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In an exclusive interview with Richard Saynor at GSK, he outlines the growth of the CEP portfolio in emerging markets and highlights the opportunities and challenges in the region, as well as the strategic benefits of operating in Singapore.

As Global Head of Classic & Established Products, how do you prioritize your time in such a competitive field? What priorities have been keeping you busy lately?

Classic and Established Products is a large proportion of the pharmaceutical business within GSK, and I would broadly categorise my priorities and approach into two categories: geography and products. Most of the opportunity in terms of growth tends to be in emerging markets, including India, China and many of the Asian markets. As a result, much of the resources and support are extended throughout these areas. The other side strongly revolves around product-related activities including life cycle management and working closely with our supply chain, to ensure we have the right capacity to leverage the brands that support our portfolio.

GSK is number one on Fortune's Change the World list this year and last week Andrew Witty, global CEO of GSK, outlined his strategy of doing good and turning a profit in

order to sustainably reach the world's "other 6 billion". How will the Classic & Established Products division play a role in helping GSK to reach these people?

Classic and Established Products plays a critical role in this pursuit. GSK is the number one pharmaceutical company in emerging markets by volume and number four by value. We operate as a high volume company in this part of the world, especially in Pakistan where we are the number one pharma company, as well as in India and Egypt where we have very strong presence and performance. Within these regions our mature products' strongest growth areas include anti-infective, respiratory, and dermatology products, all of which are mass market and access-driven. Our strategy has been to provide price points that payers can afford to drive and support those products in the market. Overall, our portfolio is well aligned and positioned to offer a broad range of affordable products that suit GSK's access agenda.

What is your approach to maintaining brand equity of products that are no longer subject to patent protection?

In this part of the world many of our top brands have a long heritage. For example, one of our key respiratory products is 47 years old and our largest anti-infective medicine by volume is 35 years old; yet they continue to be big brands that are growing very strongly. This is partly due to the fact that the brands themselves have a positive reputation with patients and prescribers that have been built over many years. Moreover, we continue to invest and support these brands to maintain their growth trajectory. For example, in the anti-infectives space we support a global study on antimicrobial resistance. Most generics companies would not invest in this sort of initiative because it is an mature product and off-patent, but it is important for us to help educate providers so they understand how to use antibiotics properly. It is about building trust in the quality of the product and the extrinsic value we provide helps support the decision to prescribe a certain product for appropriate patients. Therefore, we maintain our brand equity with a combination of approaches. Luckily we have the right products, but equally we continue to invest and support them. Even though our key medicines have many generic competitors, their reputation and experience among payers, prescribers and patients has and continues to set them apart.

You have mentioned engagement through education and trust- building; how does the connection with payers, prescribers and patients shift when a product goes from patent to off-patent?

This shift is more prominent in European or US markets. Generally, when a product goes off-patent it is reduced quite rapidly in those markets. However, in Asia, the brand has a higher significance and this is reinforced by the payment model which is typically out-of-pockets and thus is quite different from Europe or the US. As a result, GSK continues to educate and promote to prescribers even when the patent has expired. In markets such as India and Pakistan, we have a huge number of competitors yet one of our key anti-infective medications remains the number one antibiotic brand in India, even at 35 years old, which is remarkable. This success is due to our continued efforts of investing, educating, and making information about the product relevant to prescribers; ultimately, it’s about maintaining this momentum in the country.

That being said, throughout the company we have seen a shift in terms of the way we engage with healthcare professionals. APAC is particularly well integrated in terms of technology platforms which changes the interface between patients, prescribers and the industry. Already we are using a lot more webcasts, webinars, and digital interactions than we did two or three years ago. These new platforms allow for a much broader and richer discussion across a much wider portfolio. This is an exciting time because a major limitation in physician interaction used to be the extent of sales force available. As methods of communications evolve so does the approach in terms of adding value to the physician interaction. I believe that as an industry we are approaching a tipping point in how we engage with prescribers and patients and this change will create more opportunities, particularly for a matured portfolio – which is very exciting!

What is the current state of unmet needs in the APAC region and how can GSK’s portfolio in mature therapies bridge these gaps?

The topic of unmet needs is primarily about payer mechanisms and access. Many countries, such as the Philippines and Indonesia, are looking at more universal coverage and promoting mechanisms by which everyone can access healthcare sustainably. In this regard the government and the industry need to work together. GSK supports this through a variety of approaches that are focused on both innovation and access. For instance, we reserve our lowest vaccines prices for GAVI and more than 70% of our vaccine doses go to the developing world. For GSK it is not just about specific therapy groups when it comes to promoting access, but instead we take a holistic view. Andrew Witty put it well when he talked about doing the right thing while still growing the business. We are in a unique position where we have a strong portfolio of mature assets, a fantastic platform of vaccines, and a great pipeline of innovative products that can be leveraged to meet the access agenda while still growing and supporting the business.

Another dynamic is related to changes in healthcare systems in the APAC region. For example, pharmacies are becoming much more integrated by including in-store physicians. This allows instant access for patients at relatively low price points. This specific model is rapidly growing in countries such as the Philippines and Indonesia, driven by both patient needs and government support of these programs.

Can you speak to the challenges you encounter operating across the APAC region?

Every market in the APAC region is different and there is not a one-size-fits-all solution. Part of the challenge is adapting to the local environment. In some markets the government prefers local manufacturing which may not necessarily be aligned with our requirements. So we have to determine whether it makes sense to enter a market. The company needs to balance maintaining a lean infrastructure on the ground with the local government's requirements. It is a continuous challenge to manage this balance.

A second challenge is local competition. GSK has a set of standards and behaviors in how we want to engage with prescribers and physicians and local competitors do not always work in the same ways.

Thirdly, we have also identified the challenge of building and developing the right talent in the organization. We have some fantastic talent development programs at GSK and in the region. In Singapore we're investing and building our new HQ here and this is also a platform for us to develop a new leadership cohort for the global organization.

GSK was the first global healthcare company to establish a presence in Singapore, and it has since grown its footprint in terms of manufacturing, commercial operations and as a decision-making hub. In particular, what was the rationale behind moving the global HQ for Established Products, Nutrition and Pain to Singapore?

For Classic and Established Products, there were a number of reasons. For example, we are able to access a very large number of patients and geographies within a 7-hour flight radius from Singapore.

In addition, Singapore has a very positive business environment and the Economic Development Board of Singapore has been very supportive in our endeavors. This is why we've had a longstanding presence in the country. Moreover, the talent pool both in terms of local and international talent has played a role in moving our HQ for Classic and Established Products here. A significant number of our headcount is located in Mumbai and it is much more convenient to communicate with them out of Singapore, given the overlap of hours in a working day.

Where do you see GSK and the Classic & Established Products portfolio within the region and the country by 2020?

Classic & Established Products will continue to be a substantial component of GSK's business and it will certainly continue to grow. Broadly speaking, the portfolio will continue to be an important value- and access-driver for the company. The majority of the business will be in emerging markets and it will be a core platform for the global organization. There will always be products moving into Classic and Established Products and a nice part of this business is that it cannot go off-patent again. Thus, it is a much more sustainable and predictable business and a strategic asset for the company.

In five years' time I also see a much stronger focus on digital engagement with prescribers. Millennial doctors want to be engaged differently compared to at least some physicians in the older generation and I'm looking forward to seeing where the digital journey will take us.

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