Interview: Tatsuya Ikeda – Managing Director & Chairman of the Board, Daiichi Sankyo Thailand



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Daiichi Sankyo Thailand's managing director explains the Thai subsidiary's success under his leadership, Thailand's untapped potential as a regional economic center in Southeast Asia and his company's role in providing high quality products for consumers in Thailand.

What have been your greatest challenges and achievements as Managing Director?

During my tenure in Thailand I have adjusted my managerial style to lead the organization differently than my previous assignments in Japan and Germany. At first it was a challenge to keep my Japanese and Indian shareholders happy by taking all their demands into consideration and lead a team very different from my previous assignments, but over time I have been able to formulate the perfect business plan for Thailand and appease the wishes of my corporate leaders. In order to ensure that our sales and profits were achieving the results we wanted, I reassessed the way that I normally carry out business dealings because I was more experienced in advanced markets, but I saw this as an opportunity for the organization to grow in Thailand and Southeast Asia. We are proud that our company has come a long way in Thailand and we have diversified our portfolio. Currently, around half of our sales are made up of innovative products and another half is made up of generic products. We have two different segments within the organization and this helps us reach our annual metrics. As a historic Asian organization, I believe DaiichiSankyo (Thailand) Ltd. will continue to play a growing role in the local market because we are optimistic about the organization's continued achievements, both in Thailand and regionally.

In 2013, the company set forth a five-year business plan, how is the plan coming along?

The 2013 business plan was comprehensive and stated that the company will work towards two major objectives in order to realize sustainable growth and overcome the “patent cliff”, which means that the firm’s revenues could “fall off a cliff” because one or more of our products go off-patent and could be replicated and sold at much cheaper prices by our competitors. We reacted by re-strategizing and viewing the government price caps, the universal healthcare system and the aging population as an opportunity to release generics into Thailand’s market and grow from a non-traditional market niche. The company owes its success to utilization of the business foundation and creating additional synergies between sales and production where initiatives have already begun across the various processes of the value chain. Moreover, we will continue to strengthen our business by establishing a flexible corporate structure to navigate changes in the local business environment. As a strategy, the company hopes to strengthen our innovative pharmaceutical portfolio and Research & Development (R&D) pipeline by developing a competitive business plan that addresses the diverse local needs of our clients and transition to a low-cost operating framework. We will soon draw up a new business plan, which will take us into 2020 and we look forward to seeing how we can further contribute to Thailand’s market!

What do you attribute to DaiichiSankyo (Thailand) Ltd. continued success in Thailand?

Three factors that I would like highlight is our adaptability, our diverse portfolio of products and our employees. Our ability to re-strategize and continuously grow in challenging markets demonstrates that we are adaptable and welcome new challenges. In Thailand, we have been able to stay ahead of the game because of the diverse amount of high-end generics that we produce and are able to sell at competitive prices. We also provide an expanded healthcare insurance package for our customers, especially the elderly who have the option to pay more out-of-pocket expenses for their healthcare. With that said, Thailand presents many obstacles, but we have continued to report double-digit growth by revamping and redesigning our approach to the local market. Moreover, each of our team members contributes to the pursuit of our goals and our organization’s vision. DaiichiSankyo (Thailand) Ltd. employees hold themselves to higher standards by creating a distinctive work culture in which collaboration and ideas flow. As I previously stated, we have been able to adapt to the local needs of our clients, which means that we continuously improve by encouraging our team to learn and grow through assignments and trainings. The company offers the opportunity for employees to learn and grow by exploring new ways of thinking. We promote a respectful, yet demanding environment, where we work together to help our patients, our partners, and one another. This is especially necessary when the entire industry is changing globally,

especially in Thailand. Locally, we have seen some changes with regards to the way that business is carried out due to price control for universal healthcare patients, but we have set in place company policies to compete with local and international players and we are proud of the work we are doing for the people of Thailand.

What opportunities to do you see in Thailand?

Thailand has undergone tremendous transformation over the last 30 years. It has become an economic center for Southeast Asia and has helped shape the healthcare and life sciences field for the region by promoting its own universal healthcare scheme. With that said, helping the local Thai people have access to healthcare results in some challenges for international pharmaceutical and research companies, such as DaiichiSankyo, but Sankyo (Thailand) Ltd. believes in the local market because of the growing middle class who want higher end products than what would typically be accessible to them. Moreover, many patients come to Thailand from various locations, such as the Middle East, for more affordable healthcare. These patients, along with many middle class Thai patients, want higher end products and services and we are happy to provide it for them. Additionally, due to lifestyle changes there are a growing number of Western type diseases growing, such as chronic diseases and non communicable diseases, which allows DaiichiSankyo (Thailand) Ltd. to remain innovative and provide top-notch drugs for our patients in Thailand. Furthermore, the opening of the Association of Southeast Asian Nations (ASEAN) Economic Community in December 2015 will help promote DaiichiSankyo’s business dealings forward because we will be able to move goods more freely throughout the region’s 10 nations. It will also help increase Bangkok’s positioning as a regional economic center, which can potentially lead to more growth in the healthcare and life sciences sector.

What clinical trials work is DaiichiSankyo conducting in Thailand?

The university system here in Thailand is very advanced and although we have conducted clinical trials here, we believe there still exists tremendous potential for the nation to continue growing as a clinical trials hub because of the large diverse population. One of the clinical trials that DaiichiSankyo (Thailand) Ltd. recently participated in locally NEUCOURSE study (An Asian, phase 3, multicenter, randomized, double-blind, placebo-controlled 14-week study of DS-5565 or mirogabalin in patients with post herpetic neuralgia followed by a 52-week open-label Extension). This Phase 3 clinical trail is being conducted on a large-scale across Japan, Taiwan, Korea, Singapore, Malaysia and Thailand. The studies include approximately 750 patients each with post herpetic neuralgia. The objectives of the double-blind study is to evaluate safety and efficacy of mirogabalin by comparing change in the average daily pain score (ADPS) from baseline to Week 14

in patients receiving a total daily dose of either 15 mg, 20 mg or 30 mg of mirogabalin versus placebo. The study will be followed by one-year open-label extension studies to assess long-term safety and efficacy of mirogabalin. We are proud to involve Thailand in this study and I feel confident that Thailand will serve as a clinical trials center in the near future.

What is your personal vision for the future of the Thai pharmaceutical industry and the specific role that DaiichiSankyo (Thailand) Ltd. will play within it for the next five years?

As the arguably second largest pharmaceutical market in Southeast Asia, I believe the sky is the limit for Thailand. Recently there have been new policies instituted that facilitates companies setting up their regional head offices in Thailand and I believe this will further increase the amount of international players entering the Thai healthcare and life sciences market. There are certainly challenges in place that have resulted in us having to adapt the way we conduct our business on a local level, but DaiichiSankyo (Thailand) Ltd. brings quality products that I believe are not comparable to our competitors. Moreover, we are an Asian organization and thus we believe in Thailand and the growth of the region. When you look at the local consumer's demands you see that Japanese products are in high demand in various local industries, such as the automotive industry and the pharmaceuticals sector! This is a testament to the true nature of companies with Japanese roots. We believe in providing the best quality products at competitive prices so we can ensure all our clients in Thailand have their needs met. I believe in Thailand's capacity so much that it is a personal goal of mine to make Bangkok DaiichiSankyo's regional office and open a manufacturing site in the region in the coming years!

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