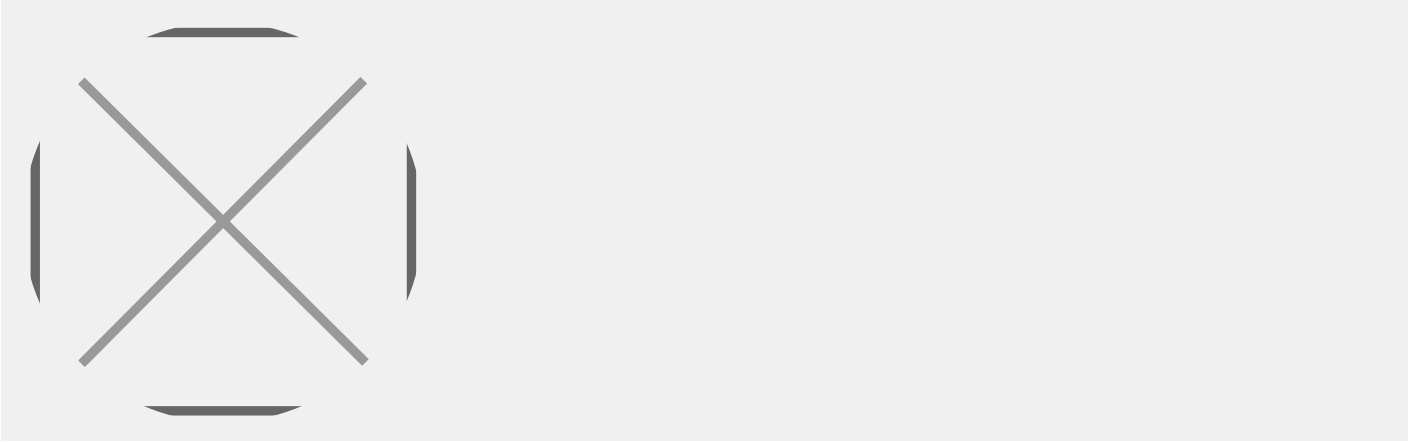
Interview with Rex Laroza, Country Manager, Novo Nordisk Pharmaceuticals (Philippines)



26.07.2010

Tags: Novo Nordisk Pharmaceuticals (Philippines)

Given that Asia is leading growth in the global pharmaceutical market, how is Novo Nordisk represented in the Asia-Pacific region and what is the importance of the Philippines within the company's strategy for Asia?

The Philippines is part of what we call BAOS – Business Area Oceana, which includes Australia and New Zealand, plus the rest of the other Asian countries like Malaysia, Singapore, Philippines, Vietnam, Thailand, and Cambodia. Previously we included Korea and Taiwan, but now they are part of a separate region.

Novo Nordisk has been a pioneer when it comes to diabetes – we are a company that is purely dedicated to changing diabetes through sheer scientific research. We have been doing protein molecule research for the past eighty-three years and we came up with the best insulin in the market, either long-acting or rapid-acting insulin. As I understand there is no other pharmaceutical company who is more robust in terms of research and development when it comes to insulin.

Insulin per se has a very specific role in terms of managing diabetes. The first step would be to look at the American Diabetes Association (ADA) or European Association for the Study of Diabetes (EASD) guidelines, the second would be diet and exercises, and then follow by Oral Anti Diabetes (OAD). Insulin has a specific importance because if these actions fail the patient needs to initiate or intensify immediately with insulin.

Insulin in the Philippines is a fast growing segment; in fact it is growing three times faster than then market. In 2009 it has grown around an estimated 21%. The diabetes market is only about 7.5% so it is safe to assume that it has been a growing market. In the Philippines the diabetes prevalence is also high, about 4.5%, however there are some challenges when it comes to either diagnosis or treatment because Philippines is a non reimbursed market. Compared with the rest of its Asian counterparts it is extremely difficult for someone to be maintained on insulin in the Philippines. Price wise, there is a huge difference if you compare Oral Hypoglycemic Agents (OHA) with insulin. The logical step for Filipinos would be to start with OAD, capitalize on OAD and then move to insulin. That presents a problem in itself – the dynamics of diabetes is insulin resistance and lack of insulin. With OAD you kill the beta cells, and by killing the beta cells you kill the organic and then exhaust the production of insulin.

In this aspect Novo Nordisk has been very successful. For the past 3 years we have been growing more than 20% in the market. I think we are one of the fastest growing pharmaceutical companies in the Philippines now. Taking into consideration the diabetes care market alone, in 2008 we were number 6 in the market, at the end of 2009 we were number 2, while during the first quarter of 2010 we reached number one. It is safe to assume that in other markets like Malaysia and Singapore it is the same. Some of my counterparts have market shares of even 70%.

The Philippines pharmaceutical market has been going through some difficult times, particularly in 2009 following the Universally Accessible Quality and Cheaper Medicines Act. Some of the companies have adopted voluntary price reductions, including sanofi-aventis on their diabetes drug, Lantus®. What are the measures that Novo Nordisk is adopting to cope with this increasing competition and how do you plan to maintain your leadership position?

Talking about the Maximum Drug Retail Price (MDRP) which has been brought into law last year, I think we have been fortunate in that way. We have shifted all of our focus already; however, I cannot divulge more information because that is a strategic move for us. It is safe to say that Novo Nordisk is in a safe ground and we have focused our energy on making sure that we target the correct doctors with the correct patients.

Novo Nordisk has been growing steadily in the last year, more than 20%. How do you plan to sustain the growth in the future and what would be the drivers of the growth in the Philippines market for the next years?

To be successful in the Philippines market a pharmaceutical company needs to be very driven, but much of the companies do not have huge resources anymore. With the MDRP, companies have to focus on growing products. This is something that we have been doing consistently, making sure that the correct investments are done for the correct market initiatives that will support our growth.

We have dedicated ourselves to making sure that the growth driving products are the ones that are being promoted. I have come from other big companies and it is a difficult paradigm shift to move from a cash-cow product to a growing product. Novo Nordisk Philippines has done that intentionally already, we have veered away from products that we know that are already selling and we focus our energy on developing our new products.

Talking more generally about the diabetes market here in the Philippines, it is an underdeveloped market where there are issues with diagnosis and access to medicines. What is Novo Nordisk doing to support the Government in increasing access to medicines for the poor?

To be honest, I think that the government can improve in so many ways. Managing diabetes is about: number one making sure that you have early detection, number two that you have the correct diagnosis and then number three is management. These are the three strategies when it comes to diabetes. In the Philippines we are failing even in the first one, in the identification. The reason behind it is that the Government is not putting much effort in terms of educating people, be it through the media or through the Department, to make sure that people understand what diabetes is all about.

Since I have started in Novo Nordisk two years ago I dedicated huge amount of our efforts into making sure that we do continuous medical education for doctors, that we initiate training programs, and we leverage on key opinion leaders. In the Philippines about five hundred doctors manage about 80% of the patients – a high number of patients for one doctor. There is room for improvement and I can say that Novo Nordisk has played a role in improving the situation.

One of the specific initiatives that Novo Nordisk has been adopting all around the world is the triple-bottom-line approach. How do you apply this approach specifically here in the Philippines?

The triple-bottom-line approach has always been our driving principle. In Novo Nordisk we have what we call the Novo Nordisk Way of Management, which includes the triple-bottom-line. This approach implies not only guaranteeing the financial return but making sure that the other segments (the environment and the customers) are aligned as well – all of them put together constitute what we call success, that is the dimension behind the triple-bottom-line. That means that we are not only here for profits, we are here to better people – diabetic patients are well managed by Novo Nordisk products and we take care of them along the way, including also environmental impact.

You have worked in several different companies. What is different in the Novo Nordisk Way of Management compared to other companies' management style?

As much as it is hard to compare, the reason behind the differences is that each of the companies has different strategic intents. What I can safely assume is that with the Novo Nordisk Way of Managing people by working with Novo Nordisk Philippines is that managers are not just doing this for the company sake; they are doing this to forward ourselves, to better the community, and they are work in partnership with the doctors. I suppose that its essence captures at least the idea of how we manage people, the way we interact with the doctors and with the customers. We feel better, we know that we are doing it correctly and that everything we do is guided.

Novo Nordisk has been named one of the best work places in several countries around the world. Why should jobseekers chose Novo Nordisk Philippines instead of other pharmaceutical companies?

One of the key reasons is that we are 100% dedicated; we are in a niche market, purely focused on diabetes. Before the model in the industry was to have more products and that meant you had more probability to be successful. However, this has changed drastically over the last 5 years with the advent of oncology. Oncology brought in a new dimension, that one/two/three products could spell blockbuster for a particular company so you could focus your energies on those aspects.

People who work for Novo Nordisk Philippines can be assured that we are purely dedicated in one segment and all of the new products in the pipeline will be in the diabetes market. This will guarantee that we are in a fast growing market and that we are dedicated to a specific specialty so there will always be room for growth. In the last four/five years Novo Nordisk has never decreased its field force. Other pharmaceutical companies like Sanofi-aventis and Eli Lilly have adopted what they call “rightsizing”, meaning that they have changed drastically their field force for business reasons, while up to the last three years Novo Nordisk has still been expanding in the Philippines. We are not a large staff, but we are expanding if you compare it with other companies.

Given your expansion trend, where would you like to bring the company in the next 3 to 5 years?

When I joined the company my goal was to become number one in the diabetes care market, and in the last two years we have successfully done that. Now I would like to maintain that position in the diabetes care market. I would like to be in a dominant area with insulin and when I say dominant I am talking of more than 50% market share, If I bring the organization there then there will be more opportunities for my internal people to grow and also probably for other people to join the organization because the organic growth brings also opportunities for other people to join the company.

More on a personal note, how difficult it is to manage one of the leading companies in the Philippines and separate it from the personal life?

It is a very difficult question with a very easy answer. In life, I think that is an imperative to enjoy what you are doing. I like what I am doing for Novo Nordisk, for customers and for doctors. I make sure also that I have quality time with my children and with my wife.

Here in Novo Nordisk I am the country manager, but I am also head of marketing, I am in charge of sales, I am the finance head and now I am also the head of the regulatory department. It is not only the amount of time but because I have to change from one specialty to another it means I have to change my mindset because each one is completely different from each other even if they integrate and work together.

On behalf of every function of Novo Nordisk Philippines, what would you like your final message to be to the readers of Pharmaceutical Executive?

I think Novo Nordisk is dedicated and committed when it comes to changing diabetes. We are doing our share when it comes to meeting the challenge of diabetes in terms of educating people, educating doctors, and being on the side of key opinion leaders. We would like to make sure that the company is dedicated in making sure that we apply the triple-bottom-line which does not only focus on profit but it makes sure that other areas are also brought into consideration and we do business in a long-term perspective with a responsibility towards patients, government and all of the other stakeholders.

See more interviews