Girisan Kariangal – Managing Director, Menarini India

Our collective journey to build a leading international dermatology company in India has just begun, and I am confident that with the dedication, passion, and unwavering commitment of the team, we will script a story of unparalleled success

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Girisan Kariangal reflects on Menarini's journey from a primarily CSO organization to a robust branded business in India, emphasizing strategic partnerships, acquisitions, and a decisive shift towards dermatology. He outlines how Menarini positions itself as a leader in dermatology by treating dermo-cosmetics with the same rigour as pharmaceuticals and continuously innovating for the benefit of patients.

Could you share your reflections on your remarkable 14-year journey with Menarini in Asia Pacific, particularly highlighting the pivotal moments and challenges you encountered?

Over the past 14 years with Menarini in Asia Pacific, my journey has been both dynamic and challenging. When I joined, we were primarily a CSO organization with revenues close to a million euros in branded business. The initial challenge was to shift the organization’s focus from CSO to building a robust branded business. Despite encountering a negative growth scenario and operating with a small team, the prospect of making a substantial impact served as a motivating factor to me.

The journey has been marked by various milestones, including successful partnerships and acquisitions. We initiated a partnership with Sinclair and later acquired a local dermatology company. Menarini’s acquisition of Invida in 2011 further shaped our trajectory, leading to

subsequent integrations. Challenges arose as we expanded into multiple therapy areas, prompting a strategic review in 2017-18. Recognizing the need to invest in dermatology, we first outsourced and later divested the primary care portfolio to Lupin, a first in Menarini's history.

Taking charge as the Managing Director in 2022, I am responsible to lead the implementation of new strategy. Despite the restructuring phase in 2021, we have witnessed significant growth. Our focus on dermatology has proven successful, with a fourfold growth compared to the market both in 2022 and 2023.

The journey has seen me take on diverse roles, including a brief stint in business development and strategy. Despite initial skepticism from peers about the shift, it played a crucial role in shaping my experience and my career. The tenacity to exploring new challenges and adapting to change has been a driving force in my continued tenure with Menarini. Looking ahead, the company is poised for sustained growth within the dynamic pharmaceutical landscape, emerging as a leading international dermatology company in India.

How is Menarini using feedback from the markets in which it operates to inform a more robust business strategy?

Menarini's growth has been significantly influenced by strategic partnerships and a key differentiating factor has been our ability to adapt to the nuances of local markets. We recognize the importance of establishing a clear vision as the initial step in gathering insights from the market. In the case of restructuring our portfolio, we assessed our global portfolios and identified key areas, such as aesthetics and premium dermo-cosmetics as potential leverage points.

Our strategy has been to build portfolios within dermatology, addressing specific needs such as acne, hyperpigmentation, and scar management. Notably, dermatology demands continuous innovation which require us to consistently improve and expand our product offerings.

To meet the demands of the market, we have established partnerships for formulation development with both local and international companies. For instance, partnering with Lucas Meyer's local associate, we developed specific formulations to address market gaps. An interesting aspect was our move into undertaking trials, a unique approach in the dermo-cosmetics sector. We treat dermo-cosmetic products like regular drugs, adhering to high-quality standards and generating substantial documentation to prove efficacy and generate publications in international journals of repute.

Despite India’s vast population, we have narrowed our focus on the middle-upper class customer segment, constituting approximately 300 million individuals. The decision to launch high quality products in the premium segment showcases our commitment to maintaining international standards and positioning Menarini as a leading player in the dermatology space.

Menarini’s success in India is attributed to the clarity in strategic choices, dedicated employees, leveraging our collective strengths, and a meticulous approach to customizing solutions for the local market. This clarity has not only defined what to pursue but also what aspects to intentionally disregard, thus contributing to our sustained growth in the ever-evolving pharmaceutical landscape.

Our commitment to being a leader in scar management, even within a relatively small market, is rooted in our dedication to niche segments. We recognize the potential in these pockets, and our aim is not just to be present but to excel, as evidenced by our pursuit of becoming the most preferred choice for prescriptions in this space.

Menarini’s global heritage has been instrumental to our approach. We actively seek collaborations with dermatology companies already present in India or those open to partnerships. In 2023, we initiated a partnership with Alliance Pharmaceuticals Ltd, for marketing a leading international anti-dandruff shampoo. Similarly, our collaboration with Pierre Fabre Laboratories, a French pharmaceutical in dermo-cosmetics, renowned for its French expertise and research-backed products, underscores our commitment to dermatology as our prime focus. While we continue to develop our own formulations and line extensions, these partnerships allow us to blend our global expertise with local market needs.

Navigating the aesthetics market in India appears to be distinct, could you shed light on Menarini’s strategic entry into this space? How do you differentiate your approach?

The aesthetics market in India presents unique challenges with numerous distributors mainly competing on price. Recognizing this, our strategic entry focused on creating a differentiated approach. We consciously chose threads as our initial product offering. Despite anticipating a slow uptake due to the need for doctor training, we viewed threads as a value addition to practitioners, setting the foundation for a long-term association and impact.

Launching Definisse Threads in 2021 amidst the challenges posed by the pandemic reinforced our commitment to making a substantial impact in aesthetics. This approach signaled to doctors that

Menarini is not merely looking to sell products for short-term gains but is dedicated to shaping the aesthetics landscape in the country.

In 2022, we expanded our offerings by introducing Definisse Fillers. Despite the potential for quicker returns with fillers, our choice reflected a commitment to making a meaningful difference in the market rather than pursuing quick profits. The corporate support we have received for this strategic decision has been pivotal to our success. While the initial P&L was at par, the sound corporate backing has ensured a long-term perspective and commitment to establishing Menarini as a key player in the aesthetics domain.

It is noteworthy to recognize the significant aesthetic market potential in India. However, its current size is relatively small compared to markets like Korea or China. Our estimate places the India Medical Aesthetic Devices Market size at USD 1.62 billion in 2024. Despite the size, we believe in the long-term growth potential of the aesthetics market in India and aim to contribute substantially to its development through our strategic approach and commitment to quality and impact.

How does Menarini view India’s role within the APAC region, especially considering the company’s strategic shift towards consolidation in dermatology?

In the context of Menarini’s boutique approach in India, the country holds a distinct and vital role within the broader Asia Pacific (APAC region) umbrella. While the current revenue contribution from India is modest, the qualitative and strategic significance is substantial particularly in the context of Menarini’s strategic shift towards consolidating its presence in dermatology.

Dermatology, being one of the key therapeutic areas in which Menarini aims to consolidate, holds a unique position within the organization’s future plans. The strategic importance of India becomes evident in its role as the leading country within APAC region for building and shaping Menarini’s dermatology portfolio. This leadership position underscores India’s qualitative contribution in guiding and spearheading Menarini’s efforts in dermatology, a critical aspect of the company’s risk-management strategy.

Menarini sees India as a dermatological laboratory where cutting-edge tactics and business models are being implemented and improved. In addition to navigating the current environment, the goal is to de-risk the company’s whole portfolio while acknowledging the difficulties in other therapeutic domains.

How important is flexibility to success in India as a mid-sized European company?

Flexibility is a valuable asset for midsize companies navigating the complexities of the Indian market. Unlike larger multinational corporations, midsize firms often have the agility to adapt quickly to local nuances, which can be of significant advantage. The ability to tailor strategies to suit the unique demands of the Indian market, taking into account cultural, regulatory, and operational intricacies, can enhance the overall effectiveness of a midsize company.

By concentrating efforts on becoming a leading player in dermatology, Menarini has developed a blueprint for success, leveraging our expertise, building a strong market presence, and mitigating risks associated with venturing into multiple therapeutic areas simultaneously. This step-by-step approach allows for a lower-risk expansion model and facilitates the replication of a successful strategy in other therapeutic domains in the future.

Moreover, the potential to explore complementary areas within dermatology, such as aesthetics and e-commerce, showcases Menarini's strategic foresight. This diversification within a specialized field positions the company to tap into various facets of the market, catering to different consumer needs and preferences.

In terms of pricing, the middle-upper class customer segment in India presents an opportunity for premium pricing strategies. Menarini's focus on quality and differentiation in the dermatology space, combined with a keen understanding of consumer expectations support the premium pricing, aligning with the evolving consumer landscape in India.

In what ways does Menarini strategically maintain a premium brand perception in the aesthetic segment, particularly when facing price-sensitive market sentiments, and how does the company align its brand values with international standards to appeal to dermatologists and customers seeking quality?

Menarini recognizes the significance of price perception in the aesthetics space. To address this challenge, the company invests in workshops and events led by international key opinion leaders (KOLs) with focus on modules of international standards using high quality training materials and processes to create a premium experience. These efforts aim to instill confidence in dermatologists that Menarini's products are not just of high quality but are also aligned with international standards.

Our strategy involves emphasizing a clear and unwavering vision: to establish Menarini India as a leading international dermatology company with a commitment to offer products of international standards. Menarini understands that brand consistency is vital in building trust, and as such, it ensures standardization across various touchpoints, creating a cohesive and premium brand image. This approach extends beyond the aesthetic workshops to every aspect of Menarini's interactions with dermatologists and customers.

By being transparent and clear about our vision and values, Menarini strives to differentiate itself in a market where perceptions of quality and trustworthiness are closely linked to pricing. The company's dedication to international standards serves as a foundation for building a premium image that resonates not only with dermatologists but also with the discerning customer base seeking quality and reliability in aesthetic products.

In navigating the leadership transition and cultural dynamics at Menarini, particularly in India's diverse work culture, how does the company foster a collaborative and diverse work environment? What strategies are employed to maintain leadership alignment and trust within the team?

At Menarini, the leadership transition involves a deliberate focus on building a culture of experimentation and psychological safety. Recognizing the challenges of entering the aesthetics sector, the company encourages individuals, even those transitioning from different portfolios, to embrace new challenges. This is achieved through workshops and external training, creating an environment where individuals feel psychologically safe to experiment without fear of repercussions.

To further elaborate, Menarini acknowledges the importance of aligning its leadership with the unique nuances of the Indian work culture. The emphasis on psychological well-being becomes crucial in an industry where individuals may be venturing into unfamiliar territory. This approach not only fosters innovation and learning but also sets the foundation for a resilient and adaptable team.

In dealing with the challenges posed by a multifaceted organizational structure, Menarini employs strategies to maintain leadership alignment and trust. The soccer team analogy highlights the collaborative spirit, where individuals may not always agree but trust each other to collectively achieve goals. This approach is crucial when the path ahead is bold and we are navigating a diverse commercial landscape.

Moreover, the company’s focus on relationship management extends to suppliers, reinforcing the importance of trust throughout the value chain.

In which ways has the business environment in India changed, especially in terms of government procedures and infrastructure, contributing to increased positivity and confidence?

The business environment in India has experienced notable improvements, marked by changes in the Government’s procedures and infrastructure development. One significant change is the streamlining and digitization of government processes, exemplified by the efficiency of services at the government offices. This includes enhanced experiences in areas such as new drug approvals and registrations, where digital platforms facilitate easy document submission and transparent processes.

Moreover, the implementation of direct subsidies through bank accounts has eliminated intermediaries, ensuring that benefits reach citizens directly. This simplification and transparency contribute to a more positive perception of the business landscape. The government’s focus on reducing intermediaries and ensuring direct benefits enhances the quality of life for citizens.

Infrastructure development, particularly in road networks, has been a tangible and positive transformation. Improved road connectivity, especially in challenging terrains like the Himalayas, has opened up opportunities and increased accessibility. This has positively impacted sectors dependent on efficient transportation, such as logistics and distribution.

Furthermore, the introduction of the Goods and Services Tax (GST) has streamlined taxation, replacing the previous complex system. This reform has eliminated state-wise check posts and reduced delays in transportation, positively affecting the movement of goods. The reduced number of checkpoints has improved the ease of doing business and facilitated smoother product distribution.

In essence, these changes collectively contribute to a more conducive and optimistic business environment, fostering growth and development across various sectors in India.

Could you share the top two or three priorities on Menarini’s agenda for the upcoming years?

Firstly, a key priority for Menarini is to establish itself as a leading international dermatology company in India by being a reliable partner to all those who believe that Skin health matters. The strategy encompasses not only the emphasis on pioneering products and building partnerships but also the elevation of prominent Indian medical professionals in dermatology as esteemed speakers on a global platform. The overarching objective is to actively contribute the wealth of talent and expertise from India to the broader international dermatological community

Secondly, Menarini is committed to making a positive impact on people's lives. "Healthy Skin, Happy You" an initiative that we have launched recently exemplifies the company's commitment to social responsibility, addressing specific issues and creating a positive impact on skin health. As part of this initiative, Menarini is collaborating with an NGO – Saahas Foundation, which supports acid attack survivors. The company is sponsoring the cost of surgeries, providing essential skincare products such as sunscreens and moisturizers, and supporting other aspects of their lives, such as education of their children. The objective is to make a meaningful difference in the lives of these individuals.

Menarini recognizes the importance of achieving business goals along with contributing positively to society. Our collective journey to build a leading international dermatology company in India has just begun, and I am confident that with the dedication, passion, and unwavering commitment of the team, we will script a story of unparalleled success.

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