Interview: Natalia Zago – Managing Director, Takeda Ukraine



"In Ukraine, Takeda's commitment to patients goes beyond medicine access."

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Natalia Zago, managing director of Takeda Ukraine, one of the leading international companies operating in the country, provides insights into her main priorities to drive the growth of the company under the conditions of significant changes in the pharmaceutical market and Ukrainian healthcare system.

Nobody can deny that Ukraine has experienced challenging times in recent years. You became general manager of Takeda Ukraine in 2015, what were the main challenges you had to face when you took over?

I indeed took over the helm of the company in 2015, a year which unfortunately marked the worsening of the economic and geopolitical crisis that broke out in our country at the end of 2013. Our country's healthcare sector as a whole was not spared by the crisis, and the Ukrainian pharmaceutical market was massively affected by currency devaluation *[the exchange rate of the hryvna versus the US dollar decreased by approximately 200 percent within 2014, e.d.]* and the plummeting purchasing power of the population it engendered, in a country where out-of-pocket expenses make up more than 85 percent of all medicines spending *[BMI data, e.d].* In this regard, my fundamental mission was to provide Ukrainian patients with access to our medicines to serve their needs, while maintaining the company's sustainability in line with Takeda's strategy set up in 2014 and our commitment to bringing better health and a brighter future to patients. Therefore, we decided to maintain our products' prices within the affordable level for population. To achieve this

target and survive in conditions of highly competitive environment, we were obliged to optimize the structure of the organization and working processes which allowed us to become stronger and more agile.

After two very difficult years, 2016 however seemed to mark a slight recovery for the country's economy and the domestic pharmaceutical market. How is Takeda Ukraine doing today and what are your plans for the future?

We recently conducted a comprehensive assessment of our 2016 results, and they are indeed particularly good. The Ukrainian economy is showing a positive dynamic from the middle of 2016. The economic recovery is not yet strong enough to propel significant growth of industry, but the recent increase of purchasing power of the population is sufficiently promising to build an optimistic forecast for upcoming years.

In emerging markets, Takeda is focused on two strategic therapeutic areas: oncology and gastrointestinal (GI) diseases. Nevertheless, in Ukraine, cardiovascular and neurological products are historically included in our local product portfolio and drive ~70 percent of our business.

We plan to build up our presence in Ukraine to ensure the access to innovative medicines for patients in specialty and primary care. Our main efforts today are focused on two medical problems: Hodgkin's Lymphoma and Inflammatory Bowel Disease (IBD) where we aim to better serve unmet medical needs.

Takeda Ukraine introduced its first oncology product brentuximab vedotin for patients with Hodgkin lymphoma, in 2014, at a time that could be roughly considered as the height of this economic crisis. Given this context, what has been your approach to ensure patient access to this game-changing product?

This product launch indeed marked a clear milestone for our company, aligned with Takeda's global focus on oncology. More importantly, it truly demonstrates that despite challenging time, Takeda has remained committed to patient centricity by bringing the innovative treatments to patients – whatever the economic perspectives were.

The launch of this product did however face particularly adverse market conditions. In 2014, the GDP share for health care sector was tremendously decreased and public tenders for oncological products were significantly delayed. In such situation it's close to impossible to fulfill our company's mission by traditional marketing and sales approaches. Takeda then took the strategic decision to include Ukraine in Takeda's Patient Access Program (PAP) which is a cornerstone of

Takeda’s bold, new Access to Medicines strategy. PAPs utilize an innovative, collaborative approach to optimize care and treatment benefits. They enable eligible patients to complete their entire course of treatment with some of our specialty medicines even if they cannot afford to pay for it in full.

[Featured_in]

In Ukraine, Takeda’s commitment to patients goes beyond medicine access. In September 2016, we have started to hold a series of targeted educational workshops for pathologists, in addition to funding diagnostic procedures for Hodgkin lymphoma patients.

You mentioned Takeda’s commitment to bring its most innovative treatments to Ukrainian patients, whatever the commercial prospects are. What’s next?

We are very excited to announce the launch of vedolizumab in Ukraine, for patients with ulcerative colitis (UC) and Crohn’s disease (CD). The resources allocated to these diseases in Ukraine remain particularly low, as there is still no state program supporting these patients. As a result, our country continues to show a very high number of surgical operations for UC and CD patients, which could however be avoided through a greater access to innovative pharmaceuticals.

Takeda has managed to establish itself as a true marketing expert in Ukraine and around 40 percent of its business relates to the sales of in-licensed products. What will be the importance of these partnerships in your growth strategy?

Takeda’s remarkable marketing capacity, which we have been honing over the past decade, remains widely acclaimed and recognized in the market. We have truly managed to assemble great internal and external teams, while developing a solid positioning toward patients, healthcare professionals, pharmacies, and public authorities. As a matter of fact, we recently launched a new cardiovascular product manufactured by Ferrer Internacional (Spain), while we are planing to launch a new product in neurological segment, over the course of this year. For 2018, we also hold very promising product launches, including gastrointestinal and OTC products.

Beside new products and in-licensing partnerships, established brands will keep playing a significant role in our growth strategy. Over the upcoming years, we will continue to develop all our established products, which we truly consider as the growth platform that will allow us to consolidate our leadership in the specialty care area.

Given that retail sales make up around 90 percent of the company’s sales in Ukraine, you cannot really replicate Takeda’s strategy implemented in other counties, where the

share of hospital sales is far more significant. As general manager, do you have to design a tailor-made growth strategy for Ukraine?

Absolutely! Although our company's global strategy is very clear and the Ukrainian affiliate follows Takeda's global vision to advance its oncology and GI portfolios, our company, moreover, provides its local entities with flexibility when it comes to designing local strategies. I see this specificity as both a great opportunity to be creative and also an important responsibility entrusted on the shoulders of the local management team.

What is your outlook for the Ukrainian health system?

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We are looking forward to the implementation of healthcare reform in Ukraine. Takeda is actively involved in development of new laws and regulations together with professional associations and in cooperation with regulatory authorities, healthcare professionals and patient organizations.

The first step is made: the reimbursement mechanism for cardiovascular diseases, type 2 diabetes and asthma is deployed.

Nevertheless, the government's efforts should not be limited to critical, but rather basic products. At Takeda, we are working on daily basis with patients and physicians, and we hold a very accurate understanding of what they need to access innovative treatments. In the meantime, for oncology and other specialty areas, accessing life-changing treatments and surviving their diseases still remains affordable to most Ukrainian patients.

In the grand scheme of things, I deeply believe that – within the next five years – Ukraine will be able to catch up with the best European health standards, including the set up of a compulsory, nationwide medical insurance system covering the highest medical needs. However, the task ahead is immense and we will have many challenges to overcome.

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