

# Business India

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## Adhering to value system

**Transasia is now one of the largest manufacturers of medical laboratory instruments in India**

In some ways, he is intimately linked with the darkest phase of Indian democracy – the Emergency. During those years in the mid-1970s, which were spent in close association with Rajmohan Gandhi and other leaders of the Sarvodaya movement, Suresh Vazirani's life moved in a direction that he has followed even to this day. He was all of 25 years old at the time.

Now, as chairman and managing director of the Rs150 crore, Transasia Biomedical, he continues to adhere to the value system, that he picked up in those years. The company has grown from a tiny provider of after-sales service for a Japanese-made blood cell counter to one of the largest manufacturers of medical laboratory instruments in the country.

In slightly under three decades after it was formed in 1979, Transasia has supplied critical instruments to over 10,000 laboratories from large multi-specialty hospitals to stand-alone pathology laboratories all over India. But his commitment to excellent after-sales service remains firmly entrenched in the company through his 102 service engineers located in different places.

In fact, the impact of his

years with Jayaprakash Narayan's followers was deeper than that. Even his choice of what kind of business he would do, was shaped by repeated visits to Mumbai's Jaslok Hospital, where Sarvodaya leader Jayaprakash Narayan was admitted for treatment of kidney failure. Here, Vazirani came



Vazirani: doing business with a social conscience

in close contact with renowned kidney specialist M.K. Mani, when he observed that a lot of medical equipment was poorly maintained and broke down quite often. This was a wonderful opportunity and he jumped into it with great enthusiasm.

By this time, he was 29, an electrical engineer from Nagpur university but past the age when he could apply for his first job. Having spent the previous five years with the JP movement and working on a small magazine called *Himmat*, edited by Rajmohan Gandhi, he had no work experience to bank upon. The only choice was to start something on his own. But what should that venture be?

Before joining hands with Rajmohan Gandhi, Vazirani had been linked with a loose coalition of over 100 young people from about 20 Asian countries, known as Moral Rearmament, which would organise musical shows in different places. Hence, when he started his own business in 1979, he named it Transasia after this diverse group. This was appropriate in another way as well. Some Japanese friends from the music group gave Transasia its first contract – marketing and after-sales service of a blood cell counter made in Japan.

"The machine weighed about 17 kg but I had to lug it around from one hospital to another, giving demonstrations of how it worked," Vazirani says. At that stage, the standard equipment in a majority of medical centres was a manual cell counter into which a technician would punch the numbers while peering into a microscope. It was often prone to errors.

For most physicians, the complete blood cell count was a crucial piece of data in diagnosis of a wide variety of illnesses from a simple allergy or everyday fever to the most complex forms of blood cancer. Even today, it is often the starting point in most requests for pathology lab work.

After about three years of continuous effort, more and more physicians began to respond favourably to the new idea that an automatic blood cell counter could work properly in India. Though such counters were already being widely used in Europe, many pathologists thought they would not be accurate enough in this country, because there would be too much interference from the dust in the air.

Over the next decade, Transasia began providing marketing and after-sales services for an increasing variety of equipment, manufactured by European and American companies and used by hospital laboratories across India. These included auto-analysers capable of doing biochemical tests, blood cell counts and other tests from a single blood sample at a very high speed, thus obviating the need for hospital nurses to draw blood samples from the same patient again and again. Many of these gadgets can conduct 600-800 tests an hour, which means blood samples of 100-200 patients can be processed simultaneously!

### Towards self-reliance

But, in the 1980s and early 1990s, these machines were relatively expensive, with only a few pathology laboratories and top notch hospitals in big cities being able to afford them. The only remedy was to manufacture them within the country, which is what Transasia began to do in 1991.

The company grew at a steady pace between 1991 and 1996, which coincided with the first phase of economic liberalisation in the country.

By 1996, Transasia had started to look at overseas markets and soon set up a manufacturing facility in SEEPZ (Santacruz Electronics Export Processing Zone) in Mumbai for this purpose. Likewise, a separate plant was set up in Daman, also because a lot of fiscal incentives were available, for meeting the demands of the domestic market.

Side by side, Vazirani and his core team started making inroads into the rapidly growing market of laboratory chemicals and reagents. In many multi-national companies, such as Abbott Laboratories and Bayer, the revenue these laboratory chemicals bring in is twice the turnover from sale



*Building machines for the healthcare industry*

of the machines. For Transasia, the figure is about 50 per cent – Rs70-75 crore comes from reagents and the rest from the machines. To grow this part of the company even further, Vazirani created a special business unit (SBU) three years ago, with Arghya Mitra as president. Mitra came to Transasia with nearly two decades of experience in the laboratory reagents market, having spent most of his career in a leading Italian company.

Vazirani expects the revenue from his reagents business to grow even further in the coming years, because a majority of the auto-analyser machines that his company has put in the market are relatively small pieces of equipment installed in stand-alone pathology laboratories. These are priced Rs1.5-3 lakh, which a lot of small and medium sized medical centres can afford quite easily.

“We have to process at least 100-120 tests per day, which means the samples from 20-25 patients have to be processed per day, to recover the investment on the machine,” says one pathologist in Mumbai. The high speed of the machine implies that he can get enough time to interpret the results and recommend appropriate action for the patients. “Transasia’s machines are quite good and they give attractive discounts as well but their service team could be a little better,” says K.G. Nair, medical director, Holy Family Hospital, Mumbai.

For the large hospitals and the export market, Transasia offers equipment that is much more sophisticated.

These are capable of conducting up to 1,000 biochemical and other tests per hour, which is sometimes an entire day’s workload at some institutions. Though these machines cost as much as Rs15 lakh, Vazirani says at least 1,000 of them have been installed in calendar year 2007 alone.

Now in the final phase of its evolution, Transasia has created an SBU for international business and, last year, it acquired a German company named Erba. It also has tie-ups with global giants like Sysmex Corporation and Wako of Japan, Medica (US), Biohit (Finland) and several others. It is also exporting its products to 55 countries including Italy, France, Germany, Australia, China, Turkey and even the US.

This performance has brought Vazirani and his company numerous awards such as the National Quality Award and National Expert Award in 2000 and the Most Promising SME at the Emerging India awards from CNBC in 2005. His company also received the National R&D award the same year. However, Vazirani is not about to rest on his laurels. His team of 60 research engineers are continuously striving hard to develop new products, modify existing ones and adding value wherever they can. As his clients raise their own benchmarks, with many of them seeking recognition from the prestigious College of American Pathologists (CAP), Transasia’s research scientists often prove a decisive factor in these efforts.