Interview: Evie Yulin – Country Director, Merck Biopharma Indonesia



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Evie Yulin, biopharma country director at Merck Indonesia, speaks towards the meaning of innovation in emerging countries and how the company engages in innovation beyond products.

Since 2012, Merck has been implementing "Fit for 2018" – a transformation program aiming to drive the growth of the company globally. How has this affected the Biopharma operations in Indonesia?

In 2018 Merck will turn 350 years old, becoming the oldest pharmaceutical company in the world. To this purpose, we want to be fit in everything – in our productivity as well as in the services that we give to our target audience as well as our patients. People think that our motto 'fit for 2018' only stands for efficiency but, in fact, there are so many diverse activities with which we are currently busy to achieve our goal in 2018.

The fit for 2018 goal entails a huge sense of collaboration in order to come up with the best possible structure for us in the country but also globally. It is not just about efficiency but also about creating more effective communication between countries, strengthening the collaboration with our business partners and increasing internal capabilities giving innovative high quality solutions to our target audience etc.. There are many ongoing initiatives for 'Fit for 2018', one of them being As One for patients, an umbrella in delivering the best service to the patients. What we are doing is increasing our internal capability, the sense of belonging to our products, our

understanding of our products and, last but not least, we want all our employees to be proud to work at Merck. We are not just selling our products; we are giving high quality solutions to our patients.

We are also big on what we call life cycle initiatives. In some countries, e.g. Indonesia, mature brands contribute significantly to our revenues. On the other hand, we also have specialty care products, i.e. fertililty and oncology products. Globally, we are focusing on specialty care products whereas locally, we do a mix of everything as well as some business developments for the life cycle initiatives. This is our journey to the 'Fit for 2018'.

Given that we're halfway through 2017 already – how fit for 2018 are you?

2018 is not a deadline – but rather a journey. If you ask me at what stage we currently are, then it is safe to say that we are in line with the timeline and the expectations that we set ourselves. But remember, we also always be ready to change as well, as the market is very dynamic.

Around one year ago, Merck rebranded itself in order to enhance its positioning as a truly innovative player. What does innovation mean in an emerging market like Indonesia?

Historically speaking, Merck was a family owned business. Out of a sudden there have been new strong leaders coming to the company. By recruiting someone like me, the company had in mind something totally different to what Merck was used to before. Further, we are focusing on operational excellence, trying to achieve digitalisation by giving more access to information to our customer as well as better services to the patients. At Merck, it is not all about selling the products but also about selling technology. The rebranding really helped us strengthen our plans and have more innovative marketing activities.

What is the brand perception of Merck among local healthcare practitioners and KOLs?

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We have been perceived as an old company. With new branding, whenever doctors see promo materials/kit, now they think we are modern, bold and futuristic pharmaceutical company. Doctors like our sense of modernity and digitalization but they also care a lot about us being in line with what we do for them. Having a new logo or a new branding is fine, but we also have to show that whatever we do in the healthcare sector is different from before.

Indonesia is going through interesting times – whereas it has been previously dismissed by international investors as Asia's "great underachiever" – the country seems to be slowly waking up. Examples include the universal healthcare coverage or President Jokowi's promise to trip the country's negative investment list. How do you see the country evolving, particularly in healthcare? What do you believe should be the healthcare priorities of the country?

The implementation of the universal healthcare coverage is one big achievement of the country. We see that Indonesia has been growing steadily, but over the last three years pharma market growth was marked by single digits. The reason behind this is probably the usage of medicines in Indonesia seems to be getting more rationalized than before. While some predicted that after the implementation of the universal healthcare coverage the usage of medicines would increase, as more people would have access, this has not been the case as the volume only accounts for the 4.5 percent whereas 9 percent is for the value. For some MNCs the volume is declining. For us at Merck it is very important to look at what kind of barriers we have and go beyond them – just like we are doing right now. We are currently tightly collaborating with the Ministry of Health and with associations (International Pharmacetical Manufacturer Group) we put as partner to MoH to give some necessary inputs and work together if needed for improvement.

How are well are these messages received by the key stakeholders in the industry?

In parallel to my position at Merck, I am also vice chairman and the head of sub-com market access within IPMG at the moment. Policy shaping as such is not an easy undertaking. What we are doing is compiling evidence-based research in joint with Dr. Hasbullah Thabrany from CHEPS to present to the ministry of health.

We already conducted two types of studies: one that demonstrates our distribution capacities, sustainability of supple and the other relates to more transparent communication.

Also, as far as the implementation of the procurement is concerned, currently there is only one winner in every tender in each province, which is to the detriment of Indonesian patients. Lastly, together with government, we are working on having more criteria for the medicine selection in the future. As we believe it will take time until the sense of pharmaco-economics really kicks in in Indonesia.

How does Merck engage in patient education initiatives?

Indonesia has a very big population. Let us take two major prevalent diseases among Indonesians, diabetes and infertility. If you see how many are diagnosed with diabetes compared to those who actually are suffering from the disease, the number is very low. What we do is educate doctors and patients on disease awareness on how to treat these diseases better.

Secondly, we have about 200 000 infertile patients that need treatment in Indonesia but the ones being treated are currently only 7000. This might happen for several reasons: some are not aware of the existence of a proper IVF centres and others prefer going abroad. In order to lessen the number of medical tourists, we also engage in education activities to encourage patients to get treatment locally.

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How do you ensure that your product offering in Indonesia fits the countries' limitations, government goals, and local healthcare needs?

We have a fair balance between biotech products and mature products. Now, we are looking into the market potential of every product that we have ever launched in Indonesia. Subsequently, we will focus our resources on those ones where we see more potential. For example, we have included some of our products in JKN with a very specific pricing structure and these products have experienced a new growth spurt.

We also conduct portfolio analysis on a yearly basis to see where we should invest. For the new products, if we think there is a push but the market potential is not big in Indonesia, we try to postpone the launch of the product until we see there is a progress in terms of understanding and awareness on how to treat the patient. Take for instance multiple sclerosis – in Europe it is very big as well as in Taiwan and Korea. In Indonesia, the reason why it is not is because there is lack of knowledge on how to diagnose and treat multiple sclerosis. However, our now is on improving our main therapeutic areas such as diabetes, cardiovascular, thyroid, oncology and fertility.

Do you think these therapeutic areas will drive growth for Merck in Indonesia?

Yes, in combination with the launch of new products in 2019 on ward. We believe that fertility in the next five years will be doubled, the same goes for oncology and thyroid. For cardiovascular and diabetes, while they will not double, they will continue growing and this means a lot to us, even if they are growing single digit as the base is very big already.

What are your main objectives over the next 3-5 years?

Our Vision is: to Be an Innovative healthcare company that creates, improves and prolongs life by working As One for Patients

I want to drive innovation, which is related to our rebranding of course, giving high-quality solutions to patients and their families. Secondly, I want to build a great place to work for all our employees, a cause which is very dear to my heart.

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