



Organisation of Pharmaceutical Producers of India

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Summary Report – Ethics Summit 2017

Doing Business the Right Way



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Setting the context

About OPPI and Ethics Summit 2017

Trust is an emotional glue which holds people together. It is generally said that trust is built over years, but destroyed in seconds. Trust—or, too often, the lack of it—is one of the central issues of our time. Without trust, institutions don't work, societies falter and people lose faith in their leaders and businesses. The series of financial scams over the past decade and a half have created a lack of trust in the business environment. To be successful in the long run, a corporate must strive to earn the deep seated trust of its stakeholders through ethical conduct and responsible business practices.

Ethics is a moral compass which dictates one's behavior. Ethics in the corporate sector is no different from ethics in the personal life, one leads to the other, and it starts with oneself. In the quest for trust, ultimately it is important for each individual in the corporate world to accept personal responsibility in embedding ethics in corporate life.



Established in 1965, the Organisation of Pharmaceutical Producers of India (OPPI) represents the research-based pharmaceutical companies in India. OPPI is committed to supporting India's healthcare objectives and engaging with the Government and other stakeholders to find sustainable healthcare solutions. Every year, OPPI takes the responsibility to create awareness with regard to the robust and ethical business environment while dealing with healthcare practitioners, keeping safety, efficacy of the drugs, quality and patient safety in focus. OPPI has taken various industry initiatives such as HR Summit, Healthcare Access Summit, Media Roundtable on IPR Policy, HR Conclave, Ethics Summit and roundtable discussions of media and healthcare practitioners over the past few years to promote ethical business practices in the pharmaceuticals and medical devices industry.

This year, the OPPI Ethics and Compliance Workgroup led by Mr. Sharad Tyagi, Vice President of OPPI and the Chairman and Managing Director of Boehringer Ingelheim India Private Limited organized the Ethics Summit 2017 at Taj Lands End, Bandra, Mumbai on September 5, 2017. The key theme of Ethics Summit 2017 was ***'Doing Business the Right Way'***.





The Summit included keynote speaker sessions, panel discussion and an interactive learning session on the Uniform Code for Pharmaceuticals Marketing Practices (UCPMP) for Indian Pharmaceutical industry. Experts from diverse industries participated in this event and shared their experiences and perspective around this topic. Some of the key note speakers were:

- **Dr. Mukund Rajan** – Chief Ethics Officer, Tata Group
- **Mr. Sudhansh Pant** – Joint Secretary, Department of Pharmaceuticals, Government of India
- **Mr. Srinivasan K Swamy** – Chairman Advertising Standards Council of India (ASCI), Chairman and Managing Director, R K Swamy BBDO Pvt. Ltd.
- **Mr. Sharad Tyagi** – Vice President, OPPI and Chairman, Compliance and Governance, Work Group and Managing Director, Boehringer Ingelheim India Private Limited
- **Mr. Ranjit Shahani** – President Emeritus, OPPI and Vice Chairman and Managing Director, Novartis India Limited.

The panel discussion was moderated by Mr. Sujay Shetty - Partner-Pharma Life Sciences Leader, Asia Pacific, PricewaterhouseCoopers Private Limited, and included business leaders representing various industries such as entertainment, pharmaceuticals, insurance and FMCG.





Key Takeaways

Increasing Importance of Ethical Business Practices

Today, corporates around the world operate in an environment of significantly diminishing trust in their employees, vendors and public in general. In India, the story is no different. In the wake of the 2G spectrum scam, coal block allocation scam and many such scams in the country during the past decade in particular, there is an enormously increased scrutiny on the corporate sector, particularly by the media and the judiciary. The consequence of breaching the provisions of the international and domestic regulations such as the Bribery act, US FCPA and Prevention of Corruption Act and other industry specific laws and regulations not only levies fines extended over billions of dollars but also a significant erosion of brand equity for the companies.

Most of the times, people don't run into ethical problem but they run into dilemmas. The issue is not about ethics itself, people know what is ethics is but at times of stress are they able to hold that integrity without a leak. Today, citizens around the world have become empowered by democratization, information access through World Wide Web and the power of instant scrutiny through social media. Such scrutiny of corporate conduct extends far beyond business performance and covers aspects such as governance, risk management, protection of human rights, fair labour relations, commitment towards sustainability, nurturing of diversity and inclusion and many other issues.



Hence, ethical business conduct has become an important aspect of the corporate DNA. A growing number of organizations are emphasizing on the need to embed ethical practices in conducting business with their clientele, business partners, competitors and government bodies. With the proliferation of data and new ways of inter-connectivity, ***'Doing business the right way'*** has become the necessity to move forward. The time has come now that companies would be measured in terms of EQ i.e. Ethical Quotient of how they operate in the society at large. Life is full of dilemmas. What is right and wrong? What is slightly right and what is slightly wrong? You have to take a call and this is the compass that we must all follow.



Expert Speak

"Doing good ethics is doing good business."

- Mr. Ranjit Shahani

Key Principles of ‘Doing Business the Right Way’

For a business to be successful, it is imperative to adopt policies that are ethical and forward-thinking rather than focusing on short-term gains. Doing business the right way calls for the courage to make decisions which are responsible and establish the ‘right’ thing for the entire business eco system.

It is important to establish the right tone at the top. For this, CEOs, board of directors and key management personnel need to be committed to enforcing the right practices in their organizations. In this quest, it is important for each individual associated with the organisation to take personal responsibility in embedding ethics in their corporate life. through ethical conduct and responsible business practices.

Every organisation should aim to maintain a balance between building a culture of compliance while maximizing profits by becoming innovative, agile and more relevant to the marketplace, they operate in.

It is critical that every individual associated with the organisation should be provided with an opportunity and a platform to communicate the ethics lessons and learnings which earn trust and goodwill for the organisation.



Expert Speak

“Ethics is the knowing the difference between what is your right to do and what is right to do!” - :

Mr. Sudhansh Pant

Code of Conduct: An Important Ethics and Compliance Tool

A well written code of conduct is the key for inculcating the right value system in an organisation, enforcing ethics and compliance and to help employees appropriately respond to the ethical dilemmas faced while executing their day-to- day responsibilities.

Citizens around the world are now beginning to hold higher standard of conduct than they did in the past. Every organisation should take steps to ensure that their code of conduct remains contemporary, relevant and meaningful during the constantly evolving business and regulatory environment. Corporates now need to be increasingly concerned about the kind of scrutiny and requirement for range of compliance, even more than their own companies they should be concerned about the vendors and value chain partners. Global best practices suggest that the codes of conduct are to be reviewed and often will be refreshed every six (6) to seven (7) years.

The code of conduct of different group companies of the organisation should be assessed regularly to ensure that they are aligned to the value system. Further, the code of conduct of different group of companies should not only be benchmarked against each other but also against the global standards to identify the areas of the improvement.

The code of conduct should be easily accessible to all the employees and organizations should deploy relevant tools and programmes to cascade the understanding of the code to all the levels. The tools may include basic self-study, e-modules, and interactive workshops for employees across different languages. As professionals we need to reflect on how we can see opportunities to communicate the lessons and stories that do earn us trust and goodwill. This is becoming critical to sustain the profitable growth of any business because consumers are now increasingly aware and demanding.



Expert Speak

“In the past decade and half we have seen two refreshes of the TATA code of conduct.”

-Dr. Mukund Rajan

Adopting Ethical Marketing Practices

The panel discussion held during the event discussed certain key aspects of functioning in an ethical manner within the business environment. The eminent panelists from diverse industry backgrounds expressed their viewpoints on ethics with one panelist stating ethics starts with your personal values and how that transcends into your actions and behavior, while others dwelled on aligning the definition of right across the respective stakeholders. Other panelists also felt that most of the times people don't face ethical problems but they run into ethical dilemmas and the real test is how long they are able to hold their integrity during such stress and dilemmas. Also, the importance of following the laws of the land and not justifying the means to a good end was also termed as being ethical in life.

During the discussions, the panelists also took cognizance of the recent developments such as GST, demonetization and other initiatives which government has adopted in recent past since it is being felt that the time has come to exercise hard controls and equally strong monitoring system to control the elements of non-compliance and unethical behavior within the society. The panelists agreed that ethical practices should be continued to be followed since that brings in benefits of a sustainable and profitable organization in the long run; against doing unethical things in short term to win customer confidence.

Mr. D G Shah, IPA, Secretary General also commented that the Government should bring in acts such as US Sunshine Act which holds the medical practitioner and the pharmaceutical company equally responsible for unethical behavior and is transparent in nature. The panelists concluded the discussion by stressing on the difference between being profitable and profiteering, as being profitable can be viewed as being ethical but as you move towards profiteering then people end up doing compromises.

Organisations should strive to create simple marketing solutions to help their consumers understand the features of the product, its suitability and the exclusions in order to avoid consumer complaints at a later date.

The advertisements should set standards for the disclaimers such as font size, placement and the duration of time for which the disclaimers are displayed in the advertisements. Such practices will help in enhancing the customer confidence in advertising.

The Advertising Standards Council of India (ASCI) has National Advertising Monitoring Service (NAMS) to promote honest advertising and fair competition in the market place. NAMS helps in tracking if the advertisements placed by organizations are misleading, false or unsubstantiated in their claims.



Expert Speak

“Self-regulation is better than being regulated. Hence, organizations should create self-regulation groups in their industry to regulate the marketing practices.”

- Mr. Srinivasan K Swamy

Making UCPMP Code Mandatory for the Pharmaceutical Industry

Ethics is the knowing the difference between what is your right to do and right to do and it has to flow from the top. As per the Pharma sector's concern there may be 99% compliance but a single case of non-compliance attracts negative media and then all the focus shifts on the unethical practices. While pharmaceutical organizations have commercial goals and priorities, it is important that these objectives are balanced with the right conduct which creates trust in patients, regulators and health care practitioners. It is also important to understand how diverse organizations face ethical dilemmas and what are some of the best practices in managing the ethics and compliance-related responsibilities. The government recognized this problem and came out with the code in January 2015.

The Industry needs a statutory code with some legal backing along with penalty and primitive action. With this feedback, government has already started working on revised code under the ambit of the Essential Commodities Act, the only act where the drugs fit in. The draft code already in existence had some legal issues which hopefully should be implemented as soon as legal formalities are completed. The new act would be within the ambit of the Essential Commodity Act since it will involve the same kind of penalties or punishments which are prescribed in the act and would be a good deterrent. The idea is not to hamper the growth of the industry but just provide a level playing field.

Keeping that context in mind, OPPI brought in a gamification angle by educating the people on the ethics framework to be adopted by employees involved in pharmaceutical advertising. The game developed by Point Blank puts forth multiple ethical dilemmas which the pharmaceutical employees have to undergo during their interactions with the doctors and hospital staff and offered challenging situations to the players while resolving them. The gamification launched on the pebbles platform tested the familiarity of the OPPI code of ethics and provisions of the UCPMP code along with user scenarios, case studies and stories to enable the participant make the right decision in that situation. The scenario-based game was designed to be an instant refresher course for the Sales, Marketing and Business teams who interface with external stakeholders on behalf of the company and provides them with a score at the end of the game. The score serves as an indicator for improvement and more the game is played and propagated, more effective will be the adherence to the Code. The game was highly successful and appreciated by all participants present including Mr. Sudhansh Pant, Joint Secretary (Pharma) who stated that the game could be used for propagation of the UCPMP code once it is made mandatory.

Uniform Code for Pharmaceuticals Marketing Practices (UCPMP) is a voluntary code to promote ethical marketing practices for Indian Pharmaceutical industry. The UCPMP code shall help in providing a level playing field for small, medium and large scale organizations for maintaining ethics and compliance standards. At present, the efforts are being made to make this code mandatory for organizations. Just like in communication very often more than what you say; how you say things makes a difference, same goes with ethics and compliance. We understand that not only do we do things the right way but we make sure that we are transparent. Also while showing to the rest of the world that we are doing things the right way, we do not seem to be hiding anything and want to make sure that all our stakeholders; not just the doctor or patients but even the NGOs and everyone are aware that we are doing things the right way. The aim of the ethics and compliance group is not just to make sure that we follow the ledger of the law but to make sure that we are perceived as well as following the ledger of the law.



Expert Speak

"It is important to make UCPMP mandatory, so that everyone has a certain boundary at which they will operate in."

- Mr. Sharad Tyagi.

Conclusion

With the proliferation of data and new ways of inter-connectivity, ***'Doing business the right way'*** has become the necessity for the corporates around the world. It calls for the courage to make decisions which are responsible and establish the 'right' thing for the entire business eco system. A growing number of organizations are emphasizing on the need to embed ethical practices in conducting business with their clientele, business partners, competitors and government bodies.

The valuable insights shared by esteemed speakers at the OPPI's Ethics Summit 2017 included innovative ways to assist organizations to inculcate ethics and compliance as a part of the organisational DNA as also to help their employees respond appropriately to the ethical dilemmas faced while executing their day-to-day responsibilities. The key takeaways such as practices to setting the tone at the top, various ways to maintain a balance between building a culture of compliance while maximizing profits, providing an internal platform to communicate the ethics lessons and learnings, best practices for drafting the organisation's Code of Conduct, adopting ethical marketing practices and making UCPMP code mandatory for the Pharmaceutical Industry will definitely help organizations to set up ethical and responsible business practices and earn profound trust of its stakeholders.

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