Interview with Mario Sturion, CEO, Janssen Colombia

26.03.2013

Let’s start by introducing you to our readers. Could you briefly describe what attracted you to Janssen originally, and share with us a brief summary of your experience working in the organization?

I started at Janssen as a Sales trainee in Brazil and have been with the company for over 17 years. I have had various positions, primarily in Marketing and Sales, in Latin America and in the U.S. As Janssen is a big enterprise with many development opportunities, I have always had new and exciting challenges to face. I was attracted to Janssen because of the values under which it operates. Because I believe working in healthcare means making a difference for patients, my values were a good match with the company’s. In my last three positions I went from director of Marketing in Latin America-Caribbean, returned to Brazil in similar commercial roles and was promoted to General Manager for Colombia, Peru and Ecuador based in Bogota in October, 2010.

What has been the most significant impact of the merging of the Colombian, Peruvian and Ecuadorian affiliates?

I think that the cluster / hub country approach has the advantage of being more customer-focused, while optimizing resources. We are able to share best practices that can be applied in each market. At the same time, while Colombia, Peru and Ecuador are geographically close to each other and have some similarities, the challenge is to understand and learn from the differences amongst them. The healthcare system is at a different point of evolution in each of these countries. Replicating everything in all three countries at the same time in the same way would not be beneficial.

What would you say are the strategic advantages that Colombia provides as a competitive environment in which multinationals can operate?

Colombia has made a strategic choice to be strongly connected with the global economy. For example, Colombia enjoys free trade agreements with many countries around the world. As a result, Colombia will be more aligned with international standards and regulations moving forward. Colombia also has a history of strong people development, with universities, international programs and research institutes that nurture a well-prepared labor force. In addition, the government understands the importance of investing in infrastructure to sustain growth. Finally, Colombia has strong economic indicators and a stable political system.

Minister Gaviria is planning some important reforms that will be taking place over the next couple of months, which will hopefully bring good news for pharmaceuticals and healthcare alike. With biotech regulations, how do you see reforms changing the game for Colombian pharmaceutical companies?

Biotechnology has been a significant area of focus in Latin America and worldwide for many years. The Colombian government recently issued a third draft of a proposal to regulate biologics. We at Janssen have participated in several technical working groups related to this effort. The industry recommends that Colombia align with at least the minimum standards of the World Health Organization (WHO). There are many advantages to being aligned with the WHO standards. For example, Follow-On Biologics will undoubtedly become more prevalent in Colombia. Adopting the WHO standards will ensure that processes to approve these complex therapies reflect appropriate standards and requirements.

Janssen is ranked number 6 in the world for biotechnology. J&J's Global Head of Business Development, Tom Heyman, said he wanted to invest more in emerging markets, which are becoming more important. What does Colombia have to offer in this regard?

There are several advantages that Colombia can offer, including a stable political and economic environment, centers of excellence that can properly conduct international clinical trials and respect for intellectual property rights and innovation.

What is the importance of Colombia in Janssen regionally and worldwide?

Colombia is a key country of focus for Janssen in Latin America. Despite the challenges and the need to evolve the healthcare system, the country has made tremendous advances in several areas, such as broad access to healthcare. Because Colombia will continue to play a key role in Latin America, it is important to support government efforts to improve our current healthcare

system. As a company focused on researching and developing pharmaceuticals, Janssen will continue to collaborate to improve health and healthcare for people in Colombia and throughout Latin America.

The Colombian pharmaceutical market is known for being highly competitive, partly by being led by so many generic producers. Apart from tough competition, what are the primary challenges that you face in Colombia?

The main challenge that all healthcare stakeholders in Colombia face is the unpredictability of the system. With ongoing healthcare reform, there are several open questions and areas for discussion. A more efficient, organized and sustainable system is in everyone's best interest. Janssen is working to be part of the solution because we know the current system can be enhanced and improved.

Once the changes to the healthcare system are finalized, we expect we will see efficiencies in cost and strengthening of access to and quality of services. This will benefit millions of Colombians. The system will move from services largely provided in Emergency Rooms to a real patient-centered system.

With respect to Janssen´s future, healthcare reform offers us the opportunity to deliver value and significant benefits to patients through our differentiated product portfolio.

What would you say are the greatest needs of the Colombian population right now?

Healthcare needs in developing countries such as Colombia are very broad. Primary care and prevention are areas for focus. Healthcare services and specialties are not appropriately distributed across the country. At the same time, diseases that require regular treatment such as cardiovascular diseases, diabetes, mental illness and cancer will continue to be areas of great need in Colombia – similar to what we see in developed countries. Janssen's product portfolio addresses areas of high unmet medical need – including CNS (central nervous system) and oncology. The treatments we offer have a strong impact on the lives of patients and – in several cases – on the total cost of treatment due to reduced hospitalizations and/or surgeries.

Janssen is known for being a strong R&D player globally, with many partnerships around the world with various research institutes. What are some of the strategic partnering and license agreements Janssen enjoys in Colombia?

Janssen works closely with hospital institutions, particularly in the areas of healthcare education and clinical development. We have several ongoing projects to assist institutions in becoming centers of excellence. Janssen conducts clinical trials in Colombia that also help to develop the

capabilities of these centers.

What are the main growth drivers for 2013?

Globally, Janssen is focused primarily on neuroscience, cardiovascular & metabolism, oncology, immunology, and infectious diseases & vaccines. These are also our main drivers in Latin America, where we are committed to delivering innovative solutions for patients.

If we were to return to Colombia in five years, what would you like to have personally achieved?

I would like to see a continuation of our broad portfolio and of the amazing impact our products have on the lives of patients. I also want to see that Janssen continues to be one of the best companies to work for in Colombia. We have a very committed and engaged team that has driven our current success, so I want to ensure that this continues. In an environment of tremendous change and new challenges, we have to maintain our strong reputation in the marketplace with different stakeholders. Transparency, collaboration, ethics, compliance and solid values allow us to provide solutions for patients.

When I arrived here in Colombia, I recognized that we were facing many changes ahead. As I learned from my experience in Brazil, healthcare is very dynamic and we have to be comfortable in leading change. There are so many potential solutions to several complex healthcare issues in Colombia. We won't solve everything all at once. We have to manage the present while the future healthcare system is under development.

What is the key success of the Colombian market for a new manager coming to this country from abroad?

I think a newcomer to the Colombian market needs to be very open, to listen to various opinions and then draw his/her own conclusions. No one has a clear view of what the future holds, but listening to the various stakeholders can help you develop your own ideas. A good leader also needs to be flexible in dealing with uncertainty and comfortable with managing difficult scenarios. Colombia is a great country and I am sure that the evolution of our healthcare system will present a number of opportunities.

What would be your final message for our international readers on behalf of Janssen?

Continue to pay attention to Colombia. Our evolution could provide a good learning opportunity. Colombia's challenges in healthcare and, more specifically, in the pharmaceutical sector, are not an exception in the world today. Our industry has the opportunity and ability to collaborate,

improve the system and positively impact patients. Colombia certainly will generate some best practices that can be applied to other countries for the benefit of patients.

See more interviews