Shishir Agarwal – President and Managing Director, Terumo India Private Limited



Our aspirations are ambitious, aiming for a three-fold increase in size over the next 8-10 years

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Terumo India's Shishir Agarwal outlines the company's strategic roadmap and growth trajectory in India, highlighting the organization's focus on understanding the healthcare landscape, enhancing organizational capabilities, and diversifying the product portfolio. This approach has enabled Terumo to navigate the competitive landscape successfully and achieve substantial market share, even amidst challenges like the pandemic. He also touches on what innovation means to Terumo in India and how the firm contributes to society through healthcare.

Can you share insights into your long and varied career and what led you to choose Terumo upon returning to India?

Embarking on my career in the medical device sector 25 years ago at Johnson & Johnson immediately after completing postgraduate studies, I began a journey that led me through diverse roles across different business units and regions. My initial professional experiences were centered in India, where, over a period of 16 years, I steadily advanced in responsibilities.

In 2014, confronted with the task of overseeing the general surgery business in Rus-sia during a time marked by economic sanctions, I navigated through complexities and emerged successfully. This international assignment provided me with valuable experiences in a challenging professional environment.

Following my tenure in Russia, I transitioned to the United States, where I played a pivotal role in shaping Johnson & Johnson's strategic direction, with a focus on providing comprehensive solutions beyond product offerings. The year 2019 marked my return to India, a decision rooted in the desire to take on a leadership role within my home country.

Choosing to align my professional trajectory with Terumo, I have had the privilege of witnessing the organization's remarkable growth, experiencing a nearly two-fold increase over the past five years. This trajectory is particularly noteworthy given the challenges, including those posed by the global pandemic, that the healthcare industry has faced. My time at Terumo has been personally fulfilling as I have actively contributed to the evolutionary dynamics of the healthcare sector.

What are the factors that contributed to Terumo's growth in India, considering the unique challenges of the healthcare ecosystem, and how have you navigated the competitive landscape while achieving substantial market share?

Terumo's growth trajectory in India has been shaped by a meticulously executed strategic roadmap over the past decade. Our entry into the Indian market in 2013 marked the initiation of a deliberate process focused on building capabilities and gaining a comprehensive understanding of the intricacies within the healthcare landscape. The actual phase of organizational development started in last five years, involving the expansion of our geographic reach, the enhancement of organization-al capabilities, investments in talent development, and the strategic diversification of our product portfolio. This surge was closely tied to our alignment with India's robust economic growth, averaging 6-7 percent annually, and a focused pursuit of market share.

The challenges presented by the pandemic served to reinforce the embodiment of our group mission, "Contributing to Society through Healthcare," within our organizational culture, reflecting the exceptional character of our associates.

Successfully navigating the complexities of the Indian healthcare market required a commitment to operational efficiency, the enhancement of commercial capabilities, and the establishment of a resilient organizational structure. Despite India being a substantial market in terms of volume, pricing dynamics have influenced market behaviour. Our decisions reflected a dual objective – to harness the commercial potential inherent in the Indian market and to explore how India could contribute more comprehensively to Terumo as a global corporation.

Over the past decade, Terumo has effectively established a credible and robust presence in the Indian market. Currently, our strategic focus revolves around scaling up operations, introducing innovative capabilities such as the establishment of partner R&D centres, and transitioning from a product-centric approach to delivering comprehensive solutions. We are also developing robust Shared Services operations to leverage the talent capabilities available in India, uniquely positioning our organization in a global context.

Considering the unique dynamics of the Indian healthcare market, how has Terumo tailored its approach to different stakeholders, both internal and external, to navigate challenges and capitalize on opportunities?

Adapting our strategy to suit the diverse Indian healthcare market has been crucial for the success of Terumo. Internally, our focus on market segmentation aligns with factors such as opportunity size, paying capacity, and other critical variables. This targeted approach allows us to effectively address specific customer needs, recognizing the nuanced nature of the market.

Externally, collaboration with stakeholders is a fundamental aspect of our operational philosophy. A close working relationship with providers and policymakers is considered essential for successfully navigating the complexities of the Indian healthcare landscape.

The healthcare ecosystem in India is still in a developmental stage, and the emergence of digital solutions presents a significant opportunity for sustainable growth. Government policies, coupled with an increased GDP allocation to healthcare, underscore a strengthening factor. The projection of adding over a million beds in the next five years signals substantial infrastructure growth. As a multinational entity, aligning our strategies with these developments is imperative.

Flexibility and adjusting to the ever-changing environment continue to be a crucial aspect of our approach. We have deliberately chosen a segmented approach in particular product categories when introducing a new portfolio. Furthermore, our emphasis is on devising solutions that cater to evolving customer needs. Despite facing challenges, the market presents opportunities for those who understand its dynamics. In the domain of pharmaceutical solutions, our partnerships extend to generic pharmaceutical companies, enabling the global introduction of Indian products.

Given Terumo’s diverse portfolio, could you elaborate on the growth strategies employed across these distinct business units?

Terumo operates in India through two entities—Terumo India and Terumo Penpol.

Terumo Penpol primarily focuses on redefining standards in blood transfusion products. On the other hand, Terumo India concentrates on Cardiac and Vascular solutions, constituting approximately 75 percent of our business. This encompasses interventional systems in cardiology, radiology, interventional oncology, products for Aortic procedures, perfusion technology, cardiac surgery products, and blood parameters monitoring. Our Pharma Solutions portfolio caters to the drug delivery needs of the pharmaceutical industry. Additionally, we have introduced a limited portfolio in the Diabetes space. The growth trajectory across these diverse business units has been notably promising, credited to the organizational capabilities in commercial and marketing functions. Our concerted efforts in expanding our presence and geographic reach play a pivotal role. As we broaden our footprint, we gain the opportunity to directly engage in markets and provide more integrated solutions. The synergy of organizational capabilities, combined with strategic geographic expansions, has played a crucial role in achieving higher performance delivery across these diverse business segments.

As we embark on the latter part of our Growth Strategy – GS26, our concentration remains on the new innovation strategy vision of “From Devices to Solutions.” The strategic pillars, represented by the 3Ds (Delivery, Digital, Deviceuticals), will steer our solutions towards innovation and synergy. We are resolute in our dedication to intensifying efforts to realize the objectives outlined for GS26. At Terumo, we envision a future where we persist as a beacon of innovation and a driving force in the transformation of healthcare.

How is the landscape of hospital settings and diagnostics evolving, given the booming healthcare sector, especially in the context of the government’s initiatives?

The progress in hospital environments and diagnostic methods is being influenced by a comprehensive government strategy. On one front, endeavours such as the government’s PM-JAY scheme comprehensive need-based health care service. It is aimed to improving healthcare accessibility for the underserved population. Concurrently, the government is encouraging private entities to participate in infrastructure development. Furthermore, initiatives to enhance the affordability of healthcare, as demonstrated by the “Make in India” program, grant preferences in public procurement to domestically manufactured products.

This all-encompassing strategy, addressing accessibility, infrastructure, and affordability, generates a synergistic impact, potentially propelling sustained growth in the industry while meeting the

healthcare needs of the population.

Could you shed light on the current landscape of financial players supporting this growth in India? Additionally, with the local arm of multinational companies facing potential challenges in securing substantial investments, how are local players, including Indian med tech companies, navigating this financial landscape?

The financial landscape of India’s healthcare sector has undergone a notable transformation, particularly with the increasing influence of private equity players. In the past five to ten years, private equity has played a substantial role in financing the expansion of major provider groups in the country. This trend is evident in the escalated investment, surpassing USD 2 billion in the last 12 months alone, with a specific focus on med tech companies.

For local players, particularly Indian med tech companies, obtaining financing for expansion has become comparatively more accessible, as private equity players express a keen interest in supporting their growth initiatives. Many med tech companies have successfully secured funds, enabling them to conduct global trials, enhance organizational capabilities, and establish large-volume manufacturing units. Regarding MNCs, investments in India are contingent on the opportunities in market segments and the overall risk appetite of the company.

What aspects of innovation in the Indian medical device sector do you believe are crucial to highlight, especially regarding upcoming startups and R&D initiatives?

Innovation within the Indian medical device sector is of paramount significance, especially with the notable success of startups gaining attention. The key lies in effectively capitalizing on these opportunities and projecting them onto the global stage. Innovation accelerators and hubs such as T Hub in Hyderabad and the Centre for Innovation at IIT Madras play a pivotal role in driving advancements through startups in medical device technologies.

The belief is that these innovations will not only advance the local industry but also position India prominently on the global map. While acknowledging the time required for India to attain global stature, the trajectory is optimistic. Recent years have witnessed the local manufacturing of complex technologies, such as Cath Labs, at a significantly lower cost, laying the foundation for global competitiveness.

Indian medical device companies are already making an impact in European markets, showcasing the global ambitions ingrained within the industry. The commitment to innovation, combined with strategic growth in the value chain, paints a promising future for India's role in the global medical device landscape. The ability to nurture local talent and ideas, supported by a collaborative ecosystem, is a testament to the sector's potential for impactful contributions on a global scale.

Looking ahead, you've expressed a strong commitment to growth for Terumo in India. Can you share your aspirations for the next year and the broader vision for the next decade?

Our aspirations are ambitious, aiming for a three-fold increase in size over the next 8-10 years. This mirrors our strategic intent and confidence in maintaining the current growth trajectory. Few companies set such ambitious goals for India, and we are optimistic about the future, fully committed to realizing these aspirations.

We eagerly anticipate expanding our customer partnerships in medical therapy education, enhancing our data-driven decision capabilities, and significantly strengthening our brand as we work towards nurturing our 'Great Place to Work' status in India.

Rooted in our core values of Respect, Integrity, Care, Quality, and Creativity, we tailor our approach to fit each individual market effectively. With a diverse business portfolio, our objective is to provide substantial value to patients, medical professionals, and society as a whole.

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