

## The 'Standard' Way of Doing Business

K NAGESWARA RAO



During 2016, the Standard Group of Companies posted business growth of 34 per cent over 2015 and anticipates much of the same growth in 2017 and 2018. This should deliver a modest ₹ 500 crores/year sales turnover by the end of 2021 which is pretty impressive given their standing start just a few years ago. During an interview with **K Nageswara Rao, Group Managing Director, Standard Group**, it becomes clear that the Standard Group is following anything but a 'standard' business model.

### What is your view on the market opportunities for Standard?

The Indian domestic market is an exciting place to operate in right now. The investment and infrastructure developments across practically all industry sectors mean that there are plenty of business opportunities around; no matter what products or services you aim to deliver.

The Standard Group of Companies provides products and services for all industrial sectors however; strategically we predominately specialize in providing turnkey equipment solutions specifically for the Pharmaceutical, Biotechnology, Life Science and Chemical sectors.

Our business vision is simple. People are living longer today than they did just a few decades ago and everything suggests that this is set to continue almost indefinitely. It is predicted by many leading academics that a person born somewhere in the world today will live to be over 150 years old! While this is an incredible prediction, we at Standard feel that it is highly realistic and probable given the current exponential technological advances in 'human health management'.

Technological advances are very apparent in the Indian pharmaceutical sector as new drugs are being developed and manufactured almost on a daily basis, each with the sole aim to extend human life expectancy. In turn, these new drug developments necessitate the need for new processing plants, facility upgrades and expansion projects which in turn necessitates

the needs for innovative process equipment solutions. So, targeting these 'health management' industry sectors feels like a good strategic-bet to invest our time and energy.

In addition to this, South India is rapidly becoming the pharmaceutical manufacturing capital of the world as India's leading drug manufacturers transition globally, growing organically as well as through mergers and acquisitions (M&A's) with international players. Therefore geographically, our business headquartered in Hyderabad, ticks all the right boxes in this regard also.

So, Standard Group's vision is clear. By targeting secure, high growth markets such as the pharmaceutical and API/bulk drugs industrial sector, which is dominant around Standard's home location of Andhra Pradesh and Telangana in South India, helps to future-proof their business and provide a strong foundation of success.

### How does Standard differentiate themselves from their competitors?

Once we had a clear understanding of our Groups vision, we then looked into doing the 'right things' and define our business 'purpose' to fulfill this said vision. We started the Group's product range by designing, manufacturing and installing innovative stainless steel and glass lined process equipment such as reactors, receivers and storage tanks. This type of equipment is mandatory in drugs manufacturing so again a safe-bet for product



development and stock/capital investment. However, having a world-class product range is just one 'right thing' in our purpose objective. We subsequently made a name for ourselves with our clients by delivering said products with exceptional customer service and industry leading short delivery times.

We then worked extensively with project managers, purchasing and production engineers and looked to enhance our Group services further to maximize the 'sales call value'. We understand that designing and building new facilities and/or enhancing existing production process lines is a complex task. Integrating multiple items of equipment from dozens of suppliers can be a recipe for problems, delays and increased unplanned client costs. We therefore saw an opportunity to remove some of the headaches experienced by our clients, by Standard providing additional value adding products supported through our exceptional customer service company culture.

## What products does Standard offer?

Many forward thinking customers are now looking for turnkey equipment solutions from a single or limited number of suppliers. We therefore developed our Group products to fulfill this requirement and thus extended our supply range to include dryers, filters, valves and pumps.

At Standard, everyone from sales through to assembly personnel understand the basic philosophy that when we do 'right things' this typically helps to make the life's of our customers just a little bit easier. This, in turn, often results in mutual deeper trust and respect and ultimately increased sales for us. In return we deliver productivity gains, enhanced equipment reliability and reduced capital spend benefits for our customers. Organizational success is a byproduct when a company embraces total cultural commitment to exceptional customer service.

To further accelerate our business purpose objective, Standard then embarked on a strategy of both organic and acquisition led business developments with the sole aim to further deliver complimentary turnkey process equipment solutions for the vast majority of operational processes in a typical pilot, batch or full production facility in our target industrial sectors.

For example, in July 2014, a Standard Group company acquired an UK based company and successfully integrated its technology and manufacturing processes into the Groups product portfolio.

Our innovative, hybrid drying equipment is particularly attractive to most forward thinking customers as the operational improvements such as improved product quality, reduced process cycle time and increased operator safety, offers significant customer benefits.

Standard has supplied over one hundred Agitated Nutsche Filter Dryers (ANFD's) in recent months together with dozens of Rotary Cone Vacuum Dryers (RCVD's).

Our modular technology is akin to selecting a meal from a menu at a restaurant. Clients can choose from a multitude of pre-designed equipment options to configure our equipment to their individual requirements. Doing the 'right things' is also about anticipating what the client needs and designing products modular so that they can be easily configured without undue cost or lead time penalty.

This modular technology concept is very apparent in the Groups range of glass lined AE and CE Reactors and Receivers. Our glass lining technology compares very favorably with the finest in the world. It has incredible chemical and thermal resistance properties and our systems can be delivered in a turnkey solution with a dry vacuum pump, for solvent vapour extraction and innovative automated reactor sampling technology.

In addition, Standard offers the very latest barrier isolator and glove box technology for all hazardous category requirements, across all formulation and API/bulk drug applications. Our comprehensive barrier isolator product range covers everything from simple glove boxes to complex, pressurized automated systems. Our turnkey supply solutions therefore come into their own when clients require integrated technology-combinations such as ANFD's with an integrated barrier isolator.

## What Indian manufacturing capabilities does Standard have?

Today Standard is headquartered in Hyderabad, India and together with an UK innovation and service centre and multiple satellite offices and service centres in Mumbai, Vizag, Chennai and Pune, is one of the leading manufacturers of glass lined and stainless steel process equipment.

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*“Business is all about doing the right things in the right order with the right people and by doing this, money and success will eventually result”*

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The Standard Group of Companies specialize in providing complete turnkey solutions with exceptional customer service and design, manufacture, assemble, test, install and commission all types of process equipment products from Reactors to Agitated Nutsche Filter Dryers, Thermal Control Units to Barrier Isolators.

Standard has the in-house capability to manufacture stainless and exotic/nickel alloy equipment and vessels up to 30,000 litres capacity and glass lined carbon steel equipment and vessels to 16,000 litres. All are manufactured cGMP and cGAMP to national and international standards including ASME, ANSI, DIN, PED, CE and ISO.

The team at Standard has decades of industrial experience designing, manufacturing and installing innovative, technologically advantageous and commercially attractive process equipment. Their knowledge spans practically all applications in the Pharmaceutical and API/Bulk Drugs sector from scaled pilot



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plant laboratory equipment to integrated barrier isolators for production tablet coating machines.

In addition to their internal team of professionals, Standard has a team of on-site engineers who perform installation, commissioning and site acceptance testing (SAT's) with the client. They extend their value adding on-site services to include 'equipment healthcare' management contracts involving the annual service, repair and certification of barrier isolators of any manufacturing origin.

**Why does standard focus on delivering equipment exceptionally fast?**

This is our underpinning business strategy.

Let's assume a pharma or chemical plant Managing Director has a huge order book together with the financial resources to buy equipment and invest in raw material. Sounds great but unfortunately he cannot execute his order book as he is constrained by the critical equipment deliveries from his vendors. All the critical equipment he needs, such as glass lined reactors, ANFD, Isolators, Crystallizers, Alloy Equipment and dry vacuum Pumps have an average industry lead time of 20 to 25 weeks! He is now a minimum of eight months away from delivering any kind of product to his customers and eight months is an eternity when you are operating in a dynamic market place.

At Standard Group, we specialize in delivering such critical equipment within a week or so, where needed. We do this by having modular equipment designs and large stock of pre-made parts. As the pharma/bulk drug sector is booming in Southern India our high quality equipment, delivered exceptionally quick, has gained great favor with clients who need grow and react to their respective clients' needs.

**What does the future look like for Standard?**

Looking forward, the opportunities for the Standard Group are immense. Many of their prestigious Indian clients operate overseas operations and are specifying Standard's tried and tested products for export to such locations. As such the company is planning to open sales and service centres in many countries in 2017/18 in their bid to become a significant global entity in turnkey process equipment solutions by 2020.

The market for human health management products is only going to grow. Our ability to offer practically every item of process equipment required for such production operations is a significant advantage to clients who recognize the value of aligning with a quality, 'one stop shop' such as Standard.

In 2016 we invested over 25 crores in land, buildings and machinery to help cement our business foundations and help fuel our further accelerated sales growth. In 2017, we intend to ramp-up our R&D resource across all of our seven manufacturing divisions, file more product patents and create more affordable value-add product innovations to help ensure we remain ahead of the supply curve and 'fit-for-the-future'. ■