

# Sanofi Korea - Kay Bae, General Manager

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22.12.2014

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*Sanofi's Korean affiliate is the fifth largest recipient of clinical trial investments after the United States, France, Germany and the United Kingdom.*

*Kay Bae, general manager, discusses the benefits of clinical testing in Korea and why 'open innovation' is important for progress and development.*

**You became general manager of Sanofi Korea last year; prior to that you were the general manager of Genzyme Korea. What was the transformation like from the rare diseases division to managing an entire company?**

Big pharma is not new to me as I used to work at Novartis for 16 years in key areas such as oncology, diabetes, osteoporosis and respiratory. This background was useful when making the switch. I joined Genzyme in May 2010, and six months later Sanofi acquired Genzyme as part of its diversification strategy. Having just started, there was quite an upheaval. At Genzyme, my Sanofi counterpart was the general manager in Sanofi Korea who is now based in Singapore and we worked closely with one another to find a win-win structure and solution for both parties. Sanofi required a new growth engine and a route to market and patients in the region and Genzyme required resources under cost constraints. The merger was mutually beneficial to both parties, and my role was to communicate these positives to all stakeholders to ensure a smooth transition between the two.

After the acquisition and while general manager of Genzyme, I started to take on additional responsibilities within the Sanofi group in Korea. By the time I became the general manager of Sanofi, I was already familiar with the management team and their way of working. It was a smooth transition and one I very much enjoyed.

**In the light of recent changes, what are some of the strategies Sanofi has implemented to counteract changes in the Korean marketplace?**

In Korea, we are facing fundamental challenges due to At the same time the government is focusing on the pharmaceutical industry as a high growth area. Korea has good potential to grow its pharmaceutical with the talent and research capability and good infrastructure for clinical development, coupled with an aging population and increasing demand for high quality of care.

However, the issue we face is that there is lack of recognition of innovation and without proper recognition of innovation, there is no future. The statistics show that since 2010, the price of new products in Korea amounts to around 45 percent of the OECD average. There should be clear recognition for new innovative drugs if we want to foster R&D and to develop new drugs in Korea which potentially become global blockbusters.

Innovation is the future, and we need to work with the government and other stakeholders to encourage innovation and get more drugs to Korean patients. In order for this to happen, there needs to be a fundamental shift in how money is allocated to support new innovative medicine.

**Sanofi is actively forming new partnerships with other pharmaceutical players such as Hanmi. What do you look for in a partner and can we expect to see more partnerships for Sanofi in the future?**

I am a big advocate of 'open innovation'. A good example of this is IMI (Innovative Medicine Initiative) in Europe. IMI aims to speed up the development of drugs through collaborative research projects and by building networks of industrial and academic experts.

Without collaborative research, multiple parties may be working on the same project separately, wasting time and energy. Therefore, Sanofi is very proactive at identifying useful research partners who are working on similar projects.

In Korea, we are an active player in the ecosystem. Our R&D team does not do research; rather, we institutes or partners who are doing similar projects. A particular area of interest in Asia is locally prevalent diseases such as stomach cancer, liver cancer and hepatitis. We are identifying key interest projects with local researchers, sharing experiences and expertise while setting mutually

agreeable milestones and working together to achieve a common goal.

The other stage of collaboration is late stage development. Typically pharmaceutical companies will develop a product internationally and then partner with local companies to promote the product in the region. Sanofi is very different and will partner with a company for the entirety of the life cycle. A good example of this is Hanmi, with whom we partnered during the development process as well as the promotional stage. We try to partner with local players in different aspects of the life.

**What is the importance is of Sanofi Korea in relation to the global organization?**

The Korean arm is focused on quality. Korea is a relatively small country compared to other major markets such as China, India and Japan. However, we are very strong in driving open innovation and delivering quality clinical trials.

The facilities and infrastructure are excellent for clinical trials, and this allows us to conduct early stage clinical trials that require attention to detail. Seoul was rated the number one city worldwide for trials in 2012, and the country as a whole is ranked top ten. This is set to improve and we hope Korea will be in the top five later this year.

Not only is the quality excellent, but the government system is favorable compared to other countries such as China. In China the clinical trial process typically takes as much as a year, but in Korea it is less than a month.

**Earlier this year, there was an announcement for the introduction of probiotics supplements, and recently there has been a trend in the industry to diversify product offering. How important is diversification for Korea and what is being done by Sanofi?**

Our continual look for business diversification opportunity and consumer business is one of Sanofi Korea's strategic pillars. Furthermore, Korea is looking to their experience in the digital space to innovate within the healthcare industry. Unfortunately there is no clear business model so far but Korea has a lot of expertise and experience in this arena and there is a push to diversify and explore opportunities. With Korea's experience within high tech fields, such as biotech and nanotechnology, I am sure we will see many innovations coming out of Korea.

**Sanofi Korea and what does success look like for you in this period?**

We will continue to take a proactive role in 'open innovation'. We are here to contribute to the Korean healthcare society and to be a key player of the Korean ecosystem as trustworthy partner.

We want to bring new innovative medicine to Korean patients continuously as well as innovative solutions to address unmet patient needs. We also want to provide the best work place for our employees where they can unleash their talent and professionalism. We also need to concentrate on innovation and support it where we can. Working closely with the entire group of key stakeholders in the ecosystem to promote and strengthen the innovation community will be crucial moving forward.

Sanofi will continue to work closely with the government to support innovation and help change policy. It is our aim to be an integral part of the pharmaceutical ecosystem in Korea.

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