

Letter from the Editor

Pharmaceutical companies in emerging countries

Consulting firms and many scholars currently try to explain recent developments within the pharmaceutical sector. Established multinational pharma firms are under pressure and rethinking their strategies and business models. Although growth in emerging markets seems possible, capturing this opportunity is yet challenging due to regional differences requiring adaptation e.g. regarding the value proposition, designed distribution systems (levels of integration) and prices. If an engagement, for instance, in Indian pharmaceutical markets is worthwhile, thus needs to be analyzed for every specific case. Local Indian firms have started to make use of the dynamics and benefit from their existing market knowledge and flexibility. At the moment, the business with generics still prevails the Indian pharmaceutical market but own capabilities in drug development have been generated. As many open questions regarding the ability of multinational players to exploit the (profit) potential of emerging markets, the capacity of local firms to compete in drug design and the distribution of power remain, it will be exciting to observe future developments.

Thus, we are pleased to welcome the first research paper of this issue “Factors influencing organizational change and health – Evidences from the Indian pharmaceutical sector” by Anil Kumar Singh and Muqbil Burhan. The authors present results from a survey conducted in pharmaceutical companies in India and examine the influence and interaction of several factors such as structural flexibility, information management, decision making and shared leadership on competitive advantage. The authors thus provide evidence that integrating these organizational characteristics and developing the capability to change are necessary in order to achieve organizational health and success in dynamic environments.

The second paper “Benefits of social sustainability reporting for companies and stakeholders – Evidence from the German chemical industry” by Verena Zimara and Sebastian Eidam addresses the dimension of social sustainability which is often neglected by companies, particularly in reporting. By comparing social sustainability reports of 14 German chemical companies with regard to their conformity with the Global Reporting Initiative (GRI) guidelines, the authors reveal insights on the companies’ aims, benefits and different foci, and discuss the comparability of reporting social activities and associated performance indicators.

The first paper of our Practitioner’s Section “Biomedical research and development in the Indian therapeutic drug industry” by Azamat Ali and Kunal Sinha deals with the current and future situation of R&D in the pharmaceutical sector, particularly focusing on biomedical drug development in India. By analyzing research as well as market information, the authors identify the main drivers for growth in this field. Moreover, the different magnitudes of R&D investments, routes and outcomes in drug development of six large Indian pharmaceutical firms are compared and also set in relation to the public sector’s research efforts.

Gert Müller presents an overview on risk management challenges and tools for turnaround projects in his article “Managing risk during turnarounds and large capital projects: Experience from the chemical industry”. After elaborating on the need for a different approach to risk management, the author suggests to consider various factors such as the probability and frequency of a risk to occur, barriers preventing hazards from becoming risks, the severity of consequences for different areas and countermeasures in order to evaluate and handle risks adequately. Reporting on practical experiences complements the insights on managing risks in turnaround projects.

Please enjoy reading the third issue of the twelfth volume of the Journal of Business Chemistry. We are grateful for the support of all authors and reviewers for this new issue. If you have any comments or suggestions, please do not hesitate to contact us at contact@businesschemistry.org.

Birte Golembiewski, Executive Editor