Interview: James Burt – Executive Vice President Europe and EMENA, Accord Healthcare



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Heading Accord Healthcare's European, Middle East and North African operations, James Burt highlights the rapid growth the company has achieved within the region and how it has reached an impressive double-digit market share in the UK, putting Accord firmly on track to attain their goal of becoming a top 5 pan-European generics and biosimilar company by 2021.

James, you have been with Accord Healthcare for eight years, six as head of the EMENA operations. Over this period, the company has grown tremendously in the region with around 100 percent growth in sales over the past 12 months. Can you describe the current footprint of Accord Healthcare in the region and the UK more specifically?

In the EMENA region, we now active in all EU markets and our subsidiaries service the needs of over 95 percent of European patients with our own field forces and dedicated back offices. It's been a huge challenge to set up so many operations but it now gives us a truly comprehensive platform to further our mission to improve access to high quality affordable healthcare.

I'm very proud that we managed to record a compound annual growth rate since 2010 of over 70 percent. Not many companies can maintain such growth over a long period and it really demonstrates how we are improving the provision of medicine in Europe. As we've delivered this growth we've significantly invested in creating a wonderful team. When I first joined in 2010, we had less than 50 staff in the region, today I have well over 1,200 colleagues in the team and we

still anticipate major expansion over the next three years, with very significant job creation in the UK.

Coming to the UK, it is our largest European market. We have over 800 staff located across six sites. The sites range from testing, release and research laboratories, packing and distribution centres to fully-fledged large scale pharmaceutical manufacturing sites. Accord Healthcare is now the number one supplier of generics in the UK. Our products are dispensed to fulfil over 1 in 6 generic prescriptions in the UK, meaning probably everyone in the UK has taken one of our medicines. I see that as a huge responsibility and one that we take very seriously. To us patients are not nameless, faceless individuals – they are our colleagues, friends and family members.

What have been the ingredients of your recipe for success?

One important ingredient has been the vision of our Vice Chairman and Managing Director, Binish Chudgar, who has an uncanny ability to predict upcoming trends ahead of time. For instance, Binish initiated our biosimilar business long before other players recognised the importance of medicinal recombinant proteins, ultimately delivering the first EU GMP approved biopharmaceutical plant in India. He also singled out generic oncology as an area worth pursuing and as a result we are now the most significant provider of generic chemotherapy in Europe, ensuring cancer patients can access vital treatments. Binish has a clear strategy of investing in the research and development of novel proprietary products and we are very excited about launching many of these products in Europe in coming years.

In Europe, another key success factor has been the recruiting local talent and expertise for each market and giving a significant degree of autonomy, albeit within a clearly defined regional strategy. That entrepreneurial approach is very much in our DNA and we strive to think differently and innovatively in the operation of our business. In the very early days it was a struggle to attract the best talent but as a result of our compelling story and approach we are now seen as an employer of choice

I think that another aspect of our success is having clear strategy, based on three pillars, hospital genetics, retail genetics and our added value product portfolio. Our go-to-market strategy was with injectables generics particularly oncology where we had a particular strength and expertise. We then diversified into the retail generic market, where we initially targeted markets with lower entry barriers but a concomitant higher price competition, this required a close attention to our cost base and as a result we have exploited every opportunity to build-in operational efficiency. We are now gradually expanding into the more branded generic retail markets and this will act as a springboard

to our final pillar, our Added Value Products. These are novel treatments which provide additional benefits to patients but which require a far greater degree of clinician engagement. As you can see all three pillars support and complement each other well.

Our strategy really does support our purpose; to ensure that more patients get access to high quality affordable medicine with all the benefits that this brings to individuals, families and society. Often, people forget how rationed and limited access to life saving medicine is and the consequences of this situation. Better access to better medicine has been a significant driver of a near doubling of life expectancy in the last 150 years. The generic industry has played a very critical role in facilitating this access but this is a story we do not get across nearly well enough.

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What role can Accord Healthcare, as a market leader, play in demonstrating the benefits it brings to society through the providing of its products?

We need to get past the negative preconceptions people have of our industry and we can do that through better engagement. The general perception is that medicines are a significant proportion of healthcare budgets; but in actual fact they only account for about 15 percent of total health expenditures.

As a generic company, we provide a very valuable service – after patent expiry we end monopolies which in turn catalyses the discovery of the next developments in medicines.

The entry of an identical substitutable product initiates price competition and typically brings the market price down by over 90 percent. This galvanises access and effectively helps to reduce rationing. In the UK, our industry body, the BGMA, estimates that this process saves the NHS over GBP 13 billion per year; and as the largest generic company in the UK Accord plays a big part in delivering that saving.

To give an example, on average in the UK Accord sells a pack of medicine, typically for over 28 doses, for around GBP 1.19, less than a cup of coffee from a high street chain.

Generic players can help solve challenges of stretched health budgets, aging populations and growth in chronic conditions, something most healthcare systems face today.

In times when the whole world is in uproar with Brexit, Accord Healthcare has on the contrary committed investment to the UK, taking over a site in Fawdon, Newcastle-upon-Tyne. What does this say about Accord Healthcare’s commitment to the UK?

The UK remains a fantastic place to undertake scientific research and engage in high tech manufacturing. Despite the uncertainty, we feel that the MRHA will continue to be a beacon of scientific excellence and the UK's enviable healthcare science base is a vital component of the nation's capability, something that will help drive bilateral trade arrangements and inward investment. With the UK infrastructure I referenced earlier we estimate we will be investing over 100 million pounds in the next 18 months and we wouldn't be doing that if we didn't feel the UK was still an attractive place to be.

I think it's also worth noting that Accord Healthcare already sources a significant portion of its products from India, and does so despite the lack of a free trade agreement between India and the EU. This is a helpful example that in many ways Brexit will not completely change our way of operating. I also trust that in the negotiations, common sense will prevail. After all, the global trend within medicines regulation is increasingly for the leading agencies to work more collaboratively and mutually recognise activities and approaches. The MRHA is considered one of the world's most highly respected regulators, is currently responsible for 40 percent of the testing that the EMA undertakes. I think it is highly likely that some degree of mutual recognition will be achieved given the positive precedents between agencies such as USFDA, EMA and SwissMedic to name a few.

In a time where companies are taking a conservative approach or even leaving the UK, we are demonstrating our confidence and commitment by investing in the manufacturing site in Newcastle-upon-Tyne. We are proud to proclaim a vote of confidence towards the UK, the acquisition in Newcastle-upon-Tyne being one aspect. Furthermore, we also recently acquired a distribution centre in Oxfordshire and are working hard to bring this on-line to better service our customers and ultimately patients.

What have been some of the insights gained from the Actavis UK and Ireland acquisition for you?

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There were three principal elements to the strategic rationale behind the Actavis acquisition – firstly to leverage Accord's pipeline and portfolio into the Actavis market reach; secondly to introduce additional portfolio, manufacturing capacity and development expertise into Accord's network; and finally, to strengthen the organisation by conjoining the talent of the two organisations.

I am proud of the fact that Accord is able to create and secure jobs that are often high skilled in nature and for me, it is about reaching out to the next generation, so we place a real emphasis on

our graduates and apprenticeship schemes. Engineering UK estimates that for every new job created by STEM companies such as Accord, two more jobs are created elsewhere in the UK.

Overall, in my career this was the most successful acquisition I have been part of and overseen. I think we have a good cultural fit between both companies, notably our dedication to maintaining an entrepreneurial mentality and thinking differently.

Accord Healthcare is active in a number of therapeutic areas, reaching from oncology to neurology and covering urology and pain management. Which areas do you identify as the main growth drivers for your business today and in the future?

Our oncology portfolio is an essential part of our product range and is a key strength for the company. As part of our increased focus in speciality pharmaceuticals, we have selected five key target areas, but the most prominent remains oncology. We have, invested heavily in our novel pipeline in this area and have a number of phase III products working their way to market; medicines which we anticipate will bring tremendous advances to treatment in the coming years. It’s also very notable that our early biosimilar launches are in this therapeutic segment and we anticipate several further oncology biosimilar products being launched soon.

What is the importance of the EMENA region and the UK within it to Accord Healthcare globally?

The EMENA region holds great importance for Accord Healthcare. We see opportunities across the board and have had a fantastic trajectory in Europe which we will continue to nurture. Our goal is to be a pan-European top five generic player within the next three years, an objective for which we are well on track.

The UK is a flagship of our European activity. We build upon a heritage of shared history between the UK and India. The importance of the UK to Accord goes beyond just the size of the operation and its impact to our P&L. It’s also a great location for scientific talent, medicine manufacture and medical advances.

What are your key priorities over the coming years?

I want to continue to build out our generic base and further use this platform to deliver access to our innovative new products. I’m also prioritising complementing our in house range with high quality innovative products from other developers. We have a unique comprehensive coverage in the region and can truly represent ourselves as a ‘one-stop shop’ solution for developers looking to bring medical advances to over half a billion patients.

My aspiration was always to hire and retain great people, because without them we will not achieve the innovative approach we need to deliver on our mission. A key priority as we grow is to maintain the coherence and common understanding of our strategy to ensure we can all pull together as a team.

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