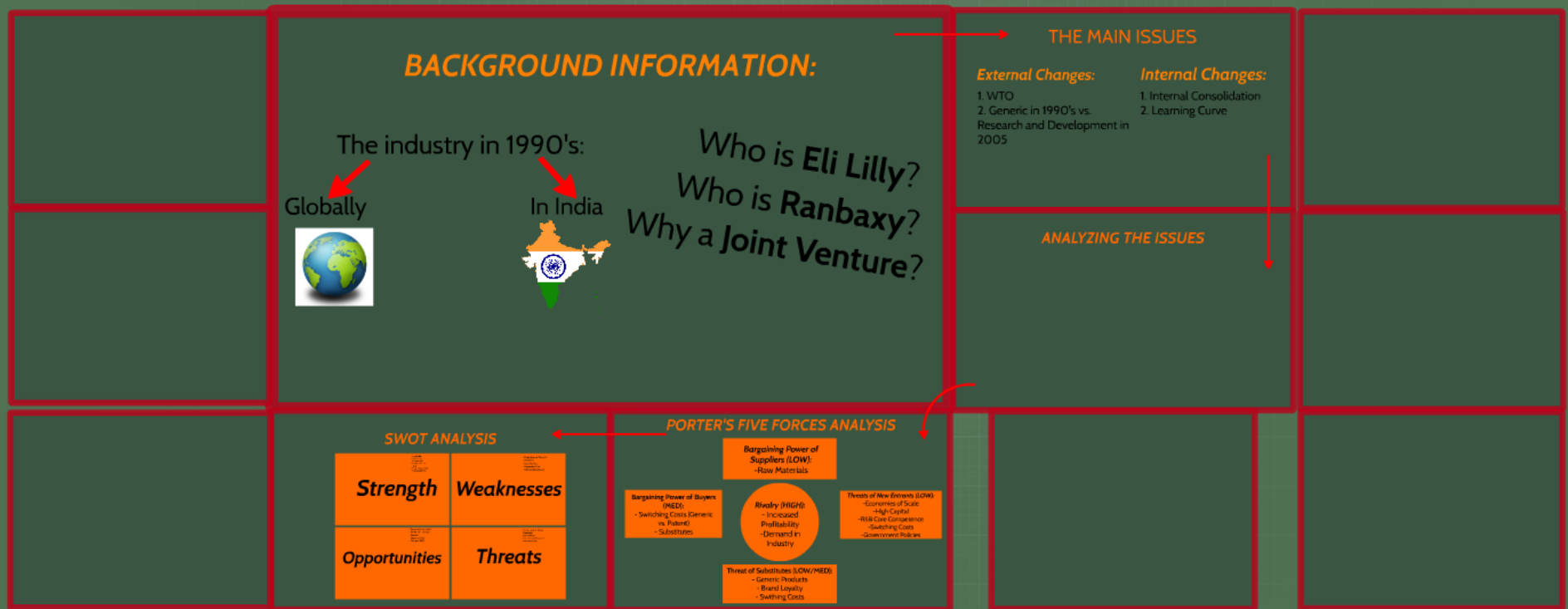


Eli Lilly In India Rethinking The Joint Venture Strategy

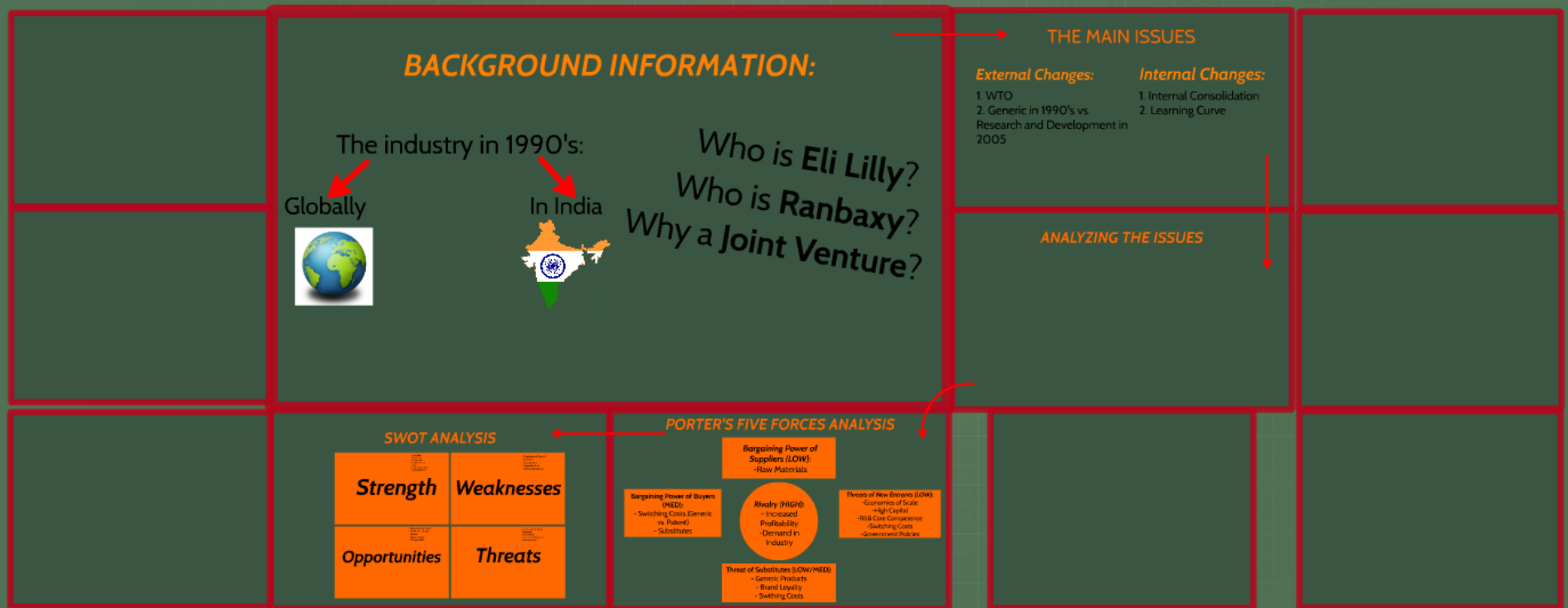
Harvard Case Solution & Analysis



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Eli Lilly In India Rethinking The Joint Venture Strategy

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BACKGROUND INFORMATION:

The industry in 1990's:

Globally



In India



Who is *Eli Lilly*?
Who is *Ranbaxy*?
Why a Joint Venture?

SWOT ANALYSIS

Strengths
Weaknesses
Opportunities
Threats

• Evaluation of Patents
• Financials
• Sales Growth
• Dependence on International Sales

PORTER'S FIVE FORCES ANALYSIS

Bargaining Power of
Suppliers (LOW):
-Raw Materials



THE MAIN ISSUES

External Changes:

1. WTO
2. Generic in 1990's vs.
Research and Development in
2005

Internal Changes:

1. Internal Consolidation
2. Learning Curve

ANALYZING THE ISSUES

ANALYZING THE ISSUES



PORTER'S FIVE FORCES ANALYSIS



Bargaining Power of Suppliers (LOW):
-Raw Materials

Bargaining Power of Buyers (MED):
- Switching Costs (Generic vs. Patent)
- Substitutes

Rivalry (HIGH):
- Increased Profitability
-Demand in Industry

Threats of New Entrants (LOW):
-Economies of Scale
-High Capital
-R&B Core Competence
-Switching Costs
-Government Policies

Threat of Substitutes (LOW/MED):
- Generic Products
- Brand Loyalty
- Switching Costs

SWOT ANALYSIS



Strength

- Reputation
- Stakeholder Relationship
- Low Production Cost
- Large Organization
- R&D Capabilities

Weaknesses

- Expiration of Patents
- Finances
- Less Control
- Dependent on International Sales

Opportunities

- Increase in demand
- Profitable Industry
- Growth Opportunities
- Cheaper R&D

Threats

- India is weak in Patent Protection
- Competition
- Government Protection
- Learning Curve

- Reputation
 - Stakeholder Relationship
 - Low Production Cost
 - Large Organization
 - R&D Capabilities
- 