

Interview: VS Reddy - Founder and Managing Director, British Biologicals, India



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25.05.2018

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VS Reddy, fondly known as 'The Protein Man of India' and founder and managing director of British Biologicals, India's leading nutraceutical company, provides insights into the pioneering role played by British Biologicals in raising awareness about and fostering the use of nutraceuticals in India, while he documents his plans to leverage the company's unique brands to swiftly strengthen its international presence, including in the US market.

The United States, Europe and Japan account for around 93 percent of the global nutraceutical market, but these markets seem to have attained maturity in all the three regions. On the other hand, India's USD 2.2 billion nutraceutical industry is projected to grow at a CAGR of 20 percent to reach USD 6.1 billion by 2020. As one of Asia's most respected nutraceutical companies, how has the Indian market evolved over the past few years?

India has undoubtedly gained traction to become a fast-growing, emerging nutraceutical market, but the context was completely different when I first established British Biologicals in 1988. At the time, the Indian market was still at a very nascent stage, and we were facing significant development barriers at different levels.

First of all, the purchasing power of the Indian population at large was particularly low a few decades ago, and only a limited share of the population could afford healthcare and wellness

products. While India today emerges as the fastest growing large economy in the world [*set to outpace China in terms of annual GDP growth rate in 2018 and onward - Ed.*], an ever-increasing share of the population has been gradually able to allocate more resources to the protection of their health and wellbeing.

However, the main challenge we faced did not concern the economic aspect. As one of the pioneers in the Indian nutraceutical market, we truly had to educate the domestic ecosystem and convey the crucial role played by nutraceuticals as complements to allopathic treatments (to ensure patients still access healthy levels of nutrients despite their diseases and treatments) as well as powerful prevention means. In this context, British Biologicals has actually emerged as a frontrunner in India when it comes to producing clinical evidences nurturing the shift of India's healthcare ecosystem toward prevention-oriented approaches. As of today, we are currently investing huge resources to precisely identify the best nutrients for the prevention and management of chronic diseases typically affecting adults.

A key example relates to diabetes diet — clinically known as medical nutrition therapy (MNT) for diabetes – which we pioneered in India. This MNT simply translates into eating a variety of nutritious foods containing essential vitamins and minerals and adhering to regular mealtimes, which will help reducing symptoms of diabetes and cut the risk of developing complications. Today, we sell over 30 million units a year of D-protein (our diabetes diet product), but we are only scratching the surface of India's huge diabetic population: the International Diabetes Federation (IDF) predicts that – by 2030 – India could account for 101.2 million of the world's 552 million diabetic patients. In the meantime, D-protein perfectly illustrates the holistic prevention approach championed by British Biologicals: this product is notably enriched with micronutrients holding proven benefits with regards to managing diabetes.

What has been your approach to convey the importance of nutraceutical products within the Indian ecosystem?

Overall, raising awareness around the importance of nutraceuticals was no bed of rose in India, and it took me almost ten years before the Indian physician community steadily began integrating our products in their daily practices.

British Biologicals is above all a science-based company, and all our products' benefits and innovation are scientifically proven and evidence backed. This aspect is particularly crucial in the Indian ecosystem, where physicians and patients alike no longer accept products whose benefits are not strongly supported by scientific evidences. In the meantime, regulators have become

extremely stringent with regards to packaging and marketing standards, ruling out from the market nutraceutical products boasting an unproven added value.

In this context, we have historically concentrated our efforts on general practitioners, in a country where the latter's guidance and prescriptions are strictly respected by the population and the patients. As a result, our promotion approach is actually very similar to that of any pharmaceutical companies selling science-based, prescription products. Building on the great reputation we have forged for ourselves among the country's medical community, we recently decided – for the first time ever and for specific products only – to complement our promotion strategy with an FMCG-like marketing approach.

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I am proud to say that our pioneering efforts have paid off, and British Biologicals' commitment to strengthen India's prevention and healthcare ecosystem is today fully acknowledged by our country's physicians. My objective was to ensure that the Indian ecosystem truly shares the motto that "if it is nutrition, it is British Biologicals", and I believe we have reached this objective. As of today, we are the only company in India that has successfully brought to the market in-house developed, science-based brands that cover a comprehensive range of products for the prevention, life style, and wellness of the entire population, from newborns to elderly people.

Although India still stands as the company's main market, you initiated an aggressive internationalization strategy over the past two years. Today British Biologicals exports its products to 35 countries. Could you provide insights into the company's international strategy?

First of all, I am proud to highlight that this international strategy has taken off very quickly thanks to the remarkable specificities of our products and their eye-catching market penetration in the competitive Indian market – as a matter of fact, the Top Four nutraceutical brands in India are British Biologicals products. This has drawn the attention of many international companies, which often reached out to us even before we actually started conducting prospection activities in their countries.

A few years after our products have been launched abroad, market reception has been extremely good and particularly promising. Again, this comes as the result of decades of tireless efforts to develop unique products, while the rest of the Indian industry was mainly focus on me-too products. In the meantime, the uniqueness of our brands has inspired our competitors, and over 150+ companies – including some multinational companies – have developed me-too versions of

British Biologicals' unique products.

As you are also gaining traction in the US, what is your strategy for this competitive market?

We just opened an office in the US, where we are already supplying vitamins to leading retailers such as Amazon. Although the US probably stands as one of the most competitive markets in the world, it obviously stands as a science-driven ecosystem, which should propel the growth of our portfolio. In this regard, we are ready to duplicate some of the clinical trials conducted in India to ensure we can fully showcase the added-value of our products to US stakeholders.

In terms of strategy, we believe that our unique diabetic diet, hepatitis syndrome, and menopause syndrome products could rapidly conquer substantial market shares in the US. To propel these products' market uptake, we will most likely concentrate our promotion efforts on dieticians operating in private clinics.

Looking forward, we plan to market our products independently in order to sharpen our understanding of the main dynamics of the US market, before forging new partnerships at a later stage to increase our coverage of the market. As a matter of fact, some companies have already expressed their eagerness to join forces with us in the US.

As a privately-owned, debt free company, would you consider ramping up your international presence through acquisitions?

I am currently considering several acquisition opportunities in the US and the UK, which would help us rapidly increasing our footprint in these countries. One of the key objectives with this inorganic growth strategy would be to access overseas manufacturing capacities, which would support the deployment of British Biologicals' marketing and sales expertise abroad.

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On the other hand, we aim to remain a privately owned, independent company, in spite of the multiple acquisition offers we received from leading international companies. We are also particularly cautious regarding the set up of joint-ventures with multiple-billion companies: at the end of the day, if our products are good enough, we should not need such partnerships.

What will the company look like in five years?

One of our priorities is definitely to expand our footprint in the US and in Europe, while the company's revenues should increase from USD 80 million today to around USD 120 million. The

fact that our portfolio meets the needs of the entire family – from the parents to their children – should provide us with a great way to accelerate our market penetration.

Having initially set up British Biologicals with the equivalent of USD 100, you managed to grow the company to become India’s leading nutraceutical company and therefore a true success story. As a first-generation entrepreneur, what would be your piece of advice to our international readers that would like to follow your path?

Rational thinking should be at the core of every decision you make. In the meantime, the only way to forge a great name for itself is to be transparent, whether it is towards your partners or your consumers; looking back, I see honesty and transparency as two of the main success drivers of British Biologicals.

Finally, despite the challenges and barriers we faced when initially introducing our products to the market, we chose to go the hard way and invested resources in a science-based development strategy. This was clearly not the most straightforward way to bring nutraceutical products to the market, but – as regulatory requirements keep on increasing and physicians and patients alike are getting more and more exigent – this decision has revealed itself a great differentiator.

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