# Interview with Ann-Marie Hosang-Archer, Managing Director SA & Sub Saharian Africa, Eli Lilly (SA 2011)

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Tags: Eli Lilly (SA 2011)

**You were recently appointed at the head of Eli Lilly South African operations. What is the specific mission you have been given?**

Eli Lilly South Africa is in an interesting situation where we want to engage our personnel, recognize the importance of diversity and people development, and make sure that our people can learn, grow, and are challenged on a daily basis.

Respect for people and respect for diversity are major values at Lilly across the globe. In South Africa, we therefore want someone ready to pay attention to this area, especially because the country is a young democracy of almost twenty years old, still going through a lot of pain.

We also want someone who pays attention to the business and opportunities to grow. The market is changing in the limelight of the national health initiative.

Eli Lilly is also expanding to Sub-Sahara Africa. The experience we have gathered from different countries allows us to manage successfully the multiple growth opportunities in the region.

**What is the strategic importance of South Africa today for Lilly global, and to what extent can South Africa serve a basis for the African overall operations?**

The South African affiliate is very important for the organization. It is one of Lilly's oldest affiliates in the region, with a history of 75 years. There is a lot of heritage and we want to continue building on this strong legacy.

Globally, the bulk of Lilly's growth comes from emerging markets. The group works through emerging markets business units, which we are part of. A few countries such as Turkey or Russia are considered as larger priorities countries, and South Africa and Sub-Sahara present significant growth potential as well.

Sub-Sahara is run from South Africa and falls under my responsibility. Moreover, we added this year some headcounts – in Marketing, Medical and Regulatory – to focus on the Sub-Saharan countries and strengthen our positions there. We are active in most of the countries, but a few countries have been highlighted as priorities, in the like of Nigeria, Kenya, Ghana, and Namibia.

When looking at long term growth coming out of Africa, all signals tell us that many countries present more potential than South Africa itself. We therefore need to make the two of them work. At the moment, 20% of our sales come from outside South Africa, but we cannot ignore the region either, given that sales in the countries above mentioned can be multiplied by five in the next five years.

**Most multinational (MNCs) see Africa as the next future market. Is the African market already booming, or are you only preparing the future?**

Africa is already happening. Nevertheless, we are still in the process of figuring out what is the best business model to use in other African countries. You cannot have a Sub-Sahara model; instead, you may have to have a Nigeria model, a Kenya model, etc. We are paying a lot more attention to this reality than before, where it was more one 'paint brush'.

In focusing on these countries, we try to identify and understand the specific needs of each country to have the best approach there.

**You are running an estimated 630 million Rands business. What have been the strategic and historical factors that explain Lilly's current performance and positioning in South Africa? And what would you say is lacking at Lilly to bring it to the next level and reach the top ten in the South African market, which would be more in line with Lilly' global positioning?**

Eli Lilly ranks 15th in the total pharmaceutical market of South Africa.

Thankfully, there is recognition of patents and recognition of innovative products in South Africa. In addition, our traditional products in Lilly's neuroscience portfolio, mental illness portfolio, and Diabetes portfolio have done well. Is there opportunity for growth? Definitely.

We have just bumped up by a third our Diabetes sales force, because we need to be able to make more impact in that market. The government is improving access to medicines, and we need to do our part in this initiative: we need to reach more physicians, more neighborhoods, be able to sell the benefits and the solutions that we have.

Neuroscience continues to be a focus area for Lilly; we also pay attention mental health. In many markets, the level of awareness for public health and mental health varies. There is a fair amount of attention from the government to schizophrenia, to bipolar disorder. Although I cannot put it on a scale, I also believe there is an opportunity for more consideration.

South Africa has its unfair share of HIV/AIDS, with 17% of the global burden. I do not envy the officials under the Department of Health, who are trying to improve access to a wider population with that additional burden. This is why I believe that we need be there to bring our contribution.

**Which therapeutic classes are areas of focus for Lilly South Africa?**

One of the areas I am really proud of is Lilly's non communicable disease (NCD) initiative that we are implementing in South Africa on Diabetes. There are four countries in the world that were chosen for this initiative that we are embarked on, and South Africa is one of them. We are continuing our flagship multidrug resistant tuberculosis (MDR-TB) initiative, which we were just recognized for by the American Chamber of Commerce in their South African awards – we received the gold award.

On the strengths of our expertise in Diabetes – 85 years of history in this therapeutic area, we are working with two different groups in South Africa, the Hope project in Johannesburg and the Donald Woods Foundation in Eastern Cape, which covers a total of 500 000 potential patients.

We are looking at up-scaling community healthcare workers, improving efficiency of reach to more people, improving appropriate use of medication, and evaluating what are the systems that work and those who do not. Ultimately, we want to transfer the learning to the South African government and other African countries for them to replicate.

There is a huge percentage of the population which does not have access to our medications. We want to increase access to more patients in a sustainable manner that can easily be replicated. The government will benefit, the patients will benefit, Lilly will benefit, as well as other companies involved in the Diabetes area.
Diabetes represents today 40% of our business. For South Africa and Sub-Sahara Africa, Diabetes remains the top priority for Eli Lilly, although I expect products in other therapeutic areas to grow as well.

Besides, approximately 25% of Lilly's pipeline in South Africa is in oncology therefore we will continue to be strong in the area.

**Eli Lilly is facing patent cliffs on key drugs going forward. In fact, it is the innovative industry as a whole which is facing Loss of Exclusivity (LOE) issues. How do you assess Lilly's resistance to generics in South Africa and the company's capacity to reinvent itself in this market?**

How we do business in different countries will differ and we need to be versatile, flexible, and agile enough especially in the emerging markets. Are we going to buy a generics company? No. We do have second brands in South Africa that are doing quite well and allow us to considerably increase access to patients. So yes, our model has changed slightly, but Eli Lilly is still and will remain an innovative pharmaceutical company.

There is a place for generics, and there is a place for innovators.

The government's key stakeholders are opened to having private public partnerships. We will be at the table for the discussion, as I believe innovative products are going to be a part of the pharma future. We intend to bring more products to the market, to continue clinical activities in South Africa, and we will be will riding this wave and continue to be successful.

There are delays in the registration of drugs by the Medicines Control Council (MCC), which make business more challenging in South Africa. There is a truck load of products that they need to deal with, so I want to engage them and understand what they are going through.

Nonetheless, we also want to be realistic in our planning. It takes three years in South Africa for our drugs to be registered; it is a reality, it is therefore important to strategize what we will be doing in the meantime and to plan around it. We would like to speed up the timeline, but we do understand that everywhere there are limited resources.

**It is interesting to compare South Africa with its BRICS counterparts now that the country is part of the grouping. How would you compare South Africa and Brazil for instance, where you spent a while, in terms of its healthcare environment?**

The South African market is very advanced at the private level. The role that health has to play in South Africa is probably not as important in Brazil.

South Africa will also be changing. There is a big question mark around what the healthcare system will look like precisely under the National Health Insurance (NHI). In order to implement the right model, the South African government is looking at other countries to shape its pharma deal, especially at Brazil for its primary healthcare initiatives. As Lilly, our role is also to support the government to ensure that the healthcare workers in our country are prepared to deal with primary healthcare and fight additional disease burden.

Whereas in Brazil, you can count on 200 million people to raise taxes from, in South Africa, the population does not exceed 50 million, and with such a high unemployment rate, the percentage of people that should be financing the NHI is going to be a challenge.

Moreover, a large percentage of the population lives in very remote areas, but Brazil has similarities in that respect, considering people are difficult to be reached as well.

We have a healthy private healthcare, and yes healthcare needs to be accessible to all, but how to do that well? How to allow the innovative pharmaceutical industry as much as the generics company to have a role in a healthy market moving forward? The NHI seems to be the right model for South Africa, but today, the details are not there.

**It is likely that the Black Economic Empowerment (BEE) scoreboard will be closely looked at under the NHI, which will be a tender based system. How have you integrated the Transformation Process in the company's development and how important is this factor for you?**

First of all, the BEE is very important for Eli Lilly from a diversity point of view: the transformation mirrors Lilly's respect for diversity. I like to say that the BEE is not just a local initiative, it is a Lilly initiative.

We need to have an organization representative of the population; we need to understand not just the people within the organization but also the people we do business with. We want to be up to date on the criteria on a year to year basis. Today, we are 50% equity mix, and it is improving.

People development is an area also close to my heart personally.

**What personal touch have you added to Lilly's work culture and business philosophy?**

I bring engagement; I listen and continue to bring an environment of trust. I believe it is important to challenge each other within the company, putting people in demanding opportunities to learn.

Respect for Diversity and people development is a Lilly initiative, but I put a little of Ann-Marie on top of it. It is very easy for business to get in the way of people development, training, and the time management should spend with each employee. I make sure that this does not happen.

**You have been with Lilly for 17 years. What explains your loyalty to the company?**

There is a value match. I can be me here, because my values are spot on. I am here in a country and in an organization that has a wealth of culture, where I am learning every day. I am also very competitive and constantly search for excellence: Eli Lilly offers me the right environment to do that.

On an integrity point of view, if you cannot tell your mother what you did yesterday, do not do it. Keeping the patient in the forefront needs to be the compass of what you do.

**You are the first female country head of MNC that we meet in South Africa, and you are also Lilly's first black female Managing Director for South Africa and sub-Saharan Africa. As a symbol of South Africa's transformation process, you are pioneering this industry. What are the challenges that come with this distinction?**

There are many places where that glass ceiling still exists. Unless you have a company opened to changing views, it is difficult for a woman in this men's world.

Sometimes, we as women, limit ourselves. The men are usually the bread winners, and the women give up; they do not allow themselves to become the major bread winner.

My family totally supports me and allows me to have a lot of mobility, although compromises need sometimes to be made. More and more in the Lilly world, we are seeing remote type of work. This is a flat world now, with the means of communication that have been developed. Are we willing to think differently? We need to keep challenging ourselves in that way, and make sure we are not loosing talented people just because of mobility.

**What is your final message to the readers of Pharmaceutical Executive?**

Lilly's values are very evident and very strong; this continues to apply in South Africa.

As this country requires active listening, we need to engage the government and work together to see how we can uplift the people of this country.

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