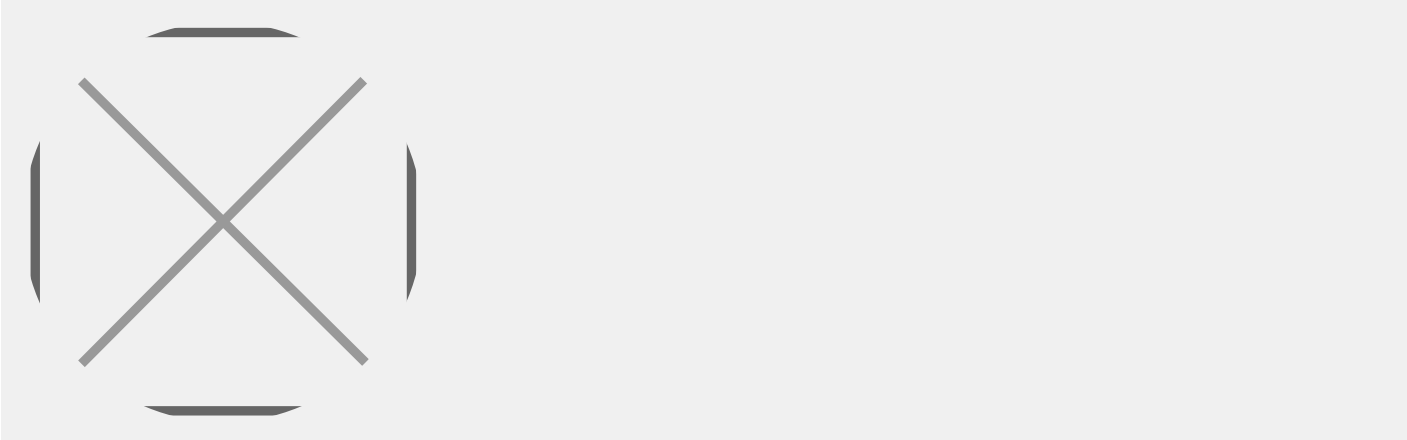
Interview with Timothy Kedijang, General Manager, Novo Nordisk South Africa



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The story of Novo Nordisk South Africa began in 1959 in Johannesburg. It was among the first affiliates outside of Denmark, with insulin and anti-infectives produced locally. To what extent has the company diversified over the years, and what are the core focuses of the company today?

Diabetes has always been the core business of the company, both internationally and locally. Therefore all products which relate to Diabetes are the core products that define our strategies and focus areas.

We approach Diabetes in a different way compared to other businesses. We put a lot of emphasis on education of the patients and training of the healthcare professionals, and only then do we talk about our products, their safety and quality. Diabetes is a chronic disease that requires a well informed healthcare practitioner and an empowered patient in order to manage the condition properly. Our strategic focus in terms of products is mainly on Modern Insulin and GLP-1 based therapy.

Now, we are looking at the government's strategic ten point plan for health, focusing on Non-Communicable Diseases (NCDs), of which Diabetes is one. It is important for us to be part of the solution and actively deal with Diabetes in South Africa. In order to be able to do that, we run a number of programmes.

As a result of these programmes, we have trained and educated 40,000 health care professionals over the past ten years, along with 3,000 nurses. We have achieved this either by sending them to congresses, conferences, or local continuous training programmes in medical education in diabetes. In addition, in the past three years, in conjunction with the Cardiff University, we have sent doctors to do their two year diploma in Diabetes management. We have already sent 25 of them, and we will send another 5 in 2012.We have contributed to the training of 5 adult endocrinologists and fully funded the training of 2 paediatric endocrinologists.

We also focus our strengths on increasing awareness around Diabetes. Novo Nordisk is proud to have a ‘Changing Diabetes’ bus, which is similar to a mobile clinic that drives around the country to remote areas and rural communities, where there is no access to clinics. During these visits we educate people about Diabetes in the bus. We do screening for blood sugar, blood pressure, weight, and depending on the risk, we do the screening of feet, the screening of eyes for retinopathy etc. Under this program, we have screened over 41,000 people, and identified almost 3,000 people who have presented with high blood sugars suggesting that they could have diabetes.

In collaboration with The Western Cape Department of Health, where we have donated a retinal camera for eye screening and learnt a great deal from the project. The relationship was that they took this camera, which we sponsored, through 45 primary health centres, whereby they screened eyes of 7,000 diabetic patients. Out of these, 1,100 were referred for specialist treatment and laser therapy . Out of the patients who were followed up for specialist therapy, 550 patients would have lost their eyesight if there was not intervention in the form of laser therapy.

Hence, we realized that the partnership with the Department of Health‘s primary care centres is critical for the ‘Changing Diabetes’ bus to make significant impact. For this kind of program to be successful, you need to link it to a local primary healthcare centre.

As a business, we are also involved in Hormone Replacement Therapy, Human Growth Hormone (hGH) therapy and Haemophilia therapy. Diabetes is, however, Novo Nordisk’s primary focus area as 70% of our revenue comes from this therapeutic area, and secondly, it is one of the primary health care objectives of the Government.

In 2011, Novo Nordisk delivered competitive financial results which allows us to help patients live better lives, offer an attractive return to our shareholders and continue to contribute to our communities.

The main driver of growth for the South African business has emanated from our modern insulin business. We have invested R40 million over the past 10 years on projects aimed at addressing the fight against diabetes. Skills development is valuable to us and to help address skills shortage we have, from 2007 until today, fully funded the international training of 20 Master in Business

Administration (MBA) students from previously disadvantaged communities in South Africa. The majority of the students were not Novo Nordisk employees and all the students were not required to work for us on completion of their MBA. In fact the first set of students did not include any of our own employees (we did not allow them to apply) in order to give the general public a preferred advantage. In subsequent years we opened the applications to everyone including our own employees. This formed part of our contribution towards transformation in South Africa.

We also support the notion of transformation in general for the country by being aligned with the country's objectives of employment equity in terms of our staff. For example, we have recently increased our staff by 14%. 75% of the newly recruited staff came from a previously disadvantaged background. We also make sure that we source and procure goods and services from small to medium black-owned companies whenever we can.

Last year 45% of our local procurement was from black-owned companies. We have also supported the establishment of small enterprises. For instance, we encouraged one of our former black employees to set up a cleaning service company, with which Novo Nordisk would have a contractual agreement. We supported this newly created business entity and funded his training on how to manage a business. He then employed up to six people and will start servicing other companies.

Our contribution to transformation in South Africa is in line with our global Triple Bottom Line approach of being a socially responsible corporate citizen. In South Africa, the fact that there are already certain legislations that require us to do so, perfectly matches the company's values.

How receptive is the South African market to Diabetes treatments and solutions to keep complications of Diabetes to a minimum. How popular is the NovoPen for instance in South Africa?

Our devices and products are well accepted and widely used. This is proven by the fact that we are number one in total diabetes market share and total insulin volume and value market shares in South Africa. What I would still like to see happening in this company, is a strengthening of our relationships with the Government, in order to be an actual partner in the solution of the diabetes health care programs.

We have established a new department that will look at business development and market access. The Government's strategy, amongst other things, is to implement National Health insurance (NHI), which aims to increase access to healthcare to all citizens. Part of access to healthcare is access to medicines, so we should play a role by providing pharmaceuticals that are accessible to the larger community.

Traditionally, in the South African environment, access has always been looked at as if it was only access to medical insurance. But the public sector is also part of the healthcare system. We should therefore extend our hands and make sure our products are also accessible to the public healthcare sector. Our department will look at access in a much broader sense; this is something that we have not done well as a company over years. We were concerned in ensuring reimbursement, but not necessarily looking at how accessible our are our products in general.

The NHI comes with a lot of opportunities: we will be in a situation where the 40 million people in South Africa who do not have access to healthcare will potentially have access . We want to be part of the change.

The World Diabetes Day will be celebrated globally on November 14th. At this occasion, the world spotlight will fall on diabetes. What special initiatives or programs does Novo Nordisk have to prepare this day in South Africa?

We always have a lot of activities running around the World Diabetes Day week. We have focused on raising Diabetes awareness through Diabetes ambassadors. One of them is a young artist who wrote a song about Diabetes, titled ‘I choose to live’. We have sponsored this artist, who is a young man living with diabetes himself, so that he could produce a DVD of his song and raise awareness. Towards the end of last year we hosted a music a concert in Newtown, with him as a lead artist, as well as other artists who support the cause of increasing awareness of diabetes.

On an annual basis, we partner with South Africa’s first lady, Madame Bongi Ngema-Zuma, who has a foundation which focuses on Diabetes awareness. In May, we took the Changing Bus, in partnership with the Bongi Ngema-Zuma Foundation, where we did screening and education at an event attended by 12,000 women. We managed to screen in excess of 2000 women on the day.

On the 26th November 2011 the Bongi Ngema Zuma Foundation hosted a World Diabetes Day event in Sasolburg and our Changing Diabetes Bus was at the event raising awareness of diabetes through our education programs and screening about 2000 people for diabetes.

We also hosted a number of radio talk shows and TV shows on diabetes education and awareness during the World Diabetes Day week.

Sergei Smirnov of Novo Nordisk Russia, interviewed recently by Focus Reports, said that ‘One of the most important activities of Novo Nordisk is the establishment of production facilities in countries where the incidence of diabetes is increasing rapidly, such as Brazil and China.’ South Africa also shows a very high diabetes prevalence, with estimated 1.5m patients. Although the factory in Johannesburg was sold in 2004, are there plans to invest again in the country?

Not in the short or medium term, as far as production facilities are concerned.

However, in the past five years, we have initiated a huge investment in research and development in terms of running clinical trials in South Africa. Novo Nordisk has one of the largest teams of research and development in the country. We do not only do the research, we also support and fund the training of doctors in clinical research so that we can contribute to skills transfer.

These investments represent R40 million per year which contribute to long term and sustainable input into the healthcare system of the country. As part of the Pharmaceutical Industry Association of South Africa (PIASA), we are also looking at having a specific fund which will actually deal with research and development, over and above what individual companies are doing here.

Bringing new products into South Africa also gives us the opportunity to grow, increase the size of the organization, and also invest more. We have increased our staff complement by almost 15%, which will create job opportunities in the country, and job creation is one of the main issues the Government of this country is facing. Even though we are small, we contribute significantly to fighting unemployment.

The South African affiliate takes responsibility for most of the Sub-Saharan operations. In sub-Saharan Africa as a whole, the number of people affected by Diabetes is estimated to be 12.1 million adults. Do you see South Africa as a spring boat to Africa, meaning that the products tested here, the treatments, the education programs; can be ultimately applied in the continent?

South Africa is definitely a gateway to the African markets. What could be debatable is whether the other African markets can afford the products that have been developed in the west. In terms of its economic strength, level of development and information technology, South Africa is way ahead of most of other African markets.

Where do you see Novo Nordisk in a three years time?

We have an ambition to grow our sales 15% year on year for the next 3 years. If we are able to achieve this, our organisation and company will grow proportionately and in this way we will contribute to job creation and the overall economy of South Africa.

What would be your final message to our readers?

Novo Nordisk South Africa is committed to be part of the solution of the healthcare problems in this country, particularly in the Diabetes arena. We would like to partner both with the private and the public communities to resolve the problems of Diabetes care in South Africa. We are here to stay.

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