

VIEW FROM THE TOP

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CEO INDIA

IT'S NOT
going to be
that fun

BE RESPONSIBLE.
There's
no planet B

COSMIC
Appetite

MACHINES AND
emotional
intelligence

EPIC POETRY
From The Dawn
of Modernity

WHY 5G
matters

GUIDED BY PRINCIPLE

GV PRASAD

Co-Chairman and CEO of Dr. Reddy's Laboratories

UPCOMING



CEO
CRICKET
CHALLENGE

GUIDED by PRINCIPLE

GV Prasad, the co-Chairman
and CEO of Dr. Reddy's
Laboratories, talks about
creating value for sustainable
profitability

Words by PRIYANCA VAISHNAV

While watching well-made films, you know how you wonder how a dialogue can flow so smoothly? Unhindered by fillers or weird pauses, who can have such flawless clarity of mind? Then you speak to the inimitable GV Prasad, the co-Chairman and CEO of Dr. Reddy's Laboratories, and the possibility of the phenomenon stops seeming so remote. Prasad was appointed chairman in April 2013.

My chat with the second generation entrepreneur began with a little reminiscing about a city common to both of us — Hyderabad. An oft-undersold place, Prasad is all praises for the city of Nawabs, known for the Kohinoor, its biriyani, "charming" monuments, *khubani ka meetha* and Deccani Hindi. Having spent some part of his childhood, and later moving back to Hyderabad (Prasad is married to Dr. Kallam Anji Reddy's daughter, Anuradha), he has a treasure

Technology in Chicago. Additionally, he has a Purdue University Master's degree in Industrial Administration.

Dr. Reddy's is recognised the world over for scientific innovation, people practices, and corporate governance. So what's an engineering grad doing in the driver's seat of one of India's leading pharmaceutical companies? The answer in his own words is, "I did pursue other businesses. But they were difficult to run at the time because they clashed with my values." Candidly, yet diplomatically, the sexagenarian declares, "Any business that involves direct contact with the government requires a very different mindset."

But he does not allow the mind to wander too far in imagining what this "mindset" that he mentions, may be. The intrinsic value of nation-building typical to legacy organisation echoes in Prasad's tone and words through and through. Brought up on the firm belief that whatever he did, it had to be of some significance, he

motto of sticking to course. For him, there are "short-cuts."

Old hands at Dr. Reddy's remember the founder as an upright individual, deeply passionate about the cause of medical research. Fifty-two-year-old Prasad took over as DRL VC and CEO in 2001 after Cheminor Drugs merged with Dr. Reddy's Laboratories. Also set up by Dr. Anji Kallam Reddy, Cheminor distributed its wide range of over 40 pharmaceutical products to about 50 countries, including Japan, the US and Australia. Prasad headed Cheminar at the time of the merger, and was also instrumental in DRL's global generics and API strategies. He also played a key role in acquiring the German generic drugs company Betapharm in 2006.

So how does Prasad percolate his core value and belief system through the value chain at Dr. Reddy's? "Even in the earlier days, Dr. Reddy and my discussions about our work force were

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trove of memories, especially of the family residence in central Hyderabad near the lake at Himayat Nagar — among the earliest swift-developing neighbourhoods of the time — much before the present-day Banjara and Jubilee Hills. "Every city I've lived in is close to my heart, but I reckon since I have lived here now for so many years and my family is here, it is most special."

Prasad studied at the revolutionary Vidyaranya School run by Shanthamma. Any long-term resident of Hyderabad or Secunderabad will take that as a certificate of high moral fabric. He went on to complete the rest of his school years in Nellore, where his extended family live till date, and then to Chennai to start his undergrad studies in Engineering. Prasad eventually went on to complete his Chemical Engineering degree from the Illinois Institute of

seems to have inherited the responsibility like every entrepreneurial successor. To maintain and build upon the legacy of predecessors and one's own actions. And herein dwains almost serendipitously upon the listener, the first reason for the clarity of Prasad's thought process. His pursuit of excellence is dogged, and guided by the constant endeavour to improve every day at all the things he does — whether in business, service, or competitive sport. In this belief resides his intrinsic core value.

In science, nor in art, is there any right or wrong way of conduct. However, the moral compass of a person's actions definitely point in one or the other direction when it comes to motives that drive them. Prasad is steered by the single row in the direction of "doing things the right way." While adjustments in business are commonplace, jumping the queue is just not his nature. He strongly advocates the

modelled around behaviour and the tenet of uncompromising ethics." As leader of the core team which drives growth and performance at Dr. Reddy's, the entrepreneur-CEO reveals a vital step in the recruitment process: "We look for this fundamental trait among all leaders at the time of recruitment. It is a minimum standard for anyone who aspires to build a career at Dr. Reddy's."

The history of Indian pharmaceutical industry is intertwined with Dr. Reddy's Laboratories. In an era when active pharmaceutical ingredients (APIs) depended heavily upon imports, Dr. Reddy's played a key role in changing that trend through its path-breaking research and development of homegrown core products. "The Indian pharmaceutical industry has played a key role globally in lowering the cost of cancer and AIDS therapy, the world's most critical unmet



THE 7 MAKERS & MARKERS OF GV PRASAD

Education: Widely travelled so far as his education influences are concerned, one sees traces of his first alma mater, Vidyaranya school for Girls and Boys, founded by the revolutionary educationist, Shantha Rameshwar Rao, or Shanthamma. Prasad's righteousness and general ability and campaign for ethics are a strong refrain of everything the Hyderabad school stands for.

City: Prasad has lived in various places, but his love for Hyderabad is unmistakable. He humbly attributes it to the fact that he's been living there for so long now. But dig a little deeper and you see nostalgia seamlessly blended with his undying commitment to the world of culinary delights.

Entrepreneurship: A strong believer of the power of ideas and innovation, Prasad's belief in the power of ideas has contributed and further added to Dr. Reddy's own vision of DRL. He is mindful of both, operations and portability, as well as creating value for customers and stakeholders.

Excellence: Improve everyday. That's Prasad's motto for life. Perhaps that explains the entirely new route the company is taking towards cancer drug research as well.

Significance: When you hear Prasad talking about India's contribution to global cancer research, his 24x7 involvement in creating "dramatic value" out of limited means, carrying the baton forward, the Isha Foundation, and ethics, you know this CEO is all out to leave behind a unique legacy.

No shortcuts: Prasad has been known to advise youth to be part of "good businesses", doing things "the right way", and admittedly not possessing the "mindset" required to work with public agencies. In career and life, he says, "there are no shortcuts!"





medical need. Hyderabad, at that, is a hub for original research in cancer generics and drug space. While the world over, companies are struggling to extend life span through the use of chemicals and radiation therapy, we at Dr. Reddy's are exploring an altogether new route of treating the terminal disease by stimulating the body's own immunity through drugs to fight it."

An organisation that is at the helm of pharmaceutical innovation and breakthrough has to have a strong backbone — its people. So what's the secret sauce of success according to Prasad? He speaks with great pride, "There is a lot of freedom for people at Dr. Reddy's to bring their talents to fore. We encourage them to use their skill as well as discretion to create great impact." It seems like Prasad's endeavour to constantly improve is at play here, as he adds, "They are exposed to the finest thinking in their fields. Our people get multiple opportunities to be at the cutting edge of knowledge." Prasad also believes that it is the mutual exchange of respect that unleashes the potential to develop as a leader in each domain at Dr. Reddy's. The organisation is known to be not just tolerant but also encouraging of divergent views that further its vision.

Prasad serves on the boards of the Indian School of Business, Institute of Life Sciences and Acumen Fund. Amid his values, beliefs, the constant zeal for innovation, and pushing the boundaries of possible in even day-to-day operations, how does Prasad stand apart from other CEOs? Pat comes the reply, "Entrepreneurship is a 24x7 job. I do not take away from all the successful CEOs who work hard to grow their organisations. But the entrepreneurial mindset goes beyond operations and profits." Almost as if describing a restless mad scientist, he goes on to say, "The classic entrepreneur is driven by the power of an idea. She or he creates dramatic value out of limited means. His work, then, becomes his life and profits follow." The premium Prasad places on sustainability has distinguished Dr. Reddy's as a proactive embracer of green technologies and processes, thereby reducing the company's carbon footprint.

The scale, reach, and success of Dr. Reddy's must take the intellect of ten heads to run. It's either that, or Prasad's legendary ability to see the big picture. "When you are building an institution, what matters most is how you are making a difference. You must be clear about the value you create for customers and stakeholders. If this clarity does not exist, as a leader you will take many directions, but they will all cause strategic confusions."



Personal Memo

What is an unusual day in your life?

Waking up late after a full 8 hours of sleep, a leisurely breakfast, playtime with Shadow, my Labrador, meeting friends, packing in a short workout, reaching office late — at about 11, getting lunch, and leaving for home early!

How do you prepare for an important business meeting?

If it's an internal meeting, prepare for the agenda and make notes the night before; for an external meeting I also read up on the person to know them better.

What do you think are the best ways to hand out pink slips?

They're a necessary evil. Our actions

speak louder than words — we don't entertain unethical behaviour and in such cases the termination is almost instant.

How do you motivate your staff?

Dr. Reddy's is the first and best at many things. I try to make my people conscious of their purpose and the impact they are creating. I constantly encourage our people to go out in the market and see the change they have helped cause.

Five interesting things in your office...

A door that opens to a flower garden terrace often visited by sunbirds, a brilliant wireless speaker, a replica of the Shiva idol from Coimbatore presented to me by Sadhguru, a print

of MF Hussain's Ganesha, and the large collection of books that make the office resemble a library!

How do you unwind?

Meeting friends, spending time with the family and our dog, nature — all relax me.

Your ultimate holiday destination and why?

Bhutan for its natural beauty, and Alaska and Africa for wildlife.

What is your greatest indulgence?

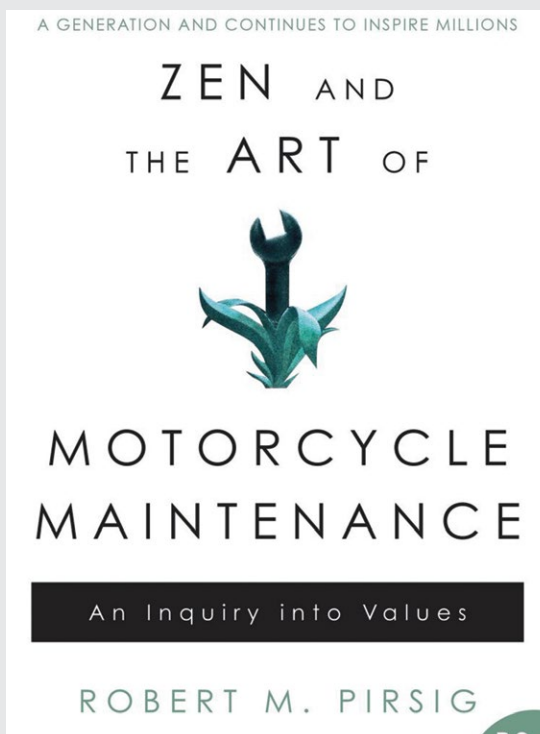
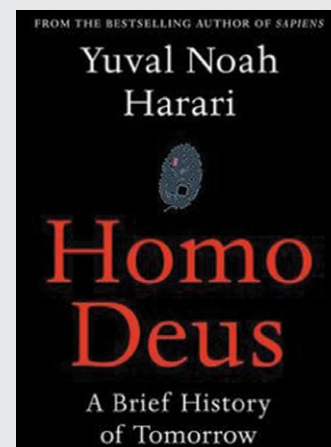
I'm a big foodie. Butter chicken is my weakness.

Are you fond of collecting anything?

Philately and collecting phonographs and LPs were past passions. The collections are now in my daughter's charge.

What kind of music do you enjoy?

70s-80s rock mostly...



Favourite artists...

Pink Floyd is my favourite — *Dark Side of the Moon*, *Animals*, and *Meddle* are all favourite albums. I also like Jethro Tull.

What is your kind of cinema? A few favourite films...

Chariots of Fire is among my favourite films for its inspiring theme and, of course, the background score.

What is your kind of car and why?

I'm usually driven around in an 11-year-old Mercedes S-Class, but if I'm driving myself it's got to be my wife's CRV because of its navigational ease.

Any brands or designers you are fond of?

I'm not a brands person at all. All my clothes are ordered online. I know my size so it's the same stuff over and over — my trousers are always Dockers and shirts from Brooks Brothers.

Which watch is on your wrist at the moment?

The Fitbit — what can I say, I'm a simple man!

What cuisine do you enjoy the most? Any favourite dish?

I like Japanese and Japanese fusion food.

What kind of books do you like? Please name a few favourites.

I'm less of a fiction reader. Tech, management and biographies are more my kind of reads. I'm currently reading a biography of Da Vinci. I also think Yuval Noah Harari's *Homo Deus*, Mario Puzo's *The Godfather*, and *Zen and the Art of Motorcycle Maintenance* are brilliant books.

Your inspiration and role model?

I look up to Dilip Sanghvi of Sun Pharma. He is a brilliant entrepreneur with the vision to identify value in assets. Steve Jobs had a lot of clarity of thought and created beautiful products as a result, I think Elon Musk too has some of those qualities.

Causes closest to your heart

Sustainable development in technology, automation and innovation to drive business, accelerating digitisation...