic motivation, Market orientation, Risk factors are some of the characters of successful entrepreneur. An entrepreneur is a person who is able to look at the environment, identify opportunities to improve the environmental resources and implement action to maximize those opportunities (Robert E. Nelson). It is important to bear in mind that the entrepreneurial skills that will be needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment.

The present study is focused on Mr. Amit Bhalla MD Biogen Biocare Pvt. Ltd. Gwalior and how he made his company a success and created a name for his company in pharma industry in a short span of time, by overcoming all the hurdles and difficulties. For the purpose of research case study method is being used. The data is collected from secondary sources. The main objective of the study is to how an idea and risk taking ability of an individual can lead to success.

### II. HISTORICAL BACKDROP

Today Mr. Amit Bhalla MD Biogen Biocare Pvt. Ltd. is a happy man. He just received a call from Prestige Institute of Management regarding the invitation as chief guest in the case writing workshop to be held on 26 April 2013. Sitting in his office at 1st floor, Golden Estate, Jayendraganj, Lashkar Gwalior he can look back with content and satisfaction the way his company has progressed from 2004 to 2013.

He became nostalgic and started to think, how an idea which came to his mind in 2003 to start a marketing company for pharma product occurred. As he had some 2 years experience in this stream, he discussed it with his friend Mr Vineet Agarwal and both of them immediately started to working on it. First they formed a list of product which they wanted to market; eventually they took the list to Baddhi in Himachal Pradesh which is famous as heaven for pharma companies in India. They had a lengthy discussion on the price and other factors of importance, through

which they will be doing the business with different manufacturing companies. With a complete knowledge they came back to Gwalior to arrange for funds which was around 20 lakhs, definitely it was not a small amount by any means. They were looking at all the options like asking family members, friends, and from banks. After going through all the possible option Mr. Amit Bhalla made a detailed project report, then he thought instead of starting a marketing firm, why not start a manufacturing unit in Gwalior. In this way he can save on the transportation cost and make some extra profits also. The idea struck in Amit's mind, the more he gave a thought to it more he liked it. The best part was with investing a little extra amount in the initial investment they can actually become an entrepreneur. He liked the idea much that he started working on it.

Becoming an entrepreneur is not an easy task, Risk taking ability, Self-confidence, Decision making ability, Knowledge of communication, Ability to harvesting technology, Economic motivation, Market orientation, Risk factors are some of the characters of successful entrepreneur. An entrepreneur is a person who is able to look at the environment, identify opportunities to improve the environmental resources and implement action to maximize those opportunities (Robert E. Nelson). It is important to bear in mind the entrepreneurial skills that will be needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. It requires a lot hard work and dedication.

Initially problem was to find a place to start the factory, which after a long search Mr. Amit found a plot in the industrial area in Malanpur at an affordable cost. Then next hurdle was to get the machine which they solved by purchasing some second hand at the initial level and latter they upgrade it with new ones. The biggest problem which they faced was arranging the working capital and to manage the skilled and unskilled labour, how to schedule their raw material arrival and how to utilize their machineries at their full capacity and a total output from their workers. It's a very hard task to manage the labour as its very difficult o satisfy them. Procuring skilled labour was one of the most difficult task and retain them was another problem. As the work progressed and they gained experience in the manufacturing field they were able to get a control over it. Mr. Amit looked after the Marketing and finance and production in the initial stages as the company grew so he hired specialists of the related fields and he himself

looked after the marketing and finance of Biogen Biocare.

### III. CURRENT OPERATION

Today Biogen Biocare Pvt Ltd is a well established company in the pharma market in MP and nearby regions with a clear cut vision “We Strives to serve unmet medical needs by developing and constantly seeking break through that will touch the new horizons of healthcare for next generation”.

**(a) Services and Products:**

- (i) Third party manufacturing in-
- (ii) Tablet section (betalactum, non betalactum, blister and alu-alu pack with latest packing size.
- (iii) Oral liquids (syrup suspension and drops) Capsules
- (iv) Powder (protein, energy)
- (v) Micronutrients products.
- (vi) Herbal preparations.

**(b) Franchisee divisions-**

This is a unique marketing model which Biogen Biocare started in M.P. and was very successful Mr. Amit was fiddling with the thought of improving the sales of his company. He knew that to create a name in the pharmaceutical market he has to come with a new marketing plan which was not tested in the market till now. He came up with the concept of franchisee in the pharma field. They offer franchisee for their marketing division nationwide with sole marketing right under the following banner:

- (i) Glipeis parlet pharmaceuticals
- (ii) Medicis life care
- (iii) Oyx pharmaceuticals
- (iv) Global pharmaceuticals

### IV. FRANCHISEE MODEL OF THE COMPANY



**(a) The model worked because of the following reasons –**

- (i) Lack of information and awareness in people about opening and running a 3rd party establishment.
- (ii) Franchisee fear of losing a large amount of money.
- (iii) Branding of the product was done in a positive way.
- (iv) Biogen Biocare doesn't have to keep a large number of staff on its payroll for promoting their brand and products in the market.
- (v) Less competition due to precise territory rules.

**(b) The tool which were provided by Biogen Biocare to franchisee are-**

- (i) Bag.
- (ii) Product list.
- (iii) Training in presentation and meeting Doctor's.
- (iv) Samples of the product.
- (v) Product reminder cards.
- (vi) About company's profile.

### V. THE TURNING POINT

When the model was ready Mr. Amit asked Mr. Vineet director (production) to do a presentation in the board meeting. All the senior managers of different department were present at the meeting.

Mr. Vineet presented the model and described all the content of the model.

Mr. Vineet “Good morning everyone today we will be going through a new strategy which we have devised under the able guidance of our MD Mr. Amit Bhalla. I will be briefing you about all the details of this model, and I am looking forward for any doubt and queries so that we can improve on the proposed model.

Mr. Vineet took around 25 mints to describe all the details of the model to the listener.

The first person to support was the marketing manager Mr. Akash Sharma. He said “it's a very good model as it gives the company an identity and the brand which will be formed will be helpful in pushing the company's product with other 3rd parties as well”.

Mr. Vineet “Akash it will be very helpful for the company, as all the promotional activity will be performed by the franchisee so the marketing division doesn't have to worry about it”.

Mr. Akash was very happy with the information.

HR manager Miss Nidhi also supported the model.

She said “it's a wonderful proposition as it does not require a large men power on company's payroll. Only a few observers were required to push the product with franchisee”. She further added “we have to decide on

the number of franchisee we will be making”.

Mr. Akash “Before this we have to decide on many things like type of product range we will be pushing in the franchisee, number of territory we will make, area included in each territory, where the training of the franchisee will take place, who will be in-charge of the total module”.

Mr. Vineet “This presentation is a format or blueprint of the future course of action which the company might take, still we have to do the refinement in the whole process and have to figure out a implementation strategy for this model and definitely we will address all these issues before implementation”.

Nidhi “but we have to decide on the deadline for finalization of the strategy as even we at HR level have to prepare our self for the training methods and printed material”

Vineet “we will be deciding on all the queries and each department who will be involved in the implementation will be informed about their role well in advance”

Finance manager Mr. Sumit was also very happy, as he doesn't have to bother about additional funds which would have been required for large manpower. He said “it's a brilliant idea but one thing has to be added to it, if we can charge a fee for the franchisee then it will be a complete model”

Mr. Akash “no way this will a kind of repellent to the franchisee as they will not buy the idea if they have to pay a yearly fee for it, and it will be very hard to sell the franchisee model to the potential client”.

Mr. vineet “ but we have kept a minimum quota system which they have to purchase and the profit margins are also 30 to 35% higher than the 3rd party deal”.

The only person who was shaking his head very violently from side to side was the Production manager Mr. Bajaj, he said “it was not at all feasible to do a limited product order as it will increase the company's cost of production”. He said further “if the franchisee doesn't order for one whole batch of medicine and orders just two boxes then how that order will be fulfilled”.

Mr. Vineet tried to reason with the production manager that this is the reason they have kept a minimum quantity quota.

Whole discussion was happening in front of Mr. Amit Bhalla who was sitting and listening to the views of all the managers. After a 3 hour meeting the matter came to Mr. Amit for the final decision. He doesn't know the actual outcome of the model. He also agree to a certain extent the production managers thought if the model fails then the loss will be a substantial one to the company. He also knows that the sales figures were not very supportive and a new line of approach is required to improve the profit margins of the company. Mr. Bhalla being an entrepreneur was not afraid of taking risk but was calculating the odds and the favourable points which are very necessary. Calculate risks are always fruitful. After some thought Mr. Amit finally

decided to go ahead with the module and when the result started to pour in they were very promising.

## VI. CONCLUSION

The company which made a profit of 25 lakhs in the first year 2004-05 is today a company worth 2.5 crores in 2013 with a total workforce of 70 at the factory and 100 at the head office in Gwalior.

Mr Amit dialled his secretary from his office intercom and asked her to call Mr. Vineet and ask him to come to the office as soon as possible, as he wanted to give this news about being invited as chief guest personally to him. It gives him a great pride in knowing that he is being recognized in the business world and in academic world too.