Interview: Asanga Halangoda – Director, Life Science Division, Merck Philippines & Vietnam



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Asanga Halangoda

, Director of Life Science at Merck Philippines, discusses the company's impressive recent market performance, the importance of innovation in maintaining product pipeline, and the bright future of the affiliate's role in the company's emerging market portfolio.

As an introduction to our readers, could you please give us an overview of your professional background?

I am a scientist by trade, mainly focused on hemophilia and oncology. I worked for Mayo Clinic in Minnesota and from there moved to City of Hope in Los Angeles where I worked in research for eight years, mainly in molecular biology, with a focus on inherited diseases. After this I decided to transition and become a sales representative in the life science industry where I advanced to manage the sales team extending from northern California all the way to Canada. In 2010, Merck acquired Millipore, and at that point I was looking for a new challenge and ended up moving to Australia for two years, where I was the regional head for bioscience and from there moved to a similar position in Singapore. All of this experience culminated in my promotion to a general manager role for the Philippines and Vietnam.

When you assumed the leadership role here in the Philippines what were some of the initial goals and objectives that you had?

The overriding goal was to improve the market performance in the Philippines and to deliver on growth expectations. Additionally, I wanted to optimize the business operations, for example optimizing warehouses throughout the country as we have more than 9,000 islands in the Philippines. I also worked to generate a healthy, sustainable team environment where people are incentivized to grow, thereby driving growth of the business. To foster this environment, I modified some of the old, traditional ways things were done as well as made changes in the leadership team. In general, we worked to have the right people in the right place and provide them with the tools that they need to grow. I worked to give our people the accountability necessary so that they are responsible for the decisions that they are making. After a year of these changes being in place we really saw the positive changes. Through these changes I believe I have instilled in my team the leadership qualities necessary to better lead the affiliate forward here in the Philippines.

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One of the challenges in the Philippines, prior to your tenure, was that you were not meeting growth targets. The Fit for 2018 Plan is working to drive growth globally for Merck, how has that affected your operations here in the Philippines?

In terms of the rebranding, there has been minimal impact on the operations here in the Philippines, as the Merck brand is very stable in the country. One of the advantages of Merck is that we have been active in the Philippines for 30 years, and when customers deal with Merck, they are dealing with Merck, not a distributer or partner. Customers see a massive difference because of this structure, especially in terms of accountability. For us at Merck, the recent changes have focused on optimizing our market strategy.

In what other ways does Merck differentiate themselves from the competition here in the Philippines?

Something that is especially in a country like the Philippines is that our customers know that if they are dealing with Merck everything is above board and compliant. When you are dealing with Merck, all of the licenses and storage conditions are proper. As a manufacturer, that gives you a huge level of confidence. This is the biggest thing that differentiates Merck from our competition, our customers have a high level of confidence that everything is done in a proper manner. The second thing is that we do a lot of technical work in the market. For example, last week we hosted a pharmaceutical event about regulations that are changing and how they will impact

pharmaceutical manufactures, and for this event we brought in many of the key stakeholders to speak. We try to have events that are useful for our clients in a way that benefits everyone. That might sound idealistic, like something you would simply say as a slogan, but we actually do it. Another example of the technical work that we do in the market is events we hold focused on the safety and regulatory work in the lab. This is especially important within areas that are currently emerging within the Philippines as they do not have as much access to specialists as, for example, people in Manila do, so for these events we actually fly specialists to the location and talk about safety in the lab, how to use chemicals properly, what the regulations are and how to properly dispose of waste. From the start of manufacturing all the way to the end we host these types of seminars. Lastly, we do seminars in technologies that we launch as well as instrument training.

How important is the Life Science segment in Merck's total portfolio here in the Philippines?

In the Philippines the life science segment is the smallest of our three segments, the others being the pharmaceutical and over-the-counter segments. However, the life science segment is growing the fastest. Some of this growth is due to acquisition, for example our recent purchase of the company Sigma. The product portfolio that we have is very broad based, and the pipeline of products that we have is very envious to the pharmaceutical and consumer care segments. The market is now changing as well, and over the last three years we have seen very nice funding for the government, improving research and academic institutions, and we also see a number of returning scientists to the country, coming back from studying in places like the United States and Japan.

Looking at your product portfolio right now, where are you seeing the most growth?

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In value, our traditional core products are driving the most growth, such as those used for biomonitoring and our core chemicals. Another area that is growing extremely fast is our light water business, purifying tap water into laboratory grade water, an industry where we are now the largest in in the Philippines. Our bioscience business is also growing rapidly, nearly 60 percent, much of which we can attribute to the funding of the academic sectors, particularly in molecular biology and cell culture work. We see very nice growth in our portfolio in that area, and many of the products are quite unique, allowing us to sell them at a decent margin. The core is still growing nicely as consumption in the country increases, and we are also seeing rapid growth in the emerging sectors in the market. Lastly, cement is experiencing tremendous growth of 74 percent

year over year.

How important of a role does the Philippines play within the emerging market portfolio of Merck, and what trends do you see in the near future?

If you look at emerging markets globally, Vietnam and the Philippines are within the top ten, and we have a great five year plan for continued growth in the country. Through this plan we hope to double the size of the business here in the Philippines. We believe this is possible for a number of reasons; our excellent product portfolio, the growing market and the potential to bring in new products that we have never sold here. This is a country for investment, and over the next three to five years we will continue to post double-digit growth.

You have worked for the company through many of the changes over the past years, including Merck's acquisition of Millipore, and the recent rebranding efforts of Merck. How have you seen the company culture evolve over that time?

When we first started the change, when Merck acquired Millipore, the changes were quite drastic. Previously, Millipore was very focused on the customer whereas Merck was a very internally focused company, especially considering that they are 350 years old. With that history comes a certain level of culture, stability and values. However, I believe that their acquisitions of companies like Merck and Sigma they wanted to integrate not only products and innovation, but also change in terms of mindset. Pleasantly, for my perspective, I have seen the changes to be very positive. Communication, for instance, is one area that I believe has greatly improved over the past few years. In this way, our leaders have pushed us hard to improve. There is still much to do, including putting more emphasis on innovation and making sure that we have a stable pipeline in the long-term.

I have worked for Merck, through acquisition, for ten years, the longest I have every worked for one company. Through this time, I have been afforded by the company the opportunity to try out many different roles, and with each of these roles I have had the opportunity to grow, the opportunity to develop your personal tools and skills.

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Looking back over your professional career with Merck, what would you say is your proudest accomplishment?

When I first began working for the company nobody knew about bioscience, it was a very alien segment of the business. I am proud that over the years we have been able to establish a very robust bioscience industry in the region and developed a very strong team. Additionally, here in the Philippines we went from being a country that was struggling to having now sustainable growth and a stable team, last year we were one of the best performing countries in the Asian region. I am very proud of these accomplishments, however, I of course did not do it on my own, it was a team effort.

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