

Interview: Shravan Subramanyam - Managing Director, Roche Diagnostics India



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A strong advocate for women's health and the first managing director of Roche Diagnostics India to be under 40 years old, Dr. Shravan Subramanyam shares his insights on the Indian healthcare system, the value proposition of diagnostics to patients, the importance of public-private partnership in making quality healthcare more accessible to patients and the strategies to keep pace with the evolving, dynamic environment of the region.

Since this is the first time we are meeting you as a Managing Director of Roche Diagnostics, can you introduce yourself to our international readers?

I am a third-generation physician by qualification, going on the lines of my father and grandfather. While my family had previously worked in the diagnostics industry, I was drawn to the corporate world early on in my career, I decided to pursue a degree in Health Administration at Cornell University which opened my eyes to the world of international business. Following a stint in the US, I moved to India at a very exciting time. India was opening doors to foreign investment in healthcare at the time.

I joined Novartis as a director of Business Development & Commercial Operations (APAC) and moved to Hong Kong. At first, I was the commercial head for South-East Asia, managing distributor relationships and local commercial activities for Singapore, Malaysia, Thailand and Indonesia. Soon after, I switched regions and covered North-East Asia (Japan and South Korea) while being the *ad*

interim head of marketing for Asia Pacific.

From Hong Kong, I moved to New Jersey, still with Novartis, to the pharma side of the business, specifically in oncology, where a lot of the investments were taking place. Although people outside the industry see healthcare and life sciences as one big entity, within the industry, pharma and diagnostics are very different. Being a member of the USD 5.5B Leukemia franchise within the Global Product Strategy unit was a tremendous learning experience for me. Added to that, I was fortunate event to be given the additional responsibility of a friend and colleague who went on maternity leave for a period of five months. This added role turned out to be a phenomenal opportunity for my career development.

Some refer to India as a subcontinent made up of 28 different countries. How does your diverse experience in various healthcare markets help you understand the complexity of the country?

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I agree that India can be seen as several countries rolled into one. Every bit of experience from my past roles is helping me in my current role in India. Each of my roles are completely different from the other – be it the global strategy responsibility for a pharma company or the head of marketing in a country affiliate. The learning as the head of India business is tremendous, to think strategically and connect the dots in different areas. I lean very heavily on my regional and global colleagues and I see that coming out of my past experience as a global associate when all I wanted to do is help my colleagues in the country affiliate, I receive such support from my global colleagues.

You have been working in very sophisticated markets and now you are in India. What are the key challenges and differences?

Roche Diagnostics is a Swiss organisation based in India, so while we balance the global culture and the business model and process requirements, we acknowledge that we sell in a market which is rather informal and casual that bases business relationships on trust and friendship. I had a customer for instance who was insisting on my attending his son's wedding, which you would agree is not as common in other markets.

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We also endeavour to establish a culture which is forward-thinking, systematic and based on the global core values of Roche. It is aspirational, but I can tell you for sure that compared to other

companies that I have seen, Roche has managed to excel in embracing both sides. Furthermore, I would like to reiterate that we would not like to lose what is great about Indian culture and values – it is a matter of striking the right balance.

Roche Diagnostics is the world's leader in in-vitro diagnostics. What is Roche Diagnostics positioning in the Indian market?

Roche Diagnostics is a leader in the field of in-vitro diagnostics for India, although it is a highly fragmented market. If you look at it entirely, more than 55 percent is made up of multinationals. Among multinational companies, it is safe to say that we are number one.

'How we do business' is much more important than 'how much business we do' at Roche Diagnostics India.

My vision is to make Roche a great place to work. Here, I'd like to narrate my experience at one of India's premier management institutes, when its students during interactions mentioned that Roche was not on their list of aspirational companies to work for. I guess it is mainly due to the fact that people prefer working in banks and consulting firms. In the pharma sector there are Indian companies with more brand recognition and then there are a few multinational companies that have been here for a long time with a consumer facing business, unlike diagnostics solutions providers. Given the niche nature of our business, I guess applicants to Roche Diagnostics India would need to have a specific interest in working for us. We are not here just to sell products, we want to build our reputation and an ecosystem that attracts the best talent in the country and overseas.

You're aiming to increase your market share to 15 percent locally (currently 14 percent). How are you planning to achieve that?

Going beyond market share, we believe that increasing our business means increased access of quality diagnostics solutions to patients in India. Our first effort in this direction is to follow the epidemiology of Indian disease patterns and map them against our portfolio. Secondly, we align ourselves with the new National Health Policy of the Government to ensure that we target the right group of patients, payers and business strategy in terms of private-public partnerships as well as disease awareness.

What is Roche Diagnostics' positioning in the field of preventive healthcare in India?

From a strategy standpoint, speaking of the Government's National Health Policy, we are looking at preventive healthcare as a goal rather than only disease management. It is crucial to take a step

back and ascertain what it takes to promote healthy living and, if you think about it, diagnostics is the very first step to that. We are not just a multinational organization operating in the diagnostics space. What we are doing in terms of enabling health is actually nation-building and contributing to the economy. India is a very labor and people intensive market. Not without a reason, the country is prominent for skilled labor and technology. Now, if our people fall sick we lose a economic driver, which is the reason why the discussion around preventive healthcare and keeping people healthy is important to run the economy.

Can you tell us about the therapeutic areas that you cover?

Oncology, in which the Roche Group brings years of expertise is a key disease area for us in India as well. We cover cardio-metabolic diseases, which has huge prevalence in India – you can read about people suffering from cardio-metabolic disease in practically every Indian healthcare magazine. Roche has a very strong heritage in infectious diseases through the Polymerase Chain reaction (PCR) technology and has done a tremendous amount of work, particularly in HIV, HBV and HCV. Lastly, an area that is very close to my heart and in which we are investing significantly is women’s health. When it comes to women’s health, we are not picky with any particular disease, but place a little extra emphasis where women’s health intersects with oncology – such as carcinoma or breast cancer.

How much of the global product portfolio is represented in Roche diagnostics?

When I joined Roche Diagnostics India, I had the mandate to accelerate the launch of products relevant to Indian epidemiology. We work very closely with our colleagues around the world and if I see that there is an interest or a relevance for the Indian market we are willing to accelerate the process here. Having said that, not every single product launched worldwide is immediately relevant to India – there might be cost or technology barriers as well.

Out of our 5 billion population, only a very small percentage is touched by real healthcare. This is why we are working to bring healthcare to the people and we do so by speaking to the government. In the past 13 years we have partnered with almost every large corporate hospital in the country.

Can you talk us through one of the government added value services in India?

I can give you the example of the State of Odisha in the East coast of India. In the most developed countries you can count the blood banks on your fingers, where they consolidate the samples and they have machines to process them. In India we have more than 2000 blood banks and they

operate mostly in a low-volume setting and it does not make sense for them to invest in our products and vice versa. The Odisha State, for instance, is in great need of PCR technology to develop nucleic acid testing. By using conventional methods, it is possible to detect whether a patient is infected or not within a 40 days' time. Our technology is able to cut the time in half or even less because we test the actual virus as opposed to testing the antibodies.

As they did not have the skills to make it relevant, they offered us a public-private partnership in order for us to create a few hubs where we collect and consolidate samples using third body contractors. Subsequently, we set up the hardware, train the technologists, we generate the results and hand in back to the government. This solves many problems in terms of skill building and training as we use a lot of digital technology as enhancers. This partnership with the State of Odisha has been running for a year and a half very successfully.

How do you ensure that your technology reaches the rural parts of the country and what is your level of engagement with the government to accomplish this?

We see technology as a huge enabler and we also see our partnership with the large reference laboratories as a big potential; some of these labs are in the rural areas and in a way we have the opportunity to touch many lives. However, as I mentioned before India is not one market, it is made up of many layers and segments. Up until now, engagement with the government has been an eye-opening and very warm experience - through Confederation of Indian Industry (CII) I had access to government officials or APACmed (Asia Pacific Medical Technology Association) with which I had a wonderful engagement. Also, we have a team managing regulatory affairs and commercial teams working with payers. The government have been extremely transparent and cooperative and we want to continue this engagement.

One example that I can share with you which came as a pleasant surprise is with the new medical device policy that will be rolled out in 2018. The industry contacted us to review and give our recommendation on it. However, there are some policies that make me nervous such as price caps. We are the champions in market access and while cost is a barrier in some cases, it is not the only one. My concern is that by imposing price caps the government is not solving the issue of access. They should be looking at technology, at skills as well as at clinical relevance.

We met with Mr. Lance Little in Singapore and he said that India and Vietnam are frontier markets. How do you leverage the opportunities here in India to contribute to Roche Diagnostics globally?

India is part of the cluster of high growth markets in the APAC region and it is growing very fast, not only in terms of population but also in terms of wealth management and healthcare spending. Mr Lance Little's vision is that if we make the right investments now and we get embedded in these countries we will see substantial growth in the upcoming years.

India is taking baby steps towards the concept of 'value over cost'.. In many Western countries, you see value attributed to a diagnostic test based on how much hospitalization or public spending it might save. In India, there is still the tendency to correlate price with cost rather than value. This, I understand and recognize but I also acknowledge that it is incumbent on us as the industry leader to partner with customers to provide an attractive value proposition that includes service as a key component.

What is your vision for the next five years?

India is very close to my heart and I certainly want to see Roche being more of an Indian company in its different segments of healthcare, touch as many patients as possible. In terms of transformation, I want to see Roche to move a bit more towards the digital health economy. In five years' time, I would like to see health institutes embrace digital technologies and Roche leading the way. As in our motto, we are focused on 'doing now what our patients need next'.

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