Interview with Reginald Seeto, Country President, AstraZeneca Thailand

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Dr. Seeto, this is your first head of country position for AZ! Looking back at your first year-and-a-month, what have been the highlights and the key lessons learnt?

Firstly, leading the Thai country organization has been a real privilege and honor.

Looking back, I am proud of how the country organization has evolved and what we have achieved. A strong reflection on our change is an annual year-end survey of AstraZeneca (AZ) staff in all countries. We achieved our best results in more than 5 years and improved significantly on all measures.

We pro-actively targeted areas to improve including leadership, communication, and a focus on people. During the Thai floods, we had a chance to practice that belief. We started daily check-in and safety updates, a liberal home-work policy and made a point to have the broadest and one of the most generous set of allowances benchmarked among MNCs. We announced paid volunteer days to support the relief effort. We initiated a global fundraising campaign for all AZ staff to donate $1 USD. From this worldwide initiative we donated more than 2.3M Baht to the Thai Red Cross.

For any new GM to Thailand, there are many lessons to be captured. If you join as an expatriate it is even more important to remember that you are the new person to the company and country. During my first 6 months, I invested a lot of time and energy to understand the history and culture of the organization, staff, customers and peers to be able to build relationships. Relationships, recognition and trust are critical in operating in Asia. In addition, with Thailand’s healthcare system

changing so quickly and often it was important to have a series of future views on the market and how AZ could be successful in each of those views.

The focus of the second 6 months was to bring a country strategy that would enable AZ Thailand to be sustainable, competitive and dynamic enough to react to real-time market changes. This organization was built around a foundation of innovation around our core portfolio, accelerating our launch platform, operating a strong culture of compliance while being focused on people and values.

In 2011 the company's emerging markets revenue grew by 10 percent, and this is where the company invests. Where does Thailand fit in the global profile of the AstraZeneca business?

Thailand is an important market for AstraZeneca and the largest in Southeast Asia. In terms of growth it is one several maturing markets in Asia-Pacific. Looking at the year-on-year growth in Asia a lot of the recent industry growth has been driven by China. In other Asian markets, such as Korea and Taiwan, growth is starting to flatten due to pricing and reimbursement pressures. Thailand has already been experiencing cost containment measures since 2008. However, we continue to invest in Thailand as we believe we can be competitive and successful especially in the areas that we compete in.

When we met with Mr. Roach, then AstraZeneca president for S. Korea, he told us how he aims to make AZ number 1 through sustained investments to increase the opportunities to grow business, following the example of AstraZeneca in China, where the coy became no 1 MNC. Does AstraZeneca have what it takes to become number 1 in Thailand?

It is good to have aspirations and know that they can be achieved. Aiming to be number one in size is an admirable goal. Our goal in Thailand is not be the largest but to be the leader in the therapeutic areas that we play in and to be the best at serving our customers and patient needs.

Our strategy is to build a sustainable and competitive organization with the flexibility to adjust to a rapidly changing market place. We reviewed the Thai market which has been changing rapidly and identified areas where we could be leaders. For example, we aim to be number 1 in cardiovascular medicine where we see a lot of current and future growth opportunities. We already have a strong platform in CV built on lipid lowering and have invested in building out platforms in Acute Coronary Syndrome (ACS) and Diabetes.

We have selected the areas in cardiovascular medicine, where we want to compete and where we believe our medicines will make a meaningful difference. Our overall goal is to continue to bring high quality and innovative medicines to the people in Thailand.

Mr Genini of Eli Lilly told us that Thai customers are quality aware, which is obviously a good thing for MNCs. Still, accessibility and affordability to innovative drugs are an issue in emerging countries such as Thailand. How do you optimize accessibility to AstraZeneca's vital drugs to the Thai population?

At AstraZeneca quality is of the upmost important and key differentiator in the marketplace. We invest a lot of resources in developing and manufacturing medicines that treat patients and improve quality of their lives.

We believe there should be access of our drug portfolio to all parts of the population, and our drugs are indeed used across all reimbursement segments. The first and most critical part is achieving enlisting at the hospitals to ensure availability of our products. We believe in cost-effectiveness of our drugs and also understand constraints in personal and public funds. We continue to look at ways to broaden access, e.g. through specific patient access programs, price reductions, risk sharing schemes and quality generic drugs. There can never be enough to be done to address accessibility but we strive to do our best in working with all stakeholders as patient lives and healthcare standards are at stake.

When we spoke to Mr Goolab, AstraZeneca manager South Africa, two months back, he told us how AstraZeneca has launched a new division that will see the pharmaceutical company adding branded generics and second brands of originator drugs to its portfolio of products currently available in the South African market. What is your strategy?

AstraZeneca has a global branded generic strategy. However for each market we need to understand the complexities and how we can operate in this new area. For example the Thai market is unique because 80-90 percent of the market comes from hospital based business, within which have variety of specific dynamics in terms of competitiveness and accessibility.

Looking at our branded generics strategy, it is not to compete in all therapeutic areas and/or to be focused solely on price. Our first step is to ensure we can bring the highest quality product and then to understand how we can effectively bring this to the market. Branded Generics is one of our key initiatives that enable broader access to very high quality drugs where affordability is an issue.

What policies would you like to see from the government to improve the environment for MNCs in Thailand?

One area in which we could work together is how to better provide availability of innovative medicines given the current cost containment pressures, in order that patients that need them can get access. We would like to see the government welcome open dialogues between MNCs and policy makers where I believe best solutions for patients and healthcare systems' benefits can be mutual goals. Exploring ways to make truly innovative medicines more accessible would be a good

project to work together on. The policy should foster an environment where physicians can make decisions on the most appropriate, high-quality and cost-effective care for patients and appropriate budget management is achieved from collaborative efforts of all stakeholders.

Given PReMA's relatively weak position in Thailand, how difficult is it for MNCs to align the MNC need for profit with the government need for cost containment?

PReMA plays an important role in bringing MNCs together to identify and discuss important industry issues. PReMA works with the government so they can understand we can be part of the solution. The people of Thailand will benefit from new medicines that we develop and we need to ensure these innovative medicines are accessible.

In the Western market some of these organizations have been running longer and the decision making processes are clearer. PReMA is investing in building this relationship so that we can contribute on how we achieve broader drug access. At the end of the day we share the same goal of providing good high quality medicine to patients.

How would you rate the environment for conducting clinical trials in Thailand?

Thailand is one of the top countries in Asia for clinical trials and has served as a hub for global biotech / pharma companies and international CROs. Thailand ranked 7th in Asia in terms of number of international trials conducted (Ref: Clinical Trial Magnifier Apr 2011). There are good reasons for this; firstly, Thailand has a large population which can provide a patient pool that facilitates rapid enrolment. Secondly, the lower costs of operation will translate into significant cost saving. Finally, Thailand has a well-developed university and medical training network which feeds manpower needs.

If we would come back three years from now, where will you have taken the AstraZeneca operations?

It is important that we have a competitive and sustainable organization in Thailand. In the past, companies used to invest broadly in the world's emerging markets. As example the Thai market in 2001 – 2007 was growing in double digits but in the past few years, with the introduction of broad cost-containment measures, the market has matured, so we have to make sure we remain competitive and sustainable with the changed market dynamics. By 2015, I expect we will be leader in the areas we compete in.

What is your final message to the readers of Pharmaceutical Executive about AstraZeneca's commitment to providing its vital medicine to the Thai population?

AstraZeneca is committed to providing its quality medicine to Thailand and globally. We are one of the few companies fully dedicated to pharmaceuticals; we did not diversify like most of our peers. This is our area of focus and commitment to best address unmet patient needs.

We believe that we can continue bring the best medicines to the market and our goal is to ensure we get these medicines out effectively to the people that need them.

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