Interview: Lance Little – Managing Director Asia Pacific, Roche Diagnostics



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As a strong advocate for APAC, Roche Diagnostics' Managing Director for Asia Pacific, Lance Little, shares his insights on the nuances of the markets in the region, the value proposition of the company to its clients, the importance of testing for 60 percent of the world's population as well as the strategies to stay abreast with the fast-paced, dynamic environment of the region.

What are the issues of primary importance in your agenda lately as Managing Director of Roche Diagnostics Asia Pacific?

The diverse nature of this region is conducive to the continuous rise of new challenges on a regular basis. Balancing the developed market environment versus emerging markets is critical as each lend themselves to completely different conversations and needs from a business perspective. Being in a country with a developed healthcare infrastructure requires a different dynamic to the countries without an established framework.

Contrary to the decades prior, Asia Pacific now presents a vastly different reality given its rapid growth. Therefore, a one-size-fits-all approach no longer suitable. Does it still make sense to group these very diverse countries into one categorical region?

On one level, we have Asia Pacific as a management structure. We also analyze things on a local country basis, especially in terms of execution strategy. However, there is a current shift towards categorizing the countries according to the needs of our customers in these different markets,

which has consequently led to the development of sub-regions for our smaller developed markets and high-growth markets. In more developed countries, the conversation revolves around maximizing returns on investment, high-throughput instruments to cope with the volume, and performing new tests. This differs to the conversation for developing countries, which mainly concerns itself around coverage, logistics and the limitations of developing infrastructures. “How do we get this test to everybody?” is the key question asked by executives in developing countries. Following this categorization, we have segmented these diverse markets according to their distinct needs.

Beyond the commercial prospects, how does a small market like Singapore fit into the bigger picture of Asia Pacific?

Singapore is of critical importance to this region as it is a prime example of a country that has developed its healthcare infrastructure quickly, notwithstanding its small market size. Other countries that are not as far advanced in their foundational healthcare infrastructure look to Singapore as a benchmark for success. While New Zealand and Australia are comparably established in their healthcare infrastructure as well, they are more European-centric. Singapore is the reference point for Asian countries as an exemplar of efficacy and quality of care.

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Roche Diagnostics unveiled its APAC headquarters in July 2015. How has this move served to consolidate the company’s position in the region, as well as enhanced its value proposition to its clients?

Our regional headquarters has been in Singapore for many years, although it was only formalized in 2015. In doing so, we have built a new corporate infrastructure to convey that this is the center of excellence for the company, in conjunction with our regional presence here.

The idea behind developing the center of excellence hub here is so that many of our affiliate experts can come to Singapore to learn and we can make sure the quality of the trainings is consistent in Singapore and throughout the region – ranging from engineers, technicians, application support to sales and marketing.

Given the sweeping trends in the Asia Pacific region, such as a growing middle class, a rapidly aging population and an explosion of non-communicable diseases, what would you identify as the key opportunities created for diagnostic companies like Roche?

Asia Pacific is one of the most diverse regions in the world and represents one of the most complex mosaics of healthcare systems. The region continues to face rapid development and increasing healthcare challenges. People are living longer and the disease profile is shifting towards non-communicable, chronic diseases.

As such, the need for diagnostic testing will remain indispensable and will continue to grow. From a regional perspective, the healthcare landscape is segmented into two main areas, differentiated according to the profile of developed and emerging markets. For the latter, the main issue is dispersing basic healthcare – where diagnostics plays a key role – throughout the entire population. Half of the countries in the region identify with having a dire need for greater healthcare coverage, thus providing tremendous opportunities for a company like ours. Another opportunity for these countries is to leap frog. Since healthcare is very basic in some of these countries, they might not go through the evolution of innovations but go straight to the best available technology of today.

At the other end of the spectrum are the developed markets, where the healthcare infrastructure is well established and thus the focus is shifted to affordability. These are the conversations that happen for markets such as New Zealand, Australia and Korea. Diagnostics also play an essential role in these conversations, for example in Diabetes. With diabetes, it is important to take a preventative approach. Diagnostics can help treat and manage the disease early in order to avoid eye, kidney and limb problems later down the road, which of course reduces the quality of life and is more expensive for patients and healthcare systems.

Another example is in companion diagnostics. Patients are able to take tests that can identify the exact mutation of their disease, and then treatment can be more targeted with drugs that can be used selectively.

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A third example is our HPV test. Around the globe, there has been a reduction of women dying from cervical cancer because of the introduction of pap smears. However, research has shown that this test can miss instances of cervical cancer so another technology was needed to be brought to market. Human papillomavirus (HPV) is the leading cause of cervical cancer, causing more than 99% of cases according to the WHO. Roche developed a new technology which identifies the 14 most prevalent high-risk HPV genotypes, and can provide specific genotyping information for HPV types 16 and 18 which cause 70% of all cervical cancers. With the introduction of the HPV test, high risk patients can be identified, meaning preventative measures can be put in place without delay, ultimately saving more women’s lives.

Diagnostics play an important role across the entire healthcare continuum in screening, diagnosis, prognosis, patient stratification and treatment monitoring, helping to improve clinical practice, improve quality of care and ultimately patient outcomes.

For many people outside of the clinical and medical field, the value of diagnostics isn't understood. How can countries in the Asia Pacific region, more specifically, benefit from placing an emphasis on the education and training of diagnostics?

At the heart of the issue is awareness. We know that globally, diagnostics account for approximately 2% of healthcare funding, but guides more than 60% of healthcare decisions. I believe placing an emphasis on training and education on the value of diagnostics could have a significant effect on healthcare in Asia Pacific.

Moreover, interaction between patients and the laboratory is limited. While patients interact with clinicians, they have very little knowledge about what happens in the laboratory space itself. Awareness is paramount to bridging this gap, as well as being a key aspect in managing respective issues of access and affordability that emerging and developed countries face. We feel a sense of responsibility to convey the value of diagnostics to our customers and other stakeholders.

At the core of Roche's business model is to add value. What does this mean in concrete terms outside of thinking beyond providing a product to your customers?

Adding value is about innovation in what we develop, such as developing tests for unmet medical needs which have a profound effect on the delivery of healthcare and provide benefits for all stakeholders – our customers, physicians, patients and governments.

However, providing a product in the appropriate manner is imperative. There could be a situation where a laboratory may have specific requirements, and with the way our product portfolio is built, we are able to gradually provide essential products first and then scale up according to the need. To support this, we ensure that the products that are available throughout Asia Pacific are the same products available anywhere in the world. This means that the dispersion of innovation happens at almost the same time in many of our global markets.

For some of the emerging economies, do you believe that they could be an original source for innovation that even some of the Western countries can benefit from?

I believe that innovation can come from anywhere and that is why our partnerships with top ranked academia and universities is important in all markets in which we operate.

What is the value that you place on local partnerships and stakeholders when entering some of the countries in the region?

It has been very important for us to enter new markets to reinforce our commitment to the sustainability of the healthcare environment. For example, while we have been supporting Myanmar for a number of years via our affiliate in Thailand, we formally opened our office there on 1 January 2016. Unlike a number of multinational companies who have entered the market, our Country Head is actually based in Yangon to ensure the strategy fits the market realities.

Of equal importance are the partnerships we form with government, labs and healthcare associations – it is important that our presence within a new market provides real value. Diagnostics is a long-term story by definition, as are our partnerships, as together we shape the healthcare system as it grows.

A key element to our success is the decentralized nature of our business, both at global and regional levels. This is even more important at a regional level because local knowledge has stronger leverage. Whilst there's APAC as a managerial structure, it is the country managers themselves who have the flexibility and the control to run the business according to what is most suited to the realities of the local markets.

What would you identify as the up and coming frontier markets that industry executives should keep an eye on, particularly in the diagnostics space?

Across the region, growth will continue in the diagnostics space. China is an obvious focus, especially given its size and importance. India and Vietnam are other markets that we are looking into fostering and developing given their growth. Given our philosophy of entering markets early, Myanmar is also an exciting market because we have the opportunity to help them build their healthcare infrastructure.

How do you convey the realities of the Asia Pacific region to your colleagues in the Swiss headquarters? What are some of the common misconceptions in this regard?

The most important thing is to have strong relationships with key global colleagues and welcome them to the region so they get a first-hand view of the realities here. We're fortunate in that both our CEO of Roche Diagnostics and our CEO of the Roche Group were formally in my role, so they have a good understanding.

While China is our largest market in the region, Asia Pacific is so much more. Roche Diagnostics Asia Pacific comprises 16 extremely heterogeneous affiliates, with both developed and emerging

economies. It’s my role to ensure my global stakeholders see this reality and not just ‘emerging markets’.

Within the Asia Pacific region, the pace of growth within many of our affiliates is also different to the European or US regions, which is where much of our manufacturing is. With this pace of growth comes different expectations around timings. We work closely with our global colleagues to ensure our region receives the state-of-the-art products developed by our global business areas when and where they need them.

As the Managing Director of the region, how do you keep up with the rapid pace of change in the region?

Roche Diagnostics has had a presence in the Asia Pacific region for around 90 years after our entry in Japan in 1925. The establishment of our office in Myanmar in 2016 marked our 16th affiliate. Today we employ around 4,600 employees who serve more than 60% of the world’s population. We contribute 26% of the global revenue and are a clear market leader. All this on the backdrop of strong double digit growth across the region.

It is true that Asia Pacific is developing quickly and with this development comes change, be it regulatory change; demographic change; or technological change. As a region, to continue to be successful, we have to keep up with this change and development. We do that by knowing the markets in which we operate well; ensuring we have the best strategic partnerships; employing great talent within these markets; and continuing to develop this talent.

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