BUSINESS PLAN · INDIA

Pharma Marketing / PCD Franchise

Propaganda-cum-distribution marketing

PHARMA

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Pharma Marketing / PCD Franchise Company** in India — an **asset-light** pharmaceutical marketing business that builds & sells branded generic products (manufactured by third-party GMP units) through a field force of Medical Representatives (MRs) and/or a **PCD (Propaganda-Cum-Distribution) franchise network** of monopoly distributors. It earns **marketing margin (MRP − manufacturing/net cost)** on branded generics, monetising India's huge branded-generics market & doctor-driven prescription demand — a brand-, field-force-/franchise-, working-capital- & product-mix-driven business that owns the brand & market, not the plant.

India's pharma market is dominated by **branded generics** where the marketing company's brand & doctor relationships (not the molecule) drive sales; manufacturing is routinely outsourced to third-party GMP units. A pharma marketing company is a **brand & distribution business**: light on plant capex (mfg outsourced), driven by product selection, brand-building, MR/field-force productivity or PCD-franchise network, doctor relationships & working capital (trade/franchise credit). Two models: **ethical/MR-driven** (own field force detailing doctors) and **PCD franchise** (appoint monopoly distributors who market locally — asset-lighter, faster). Revenue is **marketing margin on branded generics**; success rests on product mix, brand, field-force/franchise reach, doctor demand, DPCO-compliant pricing & WC — it is brand-, reach-, mix- & WC-driven, asset-light.

This is an asset-light pharma marketing business — funded by promoter equity plus working-capital finance (inventory + trade/franchise credit; mfg outsourced). This plan models a PCD/ethical marketing company requiring **₹90 lakh** (₹35 lakh promoter + ₹55 lakh bank/WC finance), targeting **₹7 crore** revenue in Year 1 and **₹18 crore** by Year 3. *(Pharma marketing/PCD; marketing margin on branded generics, brand-/reach-/mix-/WC-driven, asset-light — figures illustrative; mfg outsourced to GMP third-party.)*

2. Business Description, Vision & Legal Structure

Concept: A pharma marketing / PCD franchise company - own-branded generics (made by third-party GMP units) sold via MR field force and/or PCD monopoly-franchise distributors, earning marketing margin.

Vision: To build trusted pharma brands accessible across India.

Mission: Market quality branded generics - right products, strong brands, wide reach & ethical practice.

Legal structure options

- **Proprietorship / Partnership** — small PCD start.
- **Private Limited / LLP** — recommended for brand, scale, franchise network & funding.

> **Regulatory anchor:** a pharma marketing company needs a drug marketing/sale licence (wholesale drug licence), brand/trademark, third-party GMP manufacturing tie-ups (loan-licence/contract), DPCO price compliance, GST, & ethical-marketing/UCPMP norms; it does NOT run a plant (mfg outsourced). Product mix, brand, field-force/franchise reach, doctor demand, pricing & WC determine success; it is brand-, reach-, mix- & WC-driven, asset-light.

3. Promoter & Ownership

Led by a promoter with pharma marketing, MR/sales, PCD or brand experience & doctor/distributor relationships. The team includes product management (selection/brand), MR field force and/or PCD/franchise sales, distribution/logistics, regulatory/QC liaison (with third-party mfrs) & accounts. Product mix, brand, reach & relationships are the differentiators.

Ownership & stakes are editable inputs.

4. Market Analysis — India

India's pharma market is large, growing & branded-generics-dominated, with prescriptions driven by brand & doctor relationships; the PCD-franchise model has exploded, letting entrepreneurs build pharma brands asset-light. Demand is healthcare-/prescription-/brand-driven. The market rewards product mix, brand, field-force/franchise reach, doctor demand, pricing & WC; it is brand-, reach-, competition- & mix-sensitive, met with products, brand, reach & relationships.

Demand drivers

- **Large branded-generics** market.
- **Doctor/prescription-driven** demand.
- **PCD-franchise** entrepreneurship boom.
- **Healthcare access & growth** (tier-2/3).
- **Third-party mfg** enabling asset-light entry.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Branded generics in India	Very large & growing
SAM	Therapy/segment & region	Substantial
SOM (Yr 1–3)	Products / franchisees / MRs	Scaling

Target segments

- PCD franchise distributors (monopoly-area).
- Doctors/prescribers (via MRs).
- Retail/chemist trade & stockists.
- Therapy focus (general/specialty).

5. Competition & Competitive Advantage

Landscape: thousands of pharma marketing/PCD companies, large branded-generic players & established brands. The company competes on product mix/novelty, brand, field-force/franchise reach, pricing/margins-to-franchisees, promotional support & relationships.

The business's edge

- **Product selection & brand.**
- **Field-force/franchise reach & support.**
- **Doctor relationships & demand.**
- **Franchisee margins & monopoly-area model.**
- **Ethical practice & reliability.**

6. Products & Revenue Model

Stream	Model	Basis
PCD franchise sales	Marketing margin (to franchisees)	Core (asset-light)
Ethical / MR-driven brands	Marketing margin (via trade)	Brand-building
Specialty / niche products	Higher margin	Margin
New launches / range expansion	Margin/growth	Growth
Institutional / tender (selective)	Volume	Volume

> Revenue is **marketing margin (net price − third-party manufacturing/net cost)** on branded generics — sold to PCD franchisees (asset-light, faster scale) and/or via MR-driven ethical brands (deeper brand-building); specialty/new launches lift margin. Economics = volume × marketing margin × mix − field-force/promotion − WC; product mix, brand, reach & WC drive it — the decisive pharma-marketing levers (asset-light, brand-driven).

7. Go-to-Market — Reach & Brand

- **PCD franchise appointment** (monopoly-area distributors).
- **MR field force & doctor detailing** (ethical brands).
- **Product launches & range** (attract franchisees/prescribers).
- **Promotional support & margins** (franchisee/doctor).
- **Brand-building & relationships.**

Sales approach

Select products & build brand → appoint PCD franchisees (monopoly areas) and/or deploy MRs (doctor detailing) → drive prescriptions/demand & franchise sales → expand range & reach → manage WC/credit. Product mix, brand, reach (franchise/MR) & relationships build the market asset-light; franchisee margins & doctor demand drive pull.

8. Operations Plan (asset-light marketing)

- **Product & brand:** product selection, branding/packaging, portfolio/therapy focus.
- **Manufacturing (outsourced):** third-party GMP units (loan-licence/contract), QC liaison, supply.
- **Sales:** PCD franchise network & MR field force, promotional inputs (visual aids/samples per UCPMP).
- **Distribution & WC:** stockists/CFA, inventory, franchise/trade credit, receivables.
- **Compliance:** drug marketing licence, DPCO pricing, ethical marketing, third-party GMP quality.

Workflow

Stage	Activity	Metric
Product	Select/brand	Mix/margin
Source	Third-party GMP mfg	Cost/quality
Reach	PCD/MR/doctors	Franchisees/prescriptions

Sell	Franchise/trade	Volume/margin
Manage	WC/credit/compliance	Receivables/DPCO

9. Regulatory, Licences & Compliance (India)

- **Licences:** drug marketing/wholesale licence; brand/trademark; third-party GMP mfg tie-ups (loan-licence/contract).
- **Pricing:** DPCO (scheduled drugs); MRP compliance.
- **Marketing:** ethical marketing/UCPMP; no misbranding.
- **General:** GST; drug-quality (via third-party); documentation.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / leadership	1	2	3
MR field force & sales	8	18	34
PCD/franchise & product management	3	6	10
Distribution, regulatory & QC liaison	2	4	6
Accounts & admin	2	3	5
Total	**16**	**33**	**58**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–2	Entity, licence, brand, third-party mfg tie-ups, first products
Ramp	Month 2–7	PCD franchisees/MRs, prescriptions, range, WC
Traction	Month 7–12	Franchise/brand base; ₹7cr revenue
Expand	Year 2	More products/franchisees/MRs/therapy, ₹13cr
Scale	Year 3	₹18cr revenue; brand & network

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Pharma marketing is asset-light (mfg outsourced); marketing margin on branded generics drives economics; WC (inventory + franchise/trade credit) is the main need; DPCO caps scheduled-drug prices.

12.1 Project cost & means of finance

Capital requirement	₹

Working capital (inventory + franchise/trade receivables)	50,00,000
Brand, product development & promotional inputs	18,00,000
Office, distribution & setup	12,00,000
Licence, tie-ups & pre-operative	10,00,000
Total project cost	**90,00,000**
Promoter contribution	35,00,000
Bank / WC finance (MSME)	55,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
PCD franchise sales	4,50,00,000	8,00,00,000	10,50,00,000
Ethical / MR-driven brands	2,00,00,000	4,00,00,000	6,00,00,000
Specialty / new launches & other	50,00,000	1,00,00,000	1,50,00,000
Total revenue	**7,00,00,000**	**13,00,00,000**	**18,00,00,000**
Cost of goods (third-party mfg/net)	4,55,00,000	8,30,00,000	11,35,00,000
Field force / MR & sales cost	1,00,00,000	1,90,00,000	2,70,00,000
Promotion, distribution & overheads	85,00,000	1,55,00,000	2,15,00,000
Interest & other	12,00,000	20,00,000	28,00,000
Total expenses	**6,52,00,000**	**11,95,00,000**	**16,48,00,000**
Net profit (before tax)	**48,00,000**	**1,05,00,000**	**1,52,00,000**
Net margin	6.9%	8.1%	8.4%

12.3 Unit economics & break-even

- **Volume × marketing margin × mix:** marketing margin (net price − third-party mfg cost) is the core; specialty/new launches & ethical brands lift it; PCD is asset-light/faster (lower margin, franchisee shares), ethical/MR builds deeper brand (higher cost, higher long-run margin).
- **Reach & brand:** franchise/MR reach, product mix, brand & doctor demand drive volume; DPCO caps scheduled-drug prices (favour non-scheduled/specialty); WC (franchise/trade credit) funds growth.
- **Break-even:** at a volume/reach threshold covering field-force, promotion & overheads; net margins healthy (asset-light), improving with mix, brand & scale.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	10,00,000	9,00,000	9,20,000	9,60,000
Collections	1,45,00,000	1,70,00,000	1,90,00,000	2,00,00,000
Purchases, field-force & operating	1,46,00,000	1,69,80,000	1,89,60,000	1,99,00,000

Closing balance	**9,00,000**	**9,20,000**	**9,60,000**	**10,60,000**

> Asset-light (no plant), but inventory + franchise/trade credit are the main WC. Franchise advances, inventory turns, credit discipline, CC & the WC line manage cash; the key risks are product-mix/competition, field-force/franchise attrition, DPCO/price, third-party mfg quality/supply & receivables — met with product mix, brand, reach, quality tie-ups & credit control.

12.5 Key Performance Indicators to Monitor

- **Reach:** franchisees; MRs; doctors covered; prescriptions.
- **Products:** mix; new launches; specialty share; brand traction.
- **Margin:** marketing margin; mix; DPCO exposure.
- **WC:** receivable days; inventory; CC.

13. Funding Requirement & Bankability

Total ask: **₹55 lakh bank/WC finance** against ₹35 lakh promoter contribution — mostly working capital (inventory + franchise/trade credit) on an asset-light base (mfg outsourced), MSME-eligible. Bankability rests on product mix, brand, franchise/MR reach, prescription demand & margins; India's branded-generics & PCD boom support demand. Year-1 profit ~₹48 lakh growing to ₹1.52 crore supports servicing; mix, reach & WC are key. Product mix, brand, reach & WC underpin the model.

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (inventory + franchise/trade receivables)	50,00,000	55.6%
Brand, product development & promotional inputs	18,00,000	20%
Office, distribution & setup	12,00,000	13.3%
Licence, tie-ups & pre-operative	10,00,000	11.1%
Total	**90,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Product-mix / competition (crowded)	Product selection, specialty/new launches, brand, therapy focus
Field-force / franchise attrition	Margins/support, incentives, brand, relationships
DPCO / price control	Non-scheduled/specialty mix, cost, compliance
Third-party mfg quality / supply	GMP tie-ups, QC liaison, multiple mfrs, agreements
Receivables / WC	Franchise advances, credit control, turns, WC line

15. SWOT Analysis

Strengths Asset-light (no plant); huge branded-generics market; PCD scalability; brand-ownership; healthy margins.	**Weaknesses** Crowded/competitive; field-force/franchise-dependent; DPCO/price; third-party-quality-reliant; WC-intensive.
Opportunities Branded-generics & PCD growth; specialty/new launches; tier-2/3; therapy focus; brand-building; exports (later).	**Threats** Intense competition; DPCO/price; ethical-marketing/UCPMP tightening; third-party quality; attrition.

16. Recommended AiSevak Tools for This Business

This pharma marketing company would use AiSevak's Pharma vertical tools in delivery:

- **Marketing ops:** product/portfolio & brand, PCD-franchise/MR & doctor-CRM, prescription/reach analytics tools.
- **Compliance & supply:** drug-licence/DPCO & ethical-marketing/UCPMP, third-party-GMP-tie-up & WC/receivable tools (with Legal & Finance verticals).
- **Practice:** Business Plan, marketing-margin/reach and Break-even tools to model the business.

17. Key Assumptions & Notes

- Pharma marketing/PCD: own-branded generics (made by third-party GMP units) via MR field force and/or PCD monopoly-franchise; asset-light (no plant); marketing margin on branded generics.
- Volume × marketing margin × mix decisive; product selection, brand, field-force/franchise reach, doctor demand, DPCO-pricing & WC are the levers; PCD asset-light/fast vs. ethical/MR deeper-brand.
- Equity + WC (MSME); drug marketing/wholesale licence, third-party GMP tie-ups (loan-licence/contract), DPCO, ethical-marketing/UCPMP.
- Mix, brand, reach & WC drive economics; figures illustrative, exclude GST; mfg outsourced to GMP third-party.

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