

# Interview: Barbara Cygler - General Manager, GSK

## Romania

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Tags: [GSK](#), [GlaxoSmithKline](#), [vaccines](#), [CSR](#), [manufacturing](#)

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*The general manager of a British pharma giant with over 25 years of presence in Romania discusses how vaccination programs can play a significant role in increasing the cost-effectiveness of the national healthcare system. She also outlines her company's CSR initiatives to stem the migratory outflow of medical professionals.*

### **How have your first 12 months as GM been?**

My nomination as GM represents continuity rather than a fresh start. I had actually already been at the Romanian office for a couple of years heading up the innovative medicines and specialty care portfolio so this very much constituted an 'appointment from within' that would build upon what had already been achieved by GSK in the country.

From my own personal perspective, it was very much a case of capitalizing on what I had experienced and applying those learnings to a new context geared towards looking beyond merely the product view. In a complex market such as Romania, I believe it is important to adopt a holistic and integrated approach that takes into the linkages between each aspect of the health sector. In many respects, my prior exposure to the local market from the standpoint of someone trying to foster the uptake of innovative medicine has been very valuable in the sense of being able to understand the different perspectives out there.

**It seems a lot has already happened under your watch with the news of the closure of the iconic Brasov plant being balanced by the announcement of investments of between 8 and 10 million euros in R&D by 2018. Can you please tell us more about these recent developments?**

The closure of the Brasov plant is directly linked to the evolution of our pipeline as a pharma company that is nowadays less focused on pills and more orientated to more complex forms. People will surely look back at the Brasov plant with nostalgia because, let's be under no illusion, this was one of the most efficient facilities in the world. The sad reality is it didn't align with the transformational shifts taking place with our product portfolio. It simply didn't make economic sense to keep it running: the capacity would have been too large for manufacturing our dry forms and too small for fabricating the complex ones.

Although we sought out a buyer for the past 18 months, we were unsuccessful in identifying a serious offer so the only option has been to close the facility. It will close at the end of this year. Needless to say, we will provide one of the very best severance packages to workers being laid off and will go the extra mile to ensure that each and every employee finds suitable alternative employment.

Meanwhile we continue to regard Romania as a strategically important market for us and the R&D investment of 8-10 million euros over four years is testament to our continued commitment to the country over the long term. These are investments that we have been planning for a long time and form a key plank of our long-term project for the country.

**What are GSK's current growth drivers in Romania? Which are the most performing product lines?**

GSK is actually divided into three different entities here in Romania, each run semi-autonomously: GSK Pharma dealing with all prescription products, GSK Consumer for para-pharmacy and Europharm which is our distribution company for the local market. Our vaccines division is included under the GSK Pharma unit. All in all we have around 1000 employees in-country and a heritage spanning some 20-25 years. In 2011 we were actually ranked by an independent industry-wide survey as the best employer both in terms of quality and size for the pharma sector.

Our local footprint in terms of product lines mirrors more or less our global footprint. The growth drivers are also similar with one or two exceptions. Some of our established antibiotics such as Augmentine are very popular here and perform well on the local market especially given the fact that it can be tricky to get some of the newest products onto the reimbursement list. We are strong

also strong in the respiratory therapeutic area which tallies well with our global prowess for those sorts of medicines.

One performing sector with a voluminous pipeline that is more specific to Romania is perhaps the market for therapies to counter HIV/AIDS. This is because Romania has become a lead country for HIV care with some of the foremost specialists and professors.

The vaccines market, though, where we are traditionally very dominant is actually rather tricky in Romania due to end-user preferences and behaviour. It's a difficult market because there are still many myths proliferating in the rural regions that vaccines can produce dangerous side-effects in children and this is having the effect of dis-incentivizing parents to allow their children to receive even the basic basket of vaccines commonly administered by paediatric clinics all round Europe. This is really unfortunate given that Romania suffers from one of the highest levels of child mortality in Europe.

### **What can GSK do as a company to surmount this resistance to vaccinations?**

The issue we are facing is not one of brand competition, but rather a more basic hurdle of convincing practitioners and patient communities of the virtues of vaccinating. We have identified barriers both at the level of the patient and the medical community and are actively striving to surmount these through awareness raising campaigns in conjunction with the World Health Organization (WHO) who have designated this a priority area for urgent action.

We feel that the key to reversing the trend of not vaccinating is to engage in clear and transparent dialogue that explains the risk and benefits of specific vaccines. The problem is there is a lot of misinformation on websites and even free vaccination programs are not yet gaining the sort of traction we would hope for. We will also be doing our best to co-opt the government and ensure reimbursement for the most essential vaccinations. In recent weeks there have even been proposals put forward at the legislative level which would potentially make certain vaccines mandatory for children.

### **When you look at the economics of vaccines, surely it makes a lot of sense in a market where the unmet medical needs are high and the spending low as a way of preventing unnecessary expenditure and increasing the cost-effectiveness of the system?**

Very much so. This is precisely the sort of line of argument we are taking to the government and happily they are receptive to such ideas. At GSK, we are very open to finding common solutions and joining forces to bolster the uptake of vaccinations is certainly one such area where

collaboration can make an impact. There are many ways in which Romanian healthcare can become much more efficient. A smarter approach would be to place more emphasis on preventative healthcare and vaccinating children against the main infectious diseases falls into this category.

There are also obvious inefficiencies built-in to the healthcare system that need to be ironed out. If, for example, a patient is suffering from asthma and visits his nearest general practitioner, he will be then be referred to a pulmonologist who will recommend a specific treatment and then refer the patient back to his GP so that the prescription for that treatment can be drawn up. This entire process entails 3 visits which is simply not an efficient way of doing things. When you factor in that a patient might have to travel many hours to visit both the GP and pulmonologist, then the inefficiencies become absolutely glaring. There is a waste of both money and time for all parties concerned. If savings can be generated in areas like this, the money can be directed towards financing innovative medicines that patients urgently need.

Transparency and availability of data, however, is a precondition to any well-optimized and smart healthcare system. Unless you have figures for how many patients are suffering from asthma, and how many will potentially suffer in future months, it is impossible to accurately calculate and allocate a budget for respiratory treatments. You can only optimize your supply if you know your demand and exactly where in the country that demand is.

Everyone talks about amending the claw-back and reimbursement list, but focusing energies on these areas is to mistake the symptoms for the root causes. The real issue that needs fixing is data compilation, extrapolation and transmission. The insurance industry could and should be playing a key role in supporting the financing of Romanian healthcare, but without sound data they can't evaluate risk and calculate premiums so the entire insurance industry remains underdeveloped. This is a real deficiency in a country where the level of healthcare in proportion to GDP is on a par with African states such as Madagascar!

**How active is GSK in Romania's clinical trials scene which we understand to be doing very well at the moment?**

The Romanian clinical trials market is attractive because of the exceptionally high level and skills of the investigators. Also patient naivety is also at a level where you are able to find patient groups where the diseases are at an advanced stage so offer a different range of trial possibilities than in more developed parts of Europe where the diseases will have been detected well before in most cases.

It is important to point out, however, that those companies engaging in clinical trial in Romania are not doing so to push products per se. If that was the primary objective, they would instead go to a market with facilitated access where they could ultimately commercialize their product on the local market. Those in Romania are there primarily for the patients because sometimes this is the only avenue via which they can gain access to the innovative products that they need for their illnesses. For some of GSK's trials we have secured special authorizations so people can continue their treatment beyond the end of the trial because those products are not available on the domestic market.

**GSK enjoys an especially strong track record in Romania for CSR activity. What have you been up to on that front?**

Our flagship CSR project has been setting up 'hospices of hope' that cater for the continued care of cancer patients suffering from terminal illness who in many cases cannot afford the sorts of palliative care they require. 7 to 8 years ago we set up one such hospice in Brasov which has been and continues to be highly successful. We have now started to scale up this initiative by banding together with investors and other actors to provide similar hospices in other cities. In September a new one came on-stream in Bucharest and I am immensely proud of this.

We have also been exploring the nexus between healthcare, education and sustainable livelihoods to work with the Roma community in increasing their access to free medicines and also to encourage school enrolment through meal tickets whereby parents are incentivized to send their children to school because each child who attends gets a free school dinner.

GSK has also been active in schemes to stem the flow of medical professionals migrating from Romania which represents quite a significant problem.

**GSK has also been active in other social initiatives such as schemes to stem the flow of medical professionals migrating from Romania. Tell us about that.**

I am board member of the Foreign Investor Council (FIC) which has identified a huge problem of physicians leaving the country to seek employment abroad instead of on the domestic market. Essentially we need to find creative strategies to retain this talent and GSK, as a trusted and acclaimed employer in Romania, is lending its support and capabilities.

Responses from targeted surveys are telling us that the drivers to seeking employment abroad are not purely financial per se, but also to do with social recognition and career path development. Many young medical professionals don't feel valued at work. We have therefore been launching

communications campaigns geared towards raising awareness about the shortage of medical specialists and their real contribution to society.

Meanwhile GSK has also been organizing training programs for young medical professionals in which they take modules in subjects such as how to better communicate with patients. The idea is to go beyond the purely scientific trainings they receive at medical school and give them practical tools in areas such as customer relationship management, business optimization, time management and ethics. GSK administers these programs, but the actual teaching and seminar facilitation is conducted by external consultants and experts.

### **How will you measure your success as GM of GSK in Romania?**

I will achieve better access for patients. It's not normal for Romanians not to enjoy the same healthcare chances as their counterparts in Hungary and Greece. I and my team are working hard to rectify this anomaly. If you want a healthy economy you need to invest in healthcare because people are the main asset of a country. I feel the government increasingly understands this so I am confident there will be transformative changes on the horizon. We at GSK are on hand to do whatever we can to assist. On a personal level, I will define my success as coming into my office every day and seeing a team of people motivated to make a difference and improve lives.

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