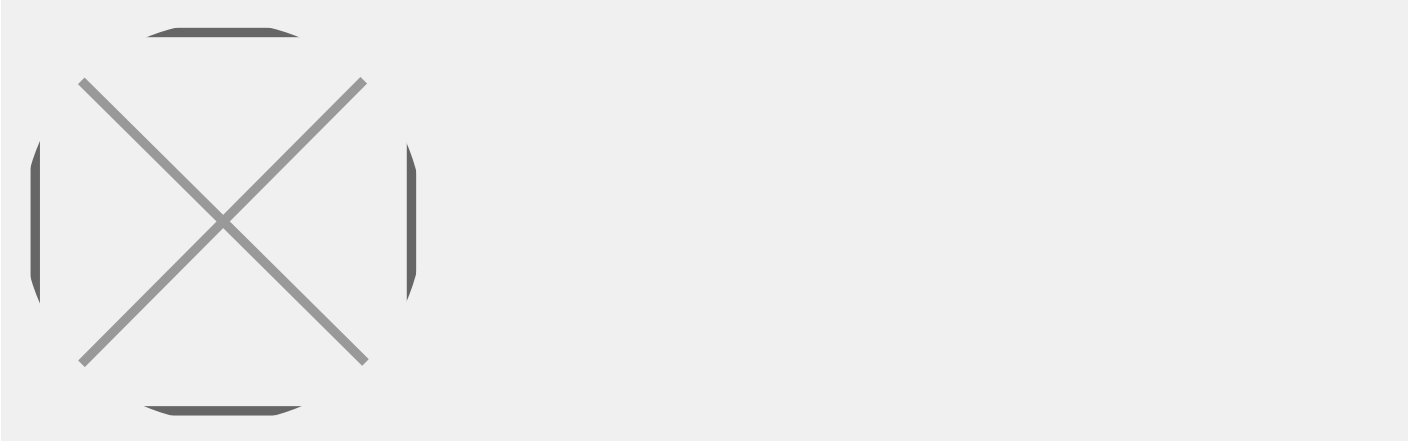
Interview: Gagan Singh, Country President, AstraZeneca, Philippines



13.01.2014

Tags: Generics, AstraZeneca

The Country President of AstraZeneca Philippines discusses the company's new growth strategy, the need for affordable product pricing, and the growing knowledge initiatives the companies is producing in order to tackle the lack in qualified medical practitioners in the Philippines.

When AstraZeneca's global CEO Pascal Soriot took office late 2012, he set out a strategy relying heavily on emerging markets to drive the growth of the group. Where does the Philippines fit in this picture?

Since the end of the first quarter of 2013, AstraZeneca has changed its strategy. An international region has now been set up in addition to other markets such as the US and Europe. Philippines is part of the international group and is therefore considered to be a growth driver for AstraZeneca. However, the group is still cautious in the way that it looks at the Philippines. This element of caution is mainly coming from IP protection and the slacking growth in this market.

However, in spite of a number of headwinds, we look at the Philippines as a country of long-term opportunity. There is a large population and a high unmet medical need. And even though economic growth may have been deceiving in the past, the economy has been growing rapidly for six consecutive quarters now. This give us hope that there are opportunities out there.

In terms of challenges, market growth must certainly be one of them. The market CAGR is now three percent, and even that modest number is mainly driven by generics. What

measures are you taking to grow in spite of this?

Overall, we have strategized ourselves to refocus on our strengths. We do understand that generic medicines have a role to play in this market, considering the limited affordability of the large part of the population.

We have decided to stay focused on the innovative brands in the market and are constantly seeking for new launch opportunities both from our HQ as well as in-licensing opportunities. We have strategized ourselves in such a way that enables us to keep the patient at the center of everything we do. At the same time, we are also looking at knowledge partnerships with physicians, developing future therapy areas and market needs, as well as clinical trials tailored to these market needs.

Overall, we are buoyant about the space we are playing in. We know that our future will be distinctly different from the past, but it will be equally glorious as our past has been.

Ticagrelor has been one of the bigger launches of AstraZeneca lately. How has this product taken off in the Philippines?

We are quite satisfied, although we still only serve a limited number of patients because of our current pricing. The reception we have received from the Filipino physicians has really been outstanding and has contributed significantly to our overall brand value. Moreover, I am really pleased to share that we were able to extend the benefit of ticagrelor to ~3,000 patients with Acute Coronary Syndrome. Hopefully, more and more patients will be able to benefit from Ticagrelor in the years to come.

Diabetes is another growth area that you are serving in collaboration with BMS. By 2030, the Philippines is expected to host over 6 million diabetec patients. What potential and role do you see for AstraZeneca Philippines within this space?

There is a significant unmet need in the area of diabetes, and we are delighted to play a role in this space now. We believe that, through our portfolio, we can help address some of these unmet needs. Diabetes is a progressive disease and patients need more and more drug dependent solutions. Pill burden is still one of the big issues in diabetes, which is why, in 2013, we have launched a once-daily dosing combination of DPP-IV with metformin XR.

We are looking forward to launching at least three new molecules in the diabetes space in 2014 and 2015. Through our partnership with BMS, we now also have an offering in the SGLT2 space and injectable space of GLP-1 segment. Our hands are full of opportunities and excitement to making a

real difference to patient lives here. We have a portfolio that can address the needs of various patients.

However, diabetes is also a competitive space with strong players like Novo Nordisk and Lilly. What edge does AstraZeneca have?

To begin with, we have a very broad portfolio while companies like Lilly and Novo Nordisk have traditionally focused on the injectable space. The opportunity is immense. With more molecules to come in GLP-2, SGLT2 and GLP-1, we have a lot of innovation to offer. It is essential to keep the patient at the center of our focus, which helps us significantly to come up with solutions that tailor fit the Philippines market.

Do you have specific examples of patient-centricity here?

First and foremost is pricing. It is imperative that we price our drugs in a way that makes it possible for more and more Filipino patients to be able to afford it. The second is reach, especially in tier II towns of our drugs.

Apart from reach and pricing, the education space is a crucial area to address. The time spent today between a physician and a patient in the Philippines is so limited because of the high burden of disease and the low number of qualified physicians. That is an area where we can make a difference.

We already collaborate closely with the major societies in the diabetes space. We believe that all of these associations are doing a great job at reducing the burden of this disease.

In the cardiovascular space, we work closely together with the different medical societies for knowledge initiatives, most particularly when it comes to acute coronary syndrome (ACS). In this niche, we have had four knowledge initiatives this year already, where we invited several international speakers.

How do you rate your relationship with the government?

We work with the government through bodies such as the Pharmaceutical & Healthcare Association of the Philippines (PHAP) on health policies. The new FDA initiatives have been very positive. Even though the cost increases are rather elevated, it is worth it if we get the service levels that we are being promised.

Clinical trials are a pillar of AstraZeneca in the Philippines. What potential does this activity imply for AstraZeneca in the country?

We believe that the infrastructure to conduct clinical trials in the Philippines is very good and that the level of skills is also very high. Here in the organization, we have a dedicated team to ensure that the Philippines can be part of global clinical trials.

When it comes to the people within the commercial part of your organization, building an effective and productive sales force is not an easy task. What is your approach to managing people, coming in as a non-Filipino country president?

AstraZeneca has gone through a significant evolution. We are very much at the forefront of innovation when it comes to our sales, marketing and medical functions. We currently have two commercial sales channel. Apart from the traditional Medical Representatives, we now have Customer Service Associates. To strengthen our scientific discussions and help us take the knowledge partnerships to the next level, we enhanced our Medical team by adding Medical Scientific Liaisons. This is quite unique in the market. Close to 60 percent of our channel resources go to our traditional medical representatives, 30 percent goes to customer service associates, while the medical scientific liaisons make up the remaining ten percent.

Is employee turnover a challenge for you?

For AstraZeneca in the Philippines it is not a real challenge, partly because the profile of our sales and marketing force is very unique. When it comes to our traditional representatives, we have been able to implement great training and development programs over the years.

We continue to improve the employability of our people but also work equally hard to retain them. Overall, our turnover rate is lower than the industry average.

If the Philippines is a prototype for other markets, can your organization here also be a prototype for other AstraZeneca affiliates around the world?

This is exactly so and the case and point to support this statement is the fact that we were the first country in the Asia Pacific region to implement a service channel. The market leaves room for innovation and the competitive intensity is much higher here than anywhere else I have seen in Asia. This gives us a license to innovate. As the saying goes, ‘necessity is the mother of invention’.

While most companies have taken the route to constrict their reach and continue to focus in certain markets, due to the pressure of bottom-line growth, we in AstraZeneca, driven by a multi-channel approach, have not compromised on its reach and are reaching more doctors now than in the past.

Going forward, where do you see AstraZeneca Philippines in the next three years?

Not only because of the changes in the market but also because of our many new products, AstraZeneca Philippines is set to change. From a new entrant in 2010, we aim for a leadership position in the diabetes space by 2016. This alone will be a significant change for us.

At the same time, you will find our organization focusing more on biologics and small molecules aimed at specialists.

Also, we will be recapturing some of our lost value in the anti-infective space. Our position in the hospital space has eroded significantly due to generic competition, but our pipeline in this area is significant given that infection remains a space of high unmet medical needs in emerging countries like the Philippines.

To read more interviews and articles on the Philippines, and to download the latest free report on the country, click here.

See more interviews