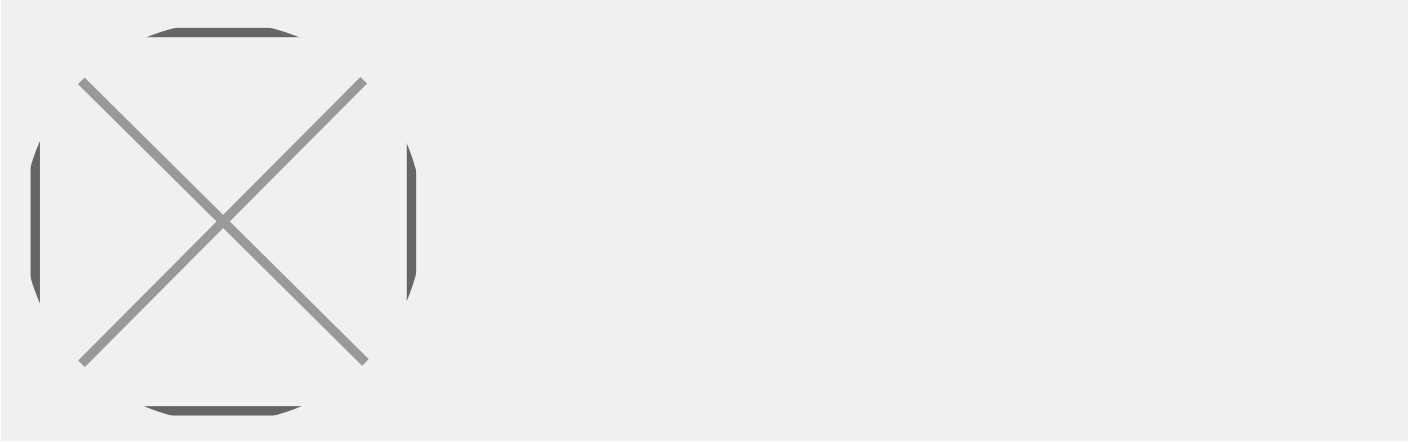
Interview with Hans Duijf, General Manager, Novo Nordisk Thailand



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Novo Nordisk is one of the very few pharmaceutical multinationals that have a strong focus on one therapeutic area. Although the company has a presence in other disease areas, diabetes remains its leading cause. Could you give us a brief overview of the evolution of diabetes in Thailand compared to other Asian markets?

Thailand is pretty similar to the rest of the world or other Asian markets, diabetes is common and its prevalence continues to grow. Globally Novo Nordisk is number one in diabetes and we are number one in Thailand too; every one out of 2 people use Novo Nordisk insulin. If we look at the Thai market on a regional basis, in the north ASEAN, Thailand is quite a mature market compared to the others, with Vietnam the second biggest. Vietnam is a fast growing market and from an organizational point of view, we are in an early – but rapidly developing – stage of development. We have just opened a representative office in the country and we have a rapidly growing organization on the basis of strong sales growth; whereas we have a very well established presence in Thailand for 20-25 years. Compared to the rest of Asia Pacific, I am not surprising anybody when I say that the Thai market has been a difficult one to operate in the last couple of years due to strict government measures to control drug costs. It certainly has not lived up to the role model emerging market expectations.

Diabetes is growing at a rapid rate in Asia and it is a growing concern as diabetes is one of the fastest growing diseases in Thailand. How has Novo Nordisk grown since it was established in Thailand in 1984, and how is the company positioned in the market today?

Novo Nordisk has over time become leader in diabetes with strong focus on insulin, but we have also been successful in haemophilia, growth disorders and hormone replacement therapy. The introduction of universal healthcare in Thailand has driven growth as better insulin became accessible for virtually the entire population. There has been good attention for or good health policy to managing diabetes in Thailand for many years. Strong economic growth has come with inevitable change in lifestyle, increasing obesity and overweight which has also driven the prevalence of diabetes globally. Increasing diabetes and aging population means that there is more need for insulin and new products.
Just like our colleagues at other pharma companies, we have had a more difficult time with healthcare reforms in Thailand recently. One particular challenge is to match reality of Thai market with expectations from the emerging Asia Pacific region in general. With slow growth in Europe, declining growth observed in the US, pharma's strategies are driven towards the emerging parts of the world. In the wider Asia Pacific region, Thailand seems to be a little bit of an odd duck when thinking about the 10, 15 or higher growth delivered by a lot of different countries in the region. However, with the right strategy and bringing innovative medicines to the market, we think that we can make a difference and deliver good double-digit growth in the years to come.

For us it is also a numbers game, according to for example the International Diabetes Foundation or the government's health statistics, the number of people with diabetes is rising and in a few years 1 in 10 adults will suffer from diabetes. When you consider that perhaps only half of the people with diabetes is diagnosed, half of those has access to good care and half of those reach treatment targets, perhaps only 10% of the Thai diabetes population is optimally treated and controlled. This is what we call "the rule of halves" and it means we have a lot of work to do as a company. This is our ambition and what we call "changing diabetes", which is really to make sure that more people receive the care they deserve to lead a better life.

The government has heavy cost-containment measures which resulted in slow growth for some of the international research-based companies. You mentioned the importance of having the right strategy to maintain performance. What is your strategy?

First, of course we have to make sure we run an efficient and effective organization, that goes without saying. Second, there will always be room for the introduction of innovative therapies that deliver real value, and that is also what we are planning. The company has the strongest pipeline in diabetes and that we will bring to the people of Thailand too.

Third, we have a long-term vision. Our company's philosophy in Thailand, which is not different from anywhere else in the world is that, of course, it is important to make profit. We also believe that what is good for society is good for business. We will continue to focus on helping people with diabetes lead a better life, reach better control and avoid long-term complications. We will drive awareness about diabetes, the long-term complications, the impact on society and thereby help the

government set their health priorities and policies. Diabetes can become a huge burden on society and together we have to take action now.

Thailand is praised for its achievement of universal health coverage although the companies criticize the system for being underfunded and not being functional in providing access to innovative medicines. Where do you believe diabetes care falls on the priority list for the government and the payer bodies here?

It is easy to say that the system is underfunded. There is never enough funding and from this point of view the situation is not very different from other places in the world. I believe the Thais have done pretty well in designing their healthcare system and make basic care accessible to all. This has been achieved in the last decade or so; what they have done is quite admiring. This does not mean that things cannot be improved, they should and they have to. As a company, we will help to strive to achieve these improvements together with our stakeholders, the government, hospitals, doctors and patients.

Approaching and building relations with local authorities is not always easy. How has it been for Novo Nordisk in Thailand? What projects are you putting in place to communicate with your stakeholders?

There is a variety of projects underway that are supported directly or indirectly by Novo Nordisk. A good example is our DiabCare initiative where since 1998 we have invested in epidemiological studies to identify the “state of the nation” of diabetes care, map level of control and the prevalence of complications. Without knowing the burden of the disease and the level of control it is impossible to set the right health policies and priorities so this is an important initiative to change diabetes for Thailand. Practically, we support HbA1c campaigns, patient camps and physician education. Other initiatives include eye-screening projects ran by the World Diabetes Foundation. All these help to communicate with our stakeholders and bring diabetes on the health agenda.

With the current growth of diabetes among the population and the experts’ prediction that it will only get worse in the future, it is not just the local companies, but pharmaceutical giants such as Sanofi Aventis, Lilly and Merck that are beginning to focus on this therapeutic sector. What is Novo Nordisk’s strategy to maintain its leadership in this area, and how would you assess the current level of competition here in Thailand?

Still today in Thailand more than one in every two people that use insulin will use ours. The first reason why Novo Nordisk is successful despite competition is because we are focused on diabetes and we have people with the passion, skills and commitment to change diabetes and expand our leadership. Second, we have the broadest insulin portfolio in diabetes. Third, innovation, we have just launched Victoza (Liraglutide) in the Thai market, the first and only once-daily human GLP-1 analogue and looking further into the future there is little doubt

Novo Nordisk has the best pipeline in diabetes, and hemophilia I should add.

Although, as mentioned there is health reform and strong price competition from biosimilars that have appeared on the market, doctors and patients still want quality, and they want better, innovative products. Thai doctors and their patients are quite receptive to new medications that deliver innovation and true value. One of the challenges for us is to convince doctors and payers to get these drugs listed in the hospitals and ultimately enlisted in the essential drug list. Insulin as a life-saving medication is listed and with a good health-economic case so will Victoza in due time.

What innovative medicines and devices are you bringing into the market?

I mentioned Victoza already, a real innovatioin in diabetes, it effectively reduces blood glucose and does so without causing hypoglycemia, leads to weight loss and a reduction in systolic blood pressure, factors that are root causes to patients not achieving their treatment targets. Victoza delivers unique benefits as other treatments typically do cause hypoglycemia and lead to weight gain. We have high expectations in Thailand and hope many people with diabetes can improve their quality of life with Victoza.

Further into the future, a new ultra-long acting insulin is coming, fixed combinations of insulin and GLP-1, liraglutide for the treatment of obesity and beyond that perhaps also oral GLP-1 and oral insulin, this is still early stage development though.

How successful have you been at launching these products in Thailand, and how open has the Thai population been to their uptake?

The launch of new drugs and devices has been reasonably successful in Thailand when looking at the market as a whole. Access and penetration to the market covered by the universal scheme is not so easy as price plays a very important role. Penetration in the private market on the other hand is often much faster and more successful. As long as innovation brings true value for the patient and we can show value for the payer I am confident launching new products will continue to pay off.

As general manager, what are your biggest priorities today? What do you want to achieve with Novo Nordisk in Thailand?

Grow the business first and foremost, it is our ambition to expand our leadership in diabetes and make a difference to people with hemophilia and growth disorders. With a team of passionate and committed people we are ready to meet the challenges in the market. Market access plays a very important role. On a technical level, hospital by hospital and also on a national level, enlisting the right drugs in the essential drug list is a key priority and creates access for a large number of Thai people. Another important priority for us is to work hard to “change diabetes”. We are working to make sure that people with diabetes are diagnosed early, get treated and have access to the right

medication. This is not only good for people with diabetes; it is also good for business.

Given the current focus on ASEAN integration, how do you view the opportunities in Thailand from the perspective of Novo Nordisk and how do you view the shaping of the pharmaceutical landscape?

We have had a presence in the region for a long time, which means that on a local level we are pretty well established across the region and all countries. ASEAN may make it easier to operate and I am hoping that the registration of new products becomes easier and in a more uniform process, currently it takes a while before patients can benefit from new products in the region.

Thailand has a competitive advantage and is described as an attractive place for clinical trials. How Novo Nordisk is approaching the clinical trials in Thailand?

We also have a clinical trials unit here. Doing clinical trials is good for shaping relationships with the key opinion leaders and, of course, they have a chance early on to get a flavor of what will come, this is important for commercial success later. I am also proud that Thailand contributes to global clinical development and helps to get new medications to the global market as fast as possible. Overall, the quality, speed and experience level with clinical trials in Thailand is pretty good and well regarded in our global organisation. We do make a substantial contribution to the global development programs here. Typically in the past years, it has been phase III trials. Recently we conducted our first earlier phase trials here also, shows confidence in the ability of Thai investigators, that's very exciting.

When we met Eric Wang in Taiwan, Martin Soeters in Germany and Sergey Smirnov in Russia in the last years, we were talking about the company's "triple bottom line" of financial, social and environmental responsibilities. Novo Nordisk is known around the world for having an active role in raising awareness of the issue of Diabetes, and for pioneering CSR policies. I believe Thailand is no exception. Could you explain to our readers about some of the projects that you are currently undertaking here to increase awareness and communicate with your stakeholders, and explain the importance of this activity for Thailand?

The Triple-Bottom-Line is anchored in what we call the "Novo Nordisk Way", our corporate management philosophy and we take it seriously all over the world. Also here in Thailand we believe that what is good for society is good for business and we act on the responsibilities we feel we have towards society and people with diabetes and hemophilia. During the recent flooding, we set up a diabetes camp in the national stadium where some 3000 evacuees were gathered. We organized nurses, doctors, medical equipment and medication and delivered care people required. The eye-screening clinics supported by the Word Diabetes Foundation, the epidemiological studies we conduct every few years across Asia and Thailand, just to name a few.

On a personal and professional level, how do you find working in Thailand as an expat?

Thailand is a fantastic country and I really enjoy living here and so does my family. I have been outside of Holland for 12 years now, always with Novo Nordisk. Thailand rates pretty high on my list. The country is beautiful, the people are very friendly, welcoming and respectful and the food is second-to-none. So, few complaints from me, Bangkok is a good place to live. From a business point of view, I do have to remind myself of my origins. The people in Holland probably have the most direct style of communication and the Thai people could be the complete opposite. Something to be aware off all the time but one of my, and the company's, essentials is to have respect for all people. With this in mind those differences can easily be bridged and it makes working together a pleasure.

If we come back 5 years from now, what will we find at Novo Nordisk Thailand ? How will we see Novo Nordisk Thailand growing in size and positioning in the coming years?

We will have expanded our leadership in diabetes, no doubt. I also expect us to deliver strong sales growth driven by the increasing prevalence of diabetes, getting more people with diabetes in good control with innovative products. I am confident we can get 5% growth from each of these three drivers.

What would be your final message to Pharmaceutical Executive's 40,000 readers about Novo Nordisk Thailand?

I am proud of working for Novo Nordisk Pharma Thailand. Together with a team of passionate and committed colleagues we are making a difference to the lives of many people with diabetes, hemophilia and growth disorders. I am also proud of Thailand delivering a strong contribution to our global record of 39 consecutive quarters of double-digit sales growth, our clinical team contributes to one of the strongest pipelines in the industry. Especially in an age of patent expirations and healthcare reform in the US and Europe Novo Nordisk simply stands out tremendously.

Despite the fact that Thailand is not the easiest operating environment at the moment, we stick to our global success formula, combined with diligent execution locally this will bring us to our ambition.

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