

Interview with Sergei Smirnov, Head of Representative Office, Novo Nordisk Russia

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Novo Nordisk announced last year the development of an insulin plant in the Kaluga region not far from Moscow. What is the strategic significance of this plant, both for the company and for the Russian patient?

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. While the cost of this strategy does not immediately express the benefits, it certainly contributes to further strengthening the company's standing in the region. Our leadership position and our understanding of the principles of social responsibility require us to contribute to the development of national health systems. Construction of a plant for the production of modern insulins in Russia is the realization of this strategy, and it is our contribution to the modernization of the health system here, in accordance with the Pharma 2020 program. Moreover, we are partners in the creation of a pharmaceutical cluster.

Actually, the idea of building a plant in Russia was discussed over 10 years ago. But with the government's adoption of the healthcare modernization policy, and with the improved investment climate, this idea became a reality. We are proud to say that soon we will be able to provide our Russian patients with the best products at a competitive price.

Novo Nordisk's plant in Russia will feature the most up-to-date GMP production—in terms of the state-of-the-art technologies used, the final product, and energy efficiency. The latter is a very important target for us. It means a greater construction cost, but will pay off in the end by ensuring lower energy consumption and CO2 emission. President D. Medvedev admits that Denmark is a

country with much expertise in energy efficiency. We are sure that this approach can be used everywhere, including the production of pharmaceuticals in Russia.

We are constructing this plant both because it helps to grow our business, and because the need for more and better diabetes treatment is real and urgent. Besides that, we help to establish GMP standards in Russia by setting up an example. Furthermore, we participate in a work group that is developing the definition and implementation of these standards across Russia.

We also contribute to Russian society by paying taxes locally, and providing new working places. Staff training and giving Russian scientists the opportunity to acquire advanced foreign experience is important as well.

Social responsibility is indeed the hallmark of Novo Nordisk. What are the latest successes you have witnessed from Novo Nordisk's social outreach programs, like the Mobile Diabetes Center, since we last spoke in 2006?

When Novo Nordisk speaks of corporate social responsibility, we believe it has three main components. The first level is to make sure that our products are available. This is not a problem in Russia anymore. The second level is to ensure that a product is used properly—here, we are speaking about the education of doctors, and education of patients. The third level is to help develop diabetes care and the healthcare system in general. Our Mobile diabetes centre is a good example for that.

In 2009, Russia launched a new project, called 'Prevention is the basis of the nation's health,' which brings the attention of population to the problems of diabetes. It is carried out on the basis of our Mobile Diabetes Centre.

In Russia we successfully implement the global Novo Nordisk initiative Changing Diabetes®. Changing Diabetes® is our promise to improve health and quality of life, and to actively contribute to a society that provides equal and nondiscriminatory support for people with chronic conditions. To change the course of the diabetes pandemic and improve quality of life for patients, we are working to put diabetes on the public health agenda by building partnerships around a shared vision of Changing Diabetes® and implementing the UN Resolution on this disease.

Awareness is key when you talk about diseases such as this. The responsibility is shifting from doctor to patient. The more the patient is educated, the better the outcome of treatment. Decision-makers should also be aware about the burden that diabetes has upon society—then they make wiser decisions. To this end, over the past few years Novo Nordisk has spearheaded a number of major diabetes forums and various awareness events in the State Duma and Federation Council.

Novo Nordisk has an interesting program called DAWN, which recommended that psychosocial support for people with diabetes should be improved, and should compliment

regular diabetes care to overcome socio-psychological barriers to treatment in patients with diabetes. Has Russia reached such a level in diabetes treatment that it can afford these 'luxuries?'

I would not call this a luxury. The primary target of diabetes care is to achieve as much control as possible. In the end, it is all about giving people with diabetes the individual support and coaching they need to master their disease in daily life, and deal with both the medical and psychosocial challenges it brings. Awareness and education are important. We have knowledge from all over the world—the DAWN project is a good example—and we can bring it to the local market.

Despite the growing quality and availability of treatment, most people with diabetes still do not achieve optimum blood sugar control. The resulting long-term complications are burdensome for both patients and society. That is why I do not view the DAWN findings as recommending a luxury. I think it is something we should do, and we are doing it in Russia.

So do you believe that the fundamentals are already there? When we spoke in 2006, you mentioned inefficiencies in basic parameters like diagnosis rates, patient access to medicines, and quality of treatment. Have things changed?

Things are improving. But there is still a long way to go. This is not only for Russia—it is for all other countries. Even if we look at a country like Denmark, the diagnostic rate there is also much lower than optimal. We have a very rough rule of halves: among all people with diabetes, only 50% are diagnosed; of those who are diagnosed, only 50% receive care; from this group, only 50% achieve treatment targets; and only 50% of achieved treatment targets bring about the desired outcome.

Nonetheless, I should emphasize that we see improvement. If you take the numbers of people in Russia using the most advanced diabetes treatment—modern insulins, which go beyond the basics and help to improve quality of life very significantly—these numbers are very high here, though still lower than in Europe.

Novo Nordisk is an extremely important social partner for the government, as the main provider of diabetes medication in this country, and as a company that actively offers social outreach programs. What kind of relationship do you see the company sharing with the regional and federal authorities today, and how do you work together to improve the state of healthcare?

We truly do many good things. In addition to what we have spoken about already, I can name, for instance, clinical trials. We do a lot of clinical trials in Russia. It is not obligatory for our company to conduct them in Russia, but there are so many benefits that Russia gains!

The first benefit is faster access to new treatment—we are talking about years of difference. Another important factor is the investments in clinics, equipment, training, etc. Those are real investments that improve healthcare in general. Besides that, our clinical trials give Russian doctors a chance to gain a lot of new knowledge and learn how to work within very strict international protocols.

In terms of working with authorities, we want to be a partner that provides the knowledge and the experience to help to attain our mutual goals. Pharma 2020 is one of those goals. It is not our own goal, but we understand it and we are ready to contribute as much as we can.

Novo Nordisk is celebrating 20 years in Russia. Looking ahead at the next five years, how do you see the company growing?

Diabetes will remain our key focus area over those years. It is important to mention that we have a very good pipeline. One very advanced product that goes far beyond regular glucose management was launched last year. We have new innovative products for the treatment of diabetes further along our pipeline, and I think that our financial performance is going to improve quite palpably.

What can your colleagues in the industry learn from the way this company operates?

We want to be a sustainable business, and this implies being profitable—to secure future growth and to make our contribution to social and economic development. We have chosen to translate our commitment to sustainable development as the Triple Bottom Line principle: balancing financial, social and environmental considerations in a responsible way.

A fundamental aspect of the Triple Bottom Line principle is that we acknowledge our role as a corporate citizen and consider the societal impacts—both positive, and potentially negative—of our business. When we make decisions and identify priorities to secure business success for the future, we must always take into account the concerns and interest of all stakeholders.

Novo Nordisk is, in a way, a very unique company. In Novo Nordisk, we established a values-based management system called the “Novo Nordisk Way.” It unifies a strong corporate culture and guides behaviour in all parts of the organisation. These are not just words. We walk the talk.

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