Interview: Raman Singh – President, Asia Pacific, Latin America, the Middle East & Africa, Mundipharma, Singapore



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Mundipharma's president of Asia Pacific, Latin America, and the Middle East and Africa, Raman Singh defines the underlying drivers behind the company's explosive growth, while sharing his insights on what it takes for pharma companies to truly succeed in modern-day emerging markets. He also elaborates on Mundipharma's recent decision to establish its very first integrated manufacturing and R&D consumer health hub in Singapore and how it seamlessly aligns with the country's core capabilities.

Although only stepping into this role in 2011, we see that the business has already undergone a massive transformation. What would you summarize as the most notable achievements in these last five years overseeing emerging markets?

When Mundipharma decided to expand into emerging markets, the company had realized that two-thirds of the world's population and, in turn, the biggest unmet patient need lies in this part of the world. The idea at that point in time was to diversify in terms of both geographies and portfolio. That's really been the essence of our growth. Since 2011, our presence has grown from six markets to 122 in the emerging world. Similarly, we've grown our competencies from one therapeutic area to six—from 3 medicines to over 35 now—while also increasing our staff size from 400 to

approximately 6000.

The company had actually dabbled in some of these markets for quite sometime before you joined. What prompted Mundipharma to finally go all-in?

Actually this decision was in line with traditional industry norms. You want to start first with the developed world, particularly given the higher levels of disposable income and widespread presence of payers that can afford the latest innovations being brought to market. So naturally the company's initial focus was primarily on the developed world in places such as the US, Canada, Western Europe, and Australia. When these markets started plateauing and growth rates slowing down to lower single digits, the discussions then revolved around how we could diversify the business to continue reaching as many patients as possible—seamlessly aligning with Mundipharma's overarching vision.

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If you look at the people that we brought together here at Mundipharma, you'll see that many of them, myself included, come from big pharma—all of who were frustrated by the bureaucracy, inward-looking corporate structures, and the seemingly constant need to convince internal stakeholders why certain decisions should be made. But even beyond these circumstances, everyone that has come together at this company has a similar value-base, perhaps only usurped by our desire to create a truly unique organization. Personally, I feel Mundipharma is unlike any other pharmaceutical company out there today, and that's evident from the moment you walk in the door. Our culture is very different from what you might find elsewhere, to the point where we almost consider ourselves the "Google of the pharma industry," particularly in terms of the cultural values that we project and the way they're perceived by our people.

With Mundipharma having minimal prior experience in these parts of the world, how were the expansion plans executed to maximize success?

It was a huge learning curve for the organization. As such, we were cognizant of segmenting our expansion strategies accordingly. Towards the end of 2011, we started with Asia, with a primary focus on China. The following year was Latin America and then subsequently Middle East and Africa in 2014. Some might argue that 12 months is a relatively short period of time to effectively transition from one part of the world to the other. But the sheer level of success we experienced in 2012 was a huge validation, especially given the significant impact on not only the business, but more importantly the patients. In the span of five years, the business has expanded almost 9.5 times, with revenues growing from a modest USD 65 million in 2011 to almost USD 600 million

today—we almost have to pinch ourselves to believe how much we've accomplished in such a short period.

With the fruitful prospects of emerging markets having long been recognized by big pharma, what were the most effective strategies of competing against the more established players in these countries?

It's important for any pharmaceutical company to define their core competencies. To this end, we consider ourselves a niche pharma player. The categories we operate in give us a natural degree of exclusivity. For example, we're the largest pain management company in the world, not only in terms of our marketed products, but also in terms of the pipeline that we have and research we're pursuing. For oncology, we're not active in the primary indications such as breast or lung cancer, but instead, focus on more rare disease segments where there's less competition from big pharma players given the smaller patient demographic and high development costs. But we see this is a unique area where we can truly differentiate ourselves.

Looking at our consumer health business, Betadine® is a brand that has been around for decades. We believe that it can be a billion-dollar brand, which is what we're aspiring towards. Again, in that space, when talking about other anti-infection medicines, I don't see any other products that can compete with Betadine®, carving out a rather unique positioning. So, we've essentially created a niche for ourselves, and once we identified that, our efforts have specifically focused on tailoring our strategies based on the local dynamics of the markets we operate in.

How should industry executives adjust their perspectives on emerging markets in line with modern expectations?

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The glory days of 15 percent year-on-year growth in emerging markets are over. There will be a significant amount of change in the coming years, with of course China at the forefront of this change, especially having overtaken Japan as the world's second largest pharmaceutical market. The country will face continuous pressures, especially as healthcare expenses expand. But despite increasingly stringent oversight over pricing and product regulations and widespread concerns about a slowdown, China will still continue serving as an unequivocal growth driver for many companies and defining a large part of emerging market strategies for the rest of the industry.

Middle East and North Africa both possess huge potential despite all the political turmoil, especially with markets such as Iran now opening up.

By definition, emerging markets entail a degree of uncertainty. Only by truly coming to terms with that fact and putting the proper measures in place to mitigate such risks can success follow. And compared to other companies, I believe we are very well positioned to drive that success, especially given the caliber of our people and expansive nature of our network.

With many developing countries lacking the proper infrastructure, expertise, and experience to structure policies more conducive to market access, how can pharmaceutical companies effectively tip the scale in their favor when entering these types of countries for the first time?

There are three significant clusters in these markets. Within the broader context of emerging markets, there are developed countries such as Singapore, Korea, Japan, or even Saudi Arabia. And then there are markets that are completely self-pay such as Brazil, Columbia, and most of the African markets, where the level of disposable income is substantially lower than OECD averages. This requires a much different approach that accounts for the needs and capabilities of the local market—entailing a tailored product mix, pricing strategy, and overall sales presentation.

And then you have something in between with countries like China where some products are reimbursed—slowly ascending the curve towards universal health coverage. This results in companies taking on more of a leadership role in actually working with the stakeholders and defining the policies and guidelines to ensure that they are on the forefront when changes happen. Succeeding in the developing world first requires understanding that emerging markets in and of themselves are quite diverse, and the capabilities required in each of these clusters is spans far and wide—specifically in terms of the people that you hire, the products that you have, the strategies you want to implement, and the way you go executing them. For us, we didn’t lay out a blanketed emerging market strategy with a cookie cutter portfolio, but instead, taking the time and effort to comprehending the dynamics of each country and calibrating ourselves accordingly.

Bringing the discussion closer to home, what strategic role does Singapore serve within the organization’s global operations?

The time I came on board in 2011 was also when the company decided to consolidate its emerging market presence under one umbrella. Before then, Latin America was managed out of Miami, Florida; Middle East and North Africa out of Basel, Switzerland; and Asia out of Singapore. Switzerland was perhaps the most sensible candidate to manage global emerging market operations given its equidistant proximity to most destinations. However, the importance of China could not be ignored; at the time, the country accounted for 50 percent of our worldwide

sales—which holds true even today—serving as our single largest driver of growth and will eventually become our second largest market after the US.

> The decision to utilize Singapore as our headquarters then came down to three main considerations: an extremely business savvy, and forward-thinking government, established infrastructure for our people to not only seamlessly conduct business, but also have a good quality of life, and a knowledge-driven environment to foster innovation and facilitate cutting-edge R&D

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The company recently announced its intent to establish its first integrated manufacturing and R&D consumer health hub in Singapore. Compared to some of the country's neighboring peers, what qualities ultimately depicted the country as the most favorable destination to base this facility?

Betadine® is truly one of our success stories, having evolved from a relatively unknown, USD 10 million product just a few years ago and into a USD 150 million flagship brand, with one of the most recognized household names today. But we recognized if we wanted to keep pace with the forecasted demand beyond 2020, it was impossible for us to source the product from our current supply chain network—thus initiating the search for a consumer health hub. Utilizing Singapore for R&D was an obvious choice given its unparalleled capabilities in biomedical sciences, but for manufacturing less so, especially when compared to more forthcoming operating environments such as Malaysia, Vietnam, or China. Singapore has done a phenomenal job in pivoting into more high-value manufacturing such as injectables, biologics, and vaccines. This aligned perfectly with our ambitions to build one of the most advanced manufacturing plants in the world, forgoing labor-intensive processes and employing cutting-edge technologies to give us the ability and flexibility to ship volumes in smaller quantities to anywhere in the world.

In terms of corporate culture, how will you go about ensuring that the company avoids the common pitfalls of big pharma as Mundipharma continues along its rapid growth trajectory?

This will come down to attracting and retaining the right kind of people. For me, there are three attributes that I look for: attitude, aptitude, and magnitude. Attitude relates to the person's ability to collect themselves in the face of rejection and move forward. Aptitude deals less with competency and more with the entrepreneurial spirit and a person's ability to challenge the status quo and drive new ideas. Lastly, magnitude measures the level of ambition that an individual brings to the table and how it stacks up against the company's forward-driven path. Collectively these factors effectively define the fundamentals of Mundipharma's culture. Everyday we'll need to ensure that we exhibit these capabilities to truly preserve the essence of how we work and operate.

What objectives will your efforts focus on in the next three to five years?

Our initiatives will definitely center on expanding both the depth and breadth of our product portfolio. It's hard to say what those areas might be in five year's time, but the belief that we can acquire and grow our capabilities in completely new segments is one of our biggest strengths. For example, we were completely absent from the ophthalmology scene just six months ago, but today we have approximately 200 people selling products in this area.

In a few years time, I also hope that we'll be making a little bit more of a difference in people's lives. Many pharma companies choose to withhold products from various emerging markets due to pricing restrictions, but we've chosen the road less traveled; we are everywhere—and we want to be everywhere.

Finally, it's taken us a lot to build up the culture, so I'm really hoping to retain the amazing people that help instill that atmosphere at Mundipharma.

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