

ASSOCIATED CAPSULES GROUP**A HOLISTIC APPROACH TO INDUSTRIAL EXCELLENCE**

One of the largest manufacturers of hard gelatin capsules in the world, the Associated Capsules Group provides an integrated package of solutions for its customers. Unveiled here are some lesser-known aspects about this global player

The Associated Group has been a market leader in pharmaceutical ancillaries for over three decades, and now operates in several countries. The organisation is driven by passion, integrity, style and indigenously self-renewing, cutting-edge technology.

Leading pharma companies and others who interact with the Associated Group Companies were regular in their praise of the farsightedness, responsiveness and customer-focus of this group. We often heard comments about the superior quality, good management practices, new product introductions and leadership initiatives in the pharmaceutical industry and pharmacy profession. However, highlighted here are three lesser-known features of the Associated Group - those that demonstrate their holistic approach to industrial excellence.

THE AESTHETIC FACE OF INDUSTRY

Both Ajit and Jasjit Singh took their early training in schools and colleges abroad - Cambridge University, London University and the Harvard Business School. Little wonder then that they bring a fine aesthetic sense to business. In the words of a leader in the advertising profession, they have brought a sense of excitement to generally dreary industrial workplaces and products.

The aesthetic sensibility is demonstrated and begins with the choice of locations, layouts and architectural design of the extensive factories of the group - particularly the newer ones. They have stayed away from traditional ugly, overcrowded and polluted industrial estates.

The capsule factory at Dahanu, the largest in Asia, is set on 30 acres of pristine land in the only major green belt between Mumbai and Gujarat. Surrounded by tribal settlements, this huge, sleek factory works a 24/7-week and at night resembles a silently throbbing spaceship that has descended in the midst of acres of greenery and garden. Yet it is less than two hours away and very well connected to the city of Mumbai.

Other engineering and packaging factories are located near to Pune at Talegaon and Shirwal. The Talegaon factory, making pharma blister packing and cartoning machines, is set in what is locally known as "Paradise Valley" surrounded by green mountains and near a perennial river. A horse-breeding centre and a large mushroom factory are its only neighbours other than

farmers and farmland. The Shirwal factory - the only one in the group visible from a highway, draws admiring comment from those driving past because of its pleasing contemporary lines and garden architecture - reminiscent of the Johnson & Johnson factories in the Eastern United States.

The interiors of the factories and offices are strikingly elegant and yet functional. Some of these, along with the exteriors of a couple of the factories, are shown here in photographs. The interiors have been designed by Kavita Singh, the well-known and talented interior designer. She plays a dual role as Jasjit Singh's wife as well. According to company personnel, the layouts are both comfortable and stimulating and they bring family and associates to see their workplace, with a sense of pride.

BUSINESS AS A PATRON OF ART

Ajit and Jasjit Singh, having returned to India in the early 1960s, began collecting modern Indian art right from then. It was a time when, in spite of the proliferation of works of talented young artists, foreign-returned professionals preferred to embellish their homes with table-top copies of the Eiffel Tower, English porcelain and Czech glassware. By the end of the seventies, the brothers had built up the major part of a vast variety of top-quality work done by painters, many of whom subsequently started to become well known. By the time the first Christie's auction led to an escalation of prices, their collection was in place.



Interiors of the Group's elegantly designed office at Nariman Point in Mumbai

'IF YOU DO NOT LOOK OUTWARD, YOU WILL SOON BE REPLACED'

Having identified capsules as their area of core business, **Ajit Singh, Chairman, Associated Capsules Group**, and **Jasjit Singh, Managing Director**, have never looked back. Today, they have built up a company based on sharp focus, strong R&D, high productivity and excellent customer relationship. Excerpts from an interview they had with *Pharma Bio World*:

It's been four decades for the Associated Capsules Group, during which period you've metamorphosed into a complete solutions provider in the hard gelatin capsule business. What do you think are the key factors that have taken you to this level today?

Jasjit Singh (JS): Well, we still have a long way to go to reach a level at which we will ourselves be satisfied. However, factors that have helped us so far are: extreme focus on the relatively small market for our products, staying close to the customer, building on strong R&D strengths, continuously pushing for increased productivity and lower costs and being known and trusted for fair dealings right across the supply chain from our customers to our suppliers, not forgetting our employees and affiliates. You can pay McKinsey a good part of your earnings and get the same advice - or you can feel it in your gut and practise it by natural instinct right from when you were a small organisation.

Could you please elaborate on the integrated solutions approach that you have adopted?

Ajit Singh (AS): It is quite simple really. Our core business is capsules. Anything that impacts on this business is of interest to us - the subject of intense scrutiny, access, acquisition of expertise and possible diversification. Nothing else, however attractive business-wise, interests us. It is a brave route to follow, but it gives great value to your customers. In a technology driven business, it is perhaps the only way today to become world class and be a successful long-term international player.

There should've been a good level of foresight when you decided to enter the pharmaceutical business. What were the external factors that had an impact on your growth? How friendly was the government's policy framework?

AS: Now that we have devoted almost a generation, time-wise, to serving the pharmaceutical business, we are very glad for it. We are grateful to this industry which stood by us when we were small, and still does. It has demanded high standards and quality which has meant very hard work and continuous re-investment of our surpluses. In return, it has



**Ajit Singh,
Chairman**



**Jasjit Singh,
Managing
Director**

rewarded us by never forcing us to face a recession. However, to meet our growth objectives, fill our world-sized plants and maintain a global leadership, we have had to look far beyond India.

The government's policy framework may have been frustrating and retrograde at times. But that is largely because, like the pharmaceutical industry, it is not a good communicator. The government sees itself as the prime provider for the masses and the underprivileged. It has been commented that, without the government's earlier policy framework, medicines would not have been available as plentifully and cheaply as at present. Whether such a strict framework is still needed and is still functional, in view of the new imperatives, is the subject of comment again. Years ago, an American Ambassador to India remarked that India had sacrificed growth for stability. We need to learn new lessons faster from countries (and some states in India) that now seem to have achieved both.

You must've worked under severe constraints, when everything was heavily licensed, and it would take almost a year to get an import license. How did you circumvent this problem?

AS: The severe constraints were part of our training. It now makes succeeding overseas seem so much the easier. We are really proud of our managers who seem to thrive under conditions of greater certainty and our technicians who work so much more assiduously, to serve overseas customers from our domestic and overseas bases. As far as circumventing the problem of licensing of capacities, we (and, I think, other agile companies) carried on growing as if it simply did not exist. Restricting output of a vital constituent of life saving medicines neither made sense nor was in the national interest. And, as usual, the higher up in government circles we went, the more support we received. Years later, I mentioned this to the late Mr. L. K. Jha, one of our senior-most civil servants and a family friend. He was a promulgator of the 1956 industrial policy which gave India its licensing philosophy. He laughed and said that the license was conceived so as to ensure a minimum level

of production and not the maximum. About import licenses, you're right that it took ages. If you read Gurcharan Das' excellent book, 'Unbounded India', you will find that licensing really slowed down and warped industrial growth. It may no longer make sense, but we circumvented it by learning how to make our own capital equipment. We then pushed those who held licenses to make our key raw materials to hurry up, or we would do it ourselves. By then, we were a major user, so this had the desired result. We had youth and passion on our side, so nothing was really a constraint - only a challenge.

You have been strong in developing strategic alliances and improving your presence in global markets. What were the lessons you have learned on the need for Indian companies to have a global outlook?

JS: Yes, we have been fortunate in tying up our newer affiliated product lines with the best names in the world - IWK, GLATT, VAW, HONEYWELL, THEEGARTEN PACTEC. Indian companies in all fields need to cultivate a global outlook and alliances. There is no easy market anywhere in the world anymore, and the sooner we learn to be a global player, the better. If you do not look outward, you will soon be replaced by the best in the world, even in the domestic market.

What was the objective and inspiration behind SciTech centre?

JS: SciTech Centre is an independent affiliate that works on longer term projects which have a vision, a rhythm and time cycles of completion that are at variance with that of industrial activity. It services the pharmaceutical industry largely by partnering its development activity. Its research-based initiatives includes grants and publications and conducting and sponsoring conferences and workshops, and publications, many of which are held in its own state-of-the-art Advanced Learning Centre.

Your mission statement is to become a global market leader in capsules and related machinery. What are your future plans in this context? How do you foresee the growth of the pharma industry?

AS: Our future plans remain those spelled out in the Mission Statement. This was created over ten years ago through the joint effort of dozens of our personnel, across many levels of our organisation. Jasjit then summarised, polished and produced it in simple, direct and inspiring language. Every few years, we try to upgrade and improve it but, other than minor alterations, it seems to stand the test of time.

Beautiful works of art adorn the walls and passages of the factories, offices and not just their homes but the homes of many of the managers as well. The Group takes particular care to see that the families of their personnel are brought up appreciating the art on their walls. There has never been a shortage of space to hang one of the most significant collections of art in the country.

Part of their motivation was the joy of discovering and helping young artists, and in the seventies they really needed a helping hand. In many cases, the painters have faded away, but not the fine work they created in their early passionate phase. Inspired by visits to the Group factories, many painters incorporated capsules and the themes of learning and research into their works. Not surprisingly, such paintings were snapped up by the brothers.

One series in the collection consists of paintings with an implicit message concerning Productivity in Management or aspects of business truisms - quite unnoticed by the painters themselves. The

struck by a visit to see the centuries-old tradition of tribal art still being created on the walls of mud and straw huts by masters like Soma Divya at Ganjad village - and then a minute later to arrive at the futuristic factory adorned with contemporary paintings.

INDUSTRY AS A SOCIAL CHANGE AGENT

Both cinematic films and industrial enterprises can be among the most powerful and effective agents of social change and advancement in a country like India, one having the skills to inspire through entertainment and the other, the skills of creating productivity through organisation. The Associated Group has interwoven the strands of social obligation into the very fabric of their industrial activity - and right from the beginning.

Even as a new single factory enterprise at Kandivli West, a few minutes from the beautiful Marve and Manori beaches, they gave priority to the employment of the physically challenged. At one time, this initiative crossed over 200 men and women both in-house and at the Fellowship of the Physically Handicapped at Worli. Earning good salaries, at par with the able-bodied, this supposedly disadvantaged group formed a loyal and efficient, long-term work force. From a position of never having held a job before, they became the chief breadwinners for their families. Recognition and awards, through nominations by bureaucrats, were heaped on this young company, from the President of India and the Maharashtra Government. Smt Sheila Kaul, the then Minister of Education, Culture and Social Welfare, Government of India, on her visit to the Associated Capsules unit in September 1982, spent several hours studying the techniques they had used to successfully induct such large numbers of the previously unemployable into the national work force.

"It was my duty to come and see what was being done by dedicated people in Bombay. I went around the Associated Capsules this morning, I was much satisfied



Advanced Learning Centre

that people are caring for those who are not gifted with all the benefits which are given to other people," she said.

"To me this signified yet another example of how industry and voluntary efforts can come together to forge a new era of co-operative endeavour. Such a noble expression of social responsibility by industry, when carried to different parts of the country, will kindle new hope and bring confidence not only to the physically handicapped, but also to their families," the Minister added.

Years later, due to new highly automated technologies introduced to meet GMP and export requirements, the company had to downsize its workforce by over 400 people. It was perhaps the first informal voluntary retirement scheme in the country and, notably, approved by employee representatives. Most of the physically challenged employees' group took the offer. Each departing person was assisted on a one-on-one basis with funding, entrepreneurial training and business advice. A new class of 400 entrepreneurs was created, who in turn employed another 800. The company's management was invited by the Government to make a special presentation at the Tripartite Labour Conference at Delhi consisting of public sector heads, union leaders and the government. It was a rare honour for a private sector company.

In the tribal area of Dahanu, the group is known for their social work and efforts towards uplifting the tribal community. The information gathered from old-timers is as follows:

When the Group first purchased the fairly extensive piece of land to put up a large modern factory, they were very conscious of the concerns of the Warli



Dr. Arnold H. Beckett inaugurating the Scientific Pharmacy Museum-cum-Demonstration and Training Centre in 1987

group hopes to fund a brief art film enunciating skills that create a successful organisation, made just from a succession of paintings and a voice-over and music track.

Quite appropriately the largest plant in the group at Dahanu is located among villages of the Warli Tribal artists at Dahanu. Foreign buyers inspecting the plant are quite



The Group's factory near Pune

tribals in the immediate vicinity, and the residents of the then small town of Dahanu with its charming old-world atmosphere and idyllic beaches. So, the very first three project personnel hired were not engineers and architects but two agricultural scientists and a sociologist trained in tribal welfare.

For over several seasons, training programmes and scientific agricultural techniques were demonstrated to the local farmers, first on the company's own property and later by extension into the tribals' pieces of land over a 10-mile radius. Besides the training, special seeds and plantings were brought in and distributed - even from abroad. The Group was one of the first to bring in the superior red 'disco' papaya and the nutritious long-grained American variety of sweet corn, now common in shops in the elite parts of Mumbai and elsewhere. The objective was to enhance the income of the local tribals through lab-to-land and one-hut one-tree initiatives. These initiatives at being agents of change in a focused area were featured on Doordarshan TV several times.

Once, when fencing in the outer peripheries of the factory property, the company sociologist noticed considerable agitation among the neighbours. It was found that the construction engineers had unknowingly sealed off an ancient tribal pathway said to be used by the spirits of their ancestors. The engineers insisted that the fencing had to stay, to prevent cattle straying into the company premises and eating up or damaging the plants in the demonstration farms. Eventually, an amicable agreement was worked out. The company arranged for a very holy and powerful 'Shaman' to be brought in from afar. The necessary extensive ceremonies

were performed to create a new pathway for the spirits and the tribals around the company property. This was followed by much feasting, Warli tribal dancing and consumption of home-made liquors from Mahua flowers - all of which the company personnel happily joined. Such gestures, rarely demonstrated by industry, endeared them to the locals. Today, two decades later, a modern factory and an ancient tribal culture exist peacefully side-by-side, in a spirit of mutual trust and partnership.

In the past, the Group also worked in harmony with the revered late Anutai Wagh - the 'Mother Teresa' of Western India, whose tribal teachers' welfare institution was located not far away. Again by innovatively training an improbable group - this time tribals and tribal teachers - the company was able to sub-contract its work to give employment on a part-time and full-time basis that enabled Anutai's institution to earn a sizeable income to fund its tribal teacher initiatives. The Group sponsored "balwadis" or schools under trees, which took the learning place to the students instead of vice-versa. One special funding initiative helped a school in Dahanu to provide vocational training and accommodation for several dozen youngsters, all physically challenged, who had been collected from the forests by Anutai Wagh, where they had been abandoned by their parents to be consumed by a passing animal!

Coming to the present time, the Group is a well-known benefactor in the Dahanu area. Today, St. Mary's Convent School, the leading school in Dahanu, has a science block donated by the group. Books are continuously donated from the group's collection. Some years ago, a stream of overseas funding was arranged by Associated from a foundation in California for several social initiatives in the surrounding areas. In the villages close to the factory, the Group company assists the community in a number of areas - street lighting in the villages, provision of water, textbooks, furniture, and extensions to the local schools. A major part of such activity is now channelled through and nurtured by 'Capsulina', the ladies welfare organisation formed by the spouses of the company personnel. Annual medical camps, film shows for tribal children,

educational and hygiene training programmes and several such activities keep the members of the organisation well occupied.

In each of its 10 locations, group companies have been similarly occupied in several social projects. Numerous initiatives to assist education and research are also evident - for instance the setting up of a pharmacy museum at the Prof. KMK College in Mumbai, the donation of equipments and scientific video-tapes to others - even awards for the best young pharma scientist among NRIs in the USA, administered through their North American operation and the AAiPS. If there is one rule the Group follows it is that its role as a social change agent be limited to the immediate geographical areas where it operates. This ensures that there is personal involvement of its people in the effort, and no waste of resources.

Remembering the words of a former Prime Minister that hardly 12 Paise out of 100 in a rupee of government relief actually



Asia's largest capsule factory at Dahanu

reaches the needy, it is surely the social change being brought about by enterprises like the Associated Group that is most needed in the country.

For their efforts, at training, education, and research which has benefited the world community, the Group was recognised by the UNIDO, through a special citation and certificate.

For a Group of companies that is constantly growing and evolving its technology and business and seeks to make a difference to society in so many ways, it is a recognition well deserved.

