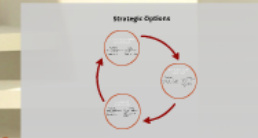


Lilly

A Joint Venture Case Study
Alison Mukai



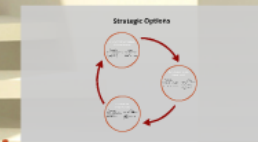
Recommendation

Buy out Ranbaxy's 50% share

- Able to keep brand name
- Have same distribution channels
- Invest more in innovation and development of new pharmaceutical drugs

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The Lilly logo is rendered in a vibrant red, cursive script. The letters are thick and fluid, with a prominent dot on the 'i'. The logo is set against a white background with a subtle grid pattern.

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Alison Mukai



You **Tube**

Global Pharmaceutical Industry in the 1990s

- Rapid industry growth
 - Concentrated markets in North America, Japan and Europe
 - Top 50 companies made up 60-75% of total sales
- Expensive and time consuming industry
- 20 year patent protection
- Increasing health care costs



Company History

- Founded in 1876 by Eli Lilly
- Started as a family business
- Generated \$11,000 in sales its first year
- 1905: sales increased to over \$1 million
- 1917: largest capsule production factory in the world
- 1952: company went public
- Mid 1980's Lilly starts global expansion
- 1992: world leader in manufacturing antibiotics, insulin and diabetic care
- Expansion options

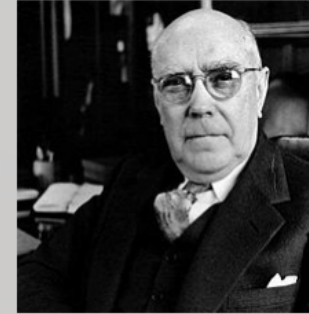


Indian Pharmaceutical Industry Progression

- Growing population over 800 million
- Switch from importing to generic drug production
 - DPCO and 1970 Patents Act
- Ranbaxy Laboratories
 - Start up in 1960 as family business
 - Exported to 47 countries
 - Capital costs significantly lower than the U.S.
 - Largest generic and bulk drug producers in India
 - Positive brand recognition in India



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