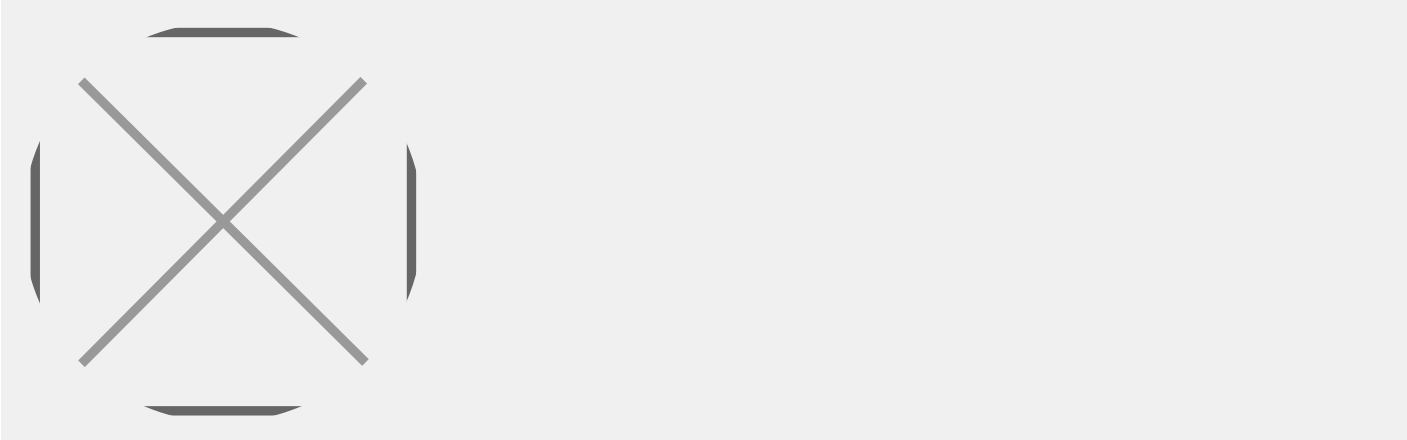
Interview with John Norman, Country Manager, Nycomed South Africa



11.08.2012

Tags: Nycomed South Africa

Mr Norman, could you tell us a few words on the transformation process that the company is currently going through?

Takeda acquired Nycomed in October 2011, because it was an excellent strategic fit for both companies. It significantly strengthened Takeda's geographic reach outside Japan and the United States, the company's previous geographic strongholds. Nycomed's primary business focus has been in Europe and the fast growing emerging markets, like Russia, Brazil and South Africa.

In South Africa, we are now part of the world's 12th largest pharma company, giving us access to the robust pipeline of Takeda products on top of many excellent Nycomed products .

If we look at our history we were a JV until March 2009 when we became a wholly owned Nycomed Company. This has taught us a number of lessons and we will execute the name change with a focused PR approach to our customers.

How is the Takeda acquisition affecting the South African operations?

To our external customers it is business as usual and our goal is to improve the range of products and the level of service available to them. . Internally we are aligning with Takeda in a systematic way. It is key to have business continuity and this might sound simple but it is complex in execution.

What is really exciting is the robust pipeline of Takeda products on top of the existing Nycomed Brands which have not yet been launched in South Africa.

How do you position yourself in a market more and more generic driven?

There is a market for trusted brands in both innovative and generic medicines. As mentioned earlier we have a robust pipeline and we will therefore focus on bringing these to market, particularly in our core areas of metabolic diseases, gastroenterology, oncology, cardiovascular health, CNS, inflammatory and immune disorders, respiratory diseases and pain management.

We have and will continue to focus on our core heritage and introduce new products in these therapeutic areas as well as enter new areas where our products can make a significant difference to patient's lives.

We focus on recruiting the right people to implement the strategy. Another critical success factor is a strong customer focus in the key areas we compete in.

How has the company performed lately?

I have been with the company for the past 5 years and we have had a double digit CAGR despite losing patent on our largest brand in 2006. More importantly we have exceeded our own expectations every year since I joined.

Credit must go to our highly motivated people. Without strong leadership and implementation this would not have been possible.

How important is your OTC business?

OTC remains a critical component of our South African business, as well as of our expansion into sub-Saharan Africa and the Indian Ocean islands. It is about 40% of our total business. I prefer to term it as an OTX business, because the healthcare professionals – whether the doctor, pharmacist, nursing sister, physiotherapists – all remain a critical part of the business strategy.

Our strategic growth drivers are challenged every year. However, they are slightly modified rather than overhauled. Looking at the SA IMS market data, our OTC and RX split is about 70:30. We are an OTC player and this just reassures us that this is somewhere where we want to continue playing in the future.

What is the importance of Africa in the company's global expansion strategy?

Sub Saharan Africa & the Indian Ocean Islands are key to our strategic growth. We are currently active in a number of countries. There is a controlled roll-out plan to ensure we establish a complete footprint in Sub Saharan Africa within the next 2-3 years, and this plan will be greatly helped by bringing together the combined strengths of Takeda and Nycomed.

What are your areas of priorities for 2012?

PEOPLE – My focus is to make sure that this organization is ready to achieve our strategic objective, which is to expand into several other therapeutic areas within a year.

We are a performance-driven organization. In this respect, everybody has a performance improvement plan. It does not mean that everybody has to be a top performing individual. Of course, in the real world we would love that, but practically it is not possible. However, as long as people are taking a step forward, we are comfortable with that. We also are a customer-focused organization. Everybody in this organization has a role to play with our customers. Our employees are our ambassadors. We do measure how often we see a customer, and we are starting to measure the quality of interaction with that customer as well.

We recruit the right people; we train them, and make sure that the ones who want to be developed further are offered the right opportunities. We cannot cater for everybody in our size of company so we will lose some talent but this is good for the economy as skilled people move on to other roles.

Is recruitment a challenging part or your job?

Definitely. As mentioned earlier people are our success. There is a massive shortage of skills in South Africa, at a high level. Coming out of university, there are a number of good people who need to be trained and developed for a career in the pharmaceutical industry. We have a successful graduate recruitment program and train people to succeed in the industry.

When looking for experience skilled people it can take us between six months and a year to recruit the right person for a job.

Sales force effectiveness is critical to the organization and its expansion. We have dedicated resources, and we know what our representatives do on a daily basis. We know when we have to add another head to the organization: there is only so much one individual can do.

What opportunities do you see with the introduction of the National Health Insurance (NHI)?

I firmly believe that we, as an industry, have to support the government in achieving its objectives. We need affordable and accessible healthcare for all. We certainly need to improve what we are currently providing to the people reliant on our Public Sector.

The public sector healthcare providers have in my opinion an infrastructure. The challenge is going to be providing the leadership to transform them into fully functional healthcare facilities. Our Minister of Health has a clear plan for this to be achieved.

How do you assess the legislative and regulatory environment offered to pharma companies in South Africa?

I sometimes think it is a legislative minefield considering that a lot of new legislation is coming to the marketplace and we have to navigate our way through this. We have a strategic plan to ensure our business grows in a NHI environment and we will focus on capitalizing on incentives the Department of Trade Industry (DTI) will afford us.

The culture in our organization is “Don’t give me a reason why you cannot do it. Use that emotion and that energy to find a way to do it”.

We also have a cost-conscious strategy. In a country where growth is limited, costs increasing i.e. petrol price hikes & electricity hikes, as well as demands on increased salaries and wages, you need cost-saving initiatives. In addition, because of the skills shortage in the country, the cost of employing these skills increase, and without any price growth and long registration lead times alternative solutions need be found.

How would you describe Takeda/ Nycomed’s commitment to the population with regards HIV?

What we do speaks for itself; it is not something we go out and publicize. We do it because we believe we have a role in the communities that surround us. The goal of the combined Takeda and Nycomed is to improve patient health through innovation in all areas in which we operate.

We have a number of initiatives. To select one-The Safe Haven is a home for children either infected or affected by HIV, to whom we make contributions annually. I think you have to be consistent and that is what we have done over the years.

We focus on making a difference to the children e.g. they needed TV set, washing machine, fridge and in one case some of the children could not get their anti-retro-virals from the local clinic so we purchased them and had them delivered by one of our customers. In a short space of time it was back on track, so was only temporary.

Last year, we got involved in a community called Cosmo City. Somebody approached us and asked us to make blankets. We bought the materials and we made blankets for the child minders with the help of our employees. It is a simple process: you get two pieces of material and you cut them, then you use a technique of knotting and you make this without sewing.

We did not just give out company money, we got our employees involved. This is what really matters to me. You see it is about the people and I am surrounded by a great team.

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