

Interview: Kuntal Baveja - Country Head & President, Sandoz Philippines



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Kuntal Baveja, country head and president of Sandoz Philippines Corporation discusses the company's expanding portfolio in the country and how the booming generic industry over the past years has helped to expand access to affordable medications to the Filipinos, still pointing out that there is much room for expansion in the future. He also discusses the partnership between Sandoz and World Child Cancer to bring life-saving pediatric oncology therapies to children in the Philippines.

When you stepped into your role 2.5 years ago leading the Sandoz affiliate here in the Philippine, what was your main objective?

For Sandoz Philippines Corporation one of the things that was very important a little more than 2 years ago when I became head of the affiliate was the huge growth in the generic industry, and as an affiliate this is something that we wanted to capitalize on, a process through which we could help to increase access to high-quality affordable medications to Filipinos. The Philippines is a market that is still untapped in terms of generics, we have not seen penetration through all of the classes of the population. One of the big ambitions of Sandoz, as the world-wide leader in generics, is to make our high-quality, affordable medications available to all Filipinos, a goal made clear by our motto for Sandoz Philippines, "Touch More Lives". Accomplishing this goal was the primary objective I had when I took over the affiliate in the country. We knew that the market was at the right state for the affiliate to really grow and be part of the success we were seeing in the market,

something that I believe we have achieved.

As the fastest growing generic company in the country, what initiatives or goals do you have to ensure this growth continues into the future?

Currently we have approximately 80 products on the market, however not all are promoted directly by Sandoz. We promote these products in three ways: through in-house promotion, partnerships with pharmaceutical companies and partnerships with retail chains. We have expanded in all three of these segments, something that has helped us to greatly expand our reach. One of the biggest advantages of Sandoz is that we have the largest generic portfolio in the world, consisting of more than 1,000 molecules. In every single country you cannot market all of these molecules alone, you need partners. You choose certain therapeutic areas to focus on yourself, and in other areas you strategically partner with other pharmaceutical companies and retailers. This helps us to penetrate the market to a greater extent, and due to these efforts we are now seeing more and more Sandoz products coming into the Philippines market.

Are there any products in the pipeline that you are particularly excited about bringing into the Filipino market?

The biggest strategic objective of Sandoz at the moment is with our biosimilars portfolio. Biologics are essential to the healthcare system, however, are very expensive, and as such there is a need to reduce their cost burden on the healthcare system. Biosimilars is an area that Sandoz has very much decided to focus, we want to make sure that we have high-quality biologics on the market while at the same time reducing the costs, especially in treating cancer, where we have seen many people not getting the treatments they need because of the high costs. We have a very strong focus on bringing biosimilars onto the market as one product category, and secondly, we are focused on specialized products for transplant, which would greatly reduce the disease treatment cost burden. More broadly, we are focusing on most other major therapeutic areas, especially cardiovascular and respiratory. In particular, we have a very good respiratory device that we recently launched on the market, AirFluSal Forspiro, which benefits patients suffering from Asthma and COPD.

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Partnerships are one of the ways you have been able to bring more products into the Filipino market. What qualities in particular do you look for in the partners, and from the other side, how does Sandoz work to attract partners?

The global brand of Sandoz attracts partners, people know about our company and our presence across the world and know the quality our products provide, products produced at various Novartis manufacturing sites that meet global quality standards. In addition to the high quality, our products come at competitive prices, allowing us and our partners to broaden accessibility. The global scale of Sandoz, coupled with our high-quality and affordable products, is what attracts our partners in addition to our portfolio, as there is no other generic company in the world that can match our portfolio.

In terms of qualities Sandoz looks for in our partners, we look to work with people who share our mission of providing high-quality, affordable medicines and making them more accessible to Filipino families. The connection to this mission is very important, and so is marketing and sales compliance. We value that our partners make sure they are following the ethics set by the industry, as well as Novartis.

When we met with your predecessor David Willis in 2010 he spoke at length about the pressures in the generic market due to the amount of new competition. Is that still a trend you see today?

There have been market changes over the past years that have actually increased the barrier to entry for pharmaceutical companies, especially regulatory framework and requirements. This really makes it hard for the competition, especially low-quality generics. Sandoz, being the high-quality player in the market, is actually seeing more opportunities in the market now as compared to a number of years ago. Not only does this benefit Sandoz, but really the generics industry and patients on the whole. It is raising the bar of quality for the industry, and therefore raising the image of generics throughout the country.

What do you see as being some of the main issues when working to expand access to medications across the country, is it simply the geography of the country being that it is an archipelago, or are issues of costs prohibitive as well?

Firstly, of course the geography is obviously a challenge in the country, especially for a medium commercial sized company as reaching the further-reaching areas and islands presents many difficulties. Secondly, the healthcare costs overall are a challenge. The generic penetration has been very good over the past 10 years, but we are still far from standards seen in the United States and Europe. If we improve the generic penetration in the Philippines healthcare costs will decrease, meaning people will have more disposable income to spend elsewhere, supporting the economic growth of the country. We have been moving in the right direction, but there is still plenty of

progress to be made. Generics are the best way to reduce the cost burden of the healthcare system.

What do you view as being some of the main reasons that generic penetration is not as high as it should be?

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I believe that one of the reasons, especially in the past, was mistrust. Generics were perceived as being low-quality drugs. However, I believe that trust in generics has risen sharply in the country and people now realize the power of generics. Despite progress, though, we have not entirely eliminated this problem. The second issue is the prolonged longevity of pricing mechanisms that need to be modified to ensure that there is a switch to generics. More specifically, healthcare reforms that support a switch to generics would be helpful. There is a lot of room for progress in this regard from both the industry as well as the government. We have seen an increased visibility on generics over the past 10 years, and there is an increased engagement and collaboration, as ultimately our goals are aligned, to bring the costs down. We have made some improvements in terms of collaboration, and hopefully that continues in the future, bringing the industry to the standards of generic penetration we see in the United States and Europe.

Could you please describe some of the initiatives currently underway at Sandoz to further the company's mission of expanding access to their medicines to more and more pockets of the population, both globally and here in the Philippines?

Looking, for example, at tuberculosis (TB) you can see how Sandoz has been a major player in eradicating that disease in many countries around the world. We have engagement programs as well to make people aware of the importance of hygiene, and also helping to decrease the taboo of TB, as many times we would see people with TB being isolated from society. This is just one of the many examples of our efforts to raise awareness and increase accessibility, as many people go undiagnosed either out of lack of accessibility or fear of cost.

Sandoz has a corporate social responsibility (CSR) program in the Philippines with World Child Cancer through which we are addressing issues of access. There are many kids in Mindanao dying of cancer simply because they are not aware that cancer was treatable. To address this, we have partnered with World Child Cancer and are now in Mindanao setting up clinics, making sure that these children have access to pediatric oncologists. Approximately 125 people have received treatment at these facilities till mid of this year and 80 are still living today! This gives you a great, real-world example of the importance of accessibility; these kids were losing their lives because of

things that can be treated. The healthcare system encourages people to come to big cities, meaning the number of specialists in the more remote regions is incredibly low. Our goal is to make sure more and more people do not needlessly suffer, and it is initiatives like this that will make a difference, bringing together awareness and the know-how, and having a clear, beneficial impact in the end.

Another way that Sandoz seeks to increase access to healthcare is through engagement, for example with the recently launched HACK (Healthcare Access Challenge) Program. Could you give us a brief overview of this program as well as delve further into why you advocated for the Philippines to participate in it?

Accessibility is part of our mission statement as well as being one of our strategic objectives. We produce high-quality products at competitive prices, which should then, in turn, reach as many people in the world as possible. We are much better at the former rather than the latter. We have very good quality products produced at competitive prices, but we do not reach as many people as we could. Sandoz is one of the biggest generic companies in the world, with over 1,000 molecules. However, only a part of this portfolio is available in the Philippines, and even with the portfolio we have in the country, not all products are accessible to the entire population. This is why we partner with other pharmaceutical companies and retail chains, and is also one of the drivers behind our recently launched HACK challenge. We do our part from an industrial standpoint, but HACK is an initiative where we are engaging the people of the country. We want to partner with the Filipinos to help us achieve the goal of making healthcare more accessible to the population. These ideas will then be consolidated from various countries across the world, discussed and 3 ideas will be selected by a panel of judges and awarded 20,000 EUR seed funding to support their development. We want them to be implemented by the very people who brought them forward. This initiative is an excellent example of Sandoz working to engage with the population, empowering them to help us in our goal of expanding access to our products.

One more of community engagement at a local level here in the Philippines were recent efforts to bring in chefs to events, teaching people how to cook delicious food that is also low in cholesterol. Educating people is about more than just having the right diet, but being able to sustain that diet through the knowledge of how to properly prepare low cholesterol meals.

There are examples of the three CSR activities Sandoz is active in: Those run through our business partners, those run independently through Sandoz, and those where we partner and engage with the community. All of these programs combined have a huge and lasting impact on the country. Sandoz is a responsible company, and that is how we want the Filipino population to view us. Our

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Looking more broadly at the regional portfolio of Sandoz, how important of a role does the affiliate here in the Philippines play?

The Philippines is a very important market for Sandoz, especially as the generic market is experiencing a boom right now, something we expect to continue many years into the future. There is a lot of unmet need in the country, which for me is the biggest driver of growth. The country is at the right state for the generic industry to continue to grow, and Sandoz being a leader in the generics industry across the world has to play a very important role in driving this momentum forward. We define the Philippines as a key priority market.

You have had a very dynamic career in the pharmaceutical industry all over the world (US, Europe and Asia). Given that experience, what do you see as being some of the most unique aspects of the Filipino healthcare market?

I am truly sincere when I say that I have learned a lot from working in the Philippines. It is one of the most hybrid market I have seen. You see the strength of the healthcare professionals, you see the strength of the system, of the retailers, it is very diverse. This challenges me, as a leader, in many different ways. You have challenges from a systems perspective, from an account management perspective and from a relationship perspective. I believe Philippines is a typical Asian market where things are very entrepreneurial alongside very mission and relationship based.

You are clearly very passionate about your work. What is behind this passion, what drives you each day coming into the office?

The reason for our success has been the fact that we have kept our mission at the core of everything we do. We are here, as a responsible healthcare company, making a positive difference in the people's lives. This is what drives our people to deliver their best. We are one of the fastest growing companies in the Philippines, and one of the top 10 generic companies as well, seeing strong double-digit growth over the last 5 years. This drive has helped the team here at Sandoz Philippines get a lot of regional accolades as well, we are performing to our mission and achieving results above expectations. I am extremely proud of what my team here has been able to achieve.

During your nearly 3-year tenure at Sandoz in the Philippines, what have been some of your proudest accomplishments?

Number one for me is really seeing how we have developed as a team. I have learned so much from them, and I believe that the team has the agility to tackle any challenge that comes to them, something that is proven when you look at our performance. The second thing I am proudest of is our collaboration with World Child Cancer. Through this we are truly connected with our mission statement, and I believe that it has had a very visible impact on the community, and speaks to the sincerity of Sandoz. Lastly, I am very proud of the HAcK program, engaging people of the Philippines to learn how to better drive accessibility of medicines to Filipinos by partnering and engaging with people outside of Sandoz. I am very excited to watch how this project plays out in the country.

Looking forward to 2020, where do you see the generic market in the Philippines, and more specifically where do you hope to have lead the affiliate?

I hope to show at that time that the industry in the Philippines has really accepted generics, and market saturation has reached an appropriate level, which of course would have a very positive impact on the healthcare sector and the economy. I hope we have achieved the optimal point of generic penetration. Secondly, I hope that we continue to be the most respected, most ethical and most mission-centric company in the Philippines. We are proud of the quality of products that we manufacture, we want to increase access for the population, and we want to be respected for that.

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