Janssen Latin America South – Alejandro Smolje, Finance Director – Argentina



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Long-term strategy is the name of the game for Janssen. Alejandro Smolje, the company's director of finance for Latin America South, outlines how that strategy is implemented in Argentina and highlights the affiliate's emphasis on its clinical research and its impact on Argentina's healthcare environment.

What have been some of the most notable shifts in the Argentine pharmaceutical and healthcare ecosystem since 2009?

The most significant changes are related to new, innovative products that have been brought to market by international companies, primarily specialty products. Additionally, the country now experiences broader access to innovation due to certain government policies and an excellent healthcare system. In spite of the country's often volatile economy, the industry has enjoyed adequate growth over the past few years.

Where does Janssen fit into this picture of dynamic change?

Many Argentine citizens today have access to specialty or high technology products due to a solid reimbursement system. Through HMOs, more than 70 percent of the population has access to these high tech products. This is not unique, but certainly different from the situation in many

other Latin American countries.

What other unique characteristics exist in Argentina from which multinationals can benefit?

Argentina has an insurmountably high number of well-trained professionals, not only in terms of pharmacists or technical specialists but also professionals in administration, marketing and sales force. The high level of education in the country and professionalism of people is an important feature for all multinationals operating here.

Between 2006 and 2009 Janssen Argentina doubled its business. How has the affiliate's performance measured up in the last five years?

Janssen has maintained the trend. We have continued to launch new products during the last few years. The company has a long-standing history in Argentina that dates back to 1931, and has always been committed to patients, employees and community. The subsidiary has always focused on strengthening its position in Argentina over the years, even when the country experienced economic difficulties like hyperinflation in the 1980s or the 2002 debt crisis.

In the last five years, Janssen Argentina has continued to grow substantially. We have been able to launch new, innovative and high-quality products on numerous occasions due to an emphasis on a long-term strategy focused on unmet medical needs. We will continue to implement this strategy in the coming years.

What is Janssen's R&D investment in Argentina?

Janssen runs a global clinical operations unit here, performing several local clinical studies in our main therapeutic areas: oncology, hematology, infectology, immunology, diabetes. Because of Argentina's high education level, the excellence of physicians, and world-class research centers, we have been able to truly develop a solid clinical trial structure here. Argentina is one of Janssen's key countries for the organization's R&D strategy. Furthermore, Janssen Argentina focuses clinical trials in all of the company's therapeutic areas and has its own organization dedicated to these operations.

Is the government appreciative of this sort of commitment to stakeholders when taking pricing issues into account?

The government has a better understanding and awareness today of what performing clinical trials here means for the country and is consequently more supportive than it used to be in the past. The

authorities are learning how clinical trials and the industry in general work. International companies in particular have been engaging stakeholders by explaining to them these operations. As a result, the government has been more involved from a public perspective, supporting these initiatives through regulation.

What product launches of Janssen have benefited Argentine patients the most in the past few years?

Incivo® (telaprevir), an innovative therapy that significantly increases the hepatitis C cure rate and is indicated for those patients with genotype 1, the most prevalent virus in our country; Simponi® (golimumab), a biotech for patients with autoimmune diseases like rheumatoid arthritis, ankylosing spondylitis and psoriatic arthritis; Zytiga® (abiraterone acetate), to prolong the quality of life of patients with advanced prostate cancer, and Ribomustin®, a new treatment option for patients with chronic lymphocytic leukemia, indolent Non-Hodgkin's lymphoma and multiple myeloma; have all experienced successful launches in Argentina.

How easy is it for you to launch new products in Argentina?

The registration is efficient from the process perspective. Janssen has been able to register and launch products. Thank to Argentina's ample healthcare system, many people in the country have broad access to new therapies.

This great market access must open up significant competition; how do you ensure strong market share with a product like Incivo®, when companies like Gilead are planning to operate here given their recent blockbuster success with Sovaldi®?

We compete in different therapeutic areas with both international and local companies. Investment is high, proof of the interest that many international companies have in Argentina, and as you mentioned Gilead is an example of it. Our most notable advantage is our long-term strategy. Janssen has been present in Argentina for decades; thus our market knowledge allows us to understand key players and therefore we have an important role in the market.

How has Janssen's decentralized structure allowed you to be more reactive in Argentina than other multinationals operating here?

Our decentralization is an important asset to implement local strategies. This affiliate has been able to deal locally with the economy's volatility and some other specific features that are paramount here.

What is the strategic importance of Janssen Argentina in relation to the Latin American market and the global organization?

Argentina is a very interesting market to be in for the pharmaceutical industry. Janssen has been a long-standing member of this country and continues to remain committed to the patients, our employees and the community. Our commercial organization and clinical trials unit are both part of broad strategies throughout the company.

What are you most proud of during your tenure as Finance Director for Janssen Latin America South?

As an entire team, we have been able to strengthen Janssen's position in Argentina as one of the top players in the market with a solid basis to continue developing and implementing our long-term strategy. After the 2002 crisis, Argentina was a very complex and turbulent environment. During the last decade we have been able to overcome the effects of this crisis to consolidate the organization and to set the basis to continue growing in the future.

How have you personally evolved over the last decade?

Indeed, the times were difficult for many years due to Argentina's volatile market. But I was able to support the establishment of a solid structure that ultimately served the patients and the people working here.

As part of your long-term strategy, what ambitions do you have for the next five years?

I want to continue launching new products and helping the company to grow at the same pace that it has experienced in recent years. Whether referring to Janssen globally, or Janssen in southern Latin America or even just Argentina, we always think in the long-term strategy. Janssen has chosen to stay in Argentina during the toughest times when other companies left and I believe this has been a great decision. We want to maintain the same strategy, overcoming the impact of issues like inflation or devaluation.

We will continue to bring innovative products to Argentina, servicing our market segment of unmet medical needs.

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