Interview: Vivek Bachhawat – Senior Vice President, APAC & MENA, Teva, Singapore

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15.11.2016

Tags: Singapore, Teva, Actavis, Generics, M&A, Pharma, Pharmaceuticals

Teva's recently appointed SVP of APAC and MENA Vivek Bachhawat details his relatively seamless journey from Actavis to Teva and the synergies inherent in both organizations even prior to the merger. He also highlights the company's continued commitment to Singapore and its key regional role which will grow in importance as Teva taps into the country's unique knowledge base and innovative capacities to intersect the prospects of technology and healthcare.

Having come out the other side of what might be considered two of the largest acquisitions in pharma history, how has your experience been transitioning from one organization to the next?

It's been very seamless and actually hasn't felt like much of a "transition." Not only in the last two months since the closing of the transaction, but also in the 12-month period following the initial announcement, I had worked very closely with many people in Teva. In that period alone, I was able to pick up the many similarities between the two organizations, particularly in terms of culture, attitude, and overall winning drive, in addition to the similar intricacies that existed between our business models.

Collectively, these factors have made the integration quite smooth for not only myself, but also the employees that have come to work for us in the region.

From a personal standpoint, what aspect of the integration required the most adjustment or getting used to?

Personally, it was just the enormity of the new organization, which is made from two companies that could already have been considered industry giants. Our combined presence now encompasses 1,800 molecules, activities in nearly 100 countries—80 of which we have a direct operation in—and 58,000 employees staffed globally.

The sheer scale of the newly formed Teva, which now embodies an unparalleled pool of knowledge and wide-ranging network of professionals spanning subject matter experts to industry veterans—that aspect in and of itself has taken the most getting used to.

How have your priorities now evolved alongside this new level of enormity?

In Asia Pacific, our major priority now is to grow, and see how exactly we can become a significant contributor to Teva's continued growth and development.

Overall, the combination was very complementary in nature. There were many areas where Actavis added a direct presence, but there were also places where Teva had activities where Actavis did not, for example, Australia and South Korea. Putting that all together has now created many unique opportunities to leverage the combined infrastructure, brand equity, and competitive positioning that come from both sides.

As a whole, we have enormous potential to grow our business. There are a lot of exciting possibilities that all of us are very enthusiastic about, particularly when it comes to positioning APAC as a major driver of growth for the company.

The legacy Actavis had a relatively large footprint in Singapore, hosting both the APAC HQ and a manufacturing site. How do these assets complement Teva's existing value chain in Singapore?

Indeed, the legacy organizations of both Teva and Actavis were already quite established in Singapore. With this acquisition, Teva on a combined basis has significantly expanded its footprint.

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As a country, Singapore is at the forefront of digital technologies, promoting all forms of innovation across all types of industries, and we want to leverage that type of pioneering spirit to bring a combination of healthcare and technology together, while utilizing the country as a test bed for these ideas before launching into the broader region.

Ultimately, we hope to find more novel ways of expanding our commitment to the country beyond the traditional capital investments. The focus of our relationship with Singapore would then be more geared towards harnessing the nation's strong knowledge base and innovative platforms to employ new technologies or go-to-market models that would impact the way we go about approaching and conducting business across Asia Pacific, and conceivably even across Teva's global network.

Interestingly enough, Singapore is categorized under what Teva refers to as Growth Markets—a classification that companies don't usually have in mind when they think of Singapore. As some pretext, could you describe what exactly Teva defines as a "growth market"?

Growth Markets are countries where we see significant industry growth. It's a broad classification covering a wide territory encompassing South America, Asia, Africa, Russia & CIS, and everything in between with the exception of North America and Europe.

The sheer level of unmet need in these markets is simply unparalleled. The aging population will increase significantly over the next several years, leaving one out of four people in places like Singapore at 65 or older, with other attributes consistent across all the countries we classify under Growth Markets. Consequently, there will be an exponential demand in affordable and quality healthcare products.

Collectively, we expect USD 100 billion worth of cumulative growth to stem from these territories in the next few years. We want to position ourselves at the forefront of this growth, providing affordable and quality medicines on both the generics and specialty side to all of these markets.

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And how exactly does Singapore—a country barely exhibiting 4% GDP growth and pharma market valued at USD 1 billion—fall under there together with other more likely traditionally growth-laden destinations such as Brazil, Russia, India, or China?

That's why we don't necessarily classify them as emerging, but markets that are *growing*. Using a more relative comparison, the US and Europe—our two largest commercial regions—are growing at low single digits, while Growth Markets as a collective group is exhibiting high single-digit growth, with some countries showcasing double-digit rates.

The attributes are similar in terms of the response we want to bring to the markets and the unmet needs they have. It is more of what we see as potential growth prospects that we see in markets, rather than the traditional classification of 'emerging'.

Specifically in Asia Pacific, we maintain leading positions, such as in Singapore where we are currently the number one supplier of generic medicines, and in Hong Kong and Thailand where we're among the top 5 players. However, we still see a lot of room for further growth, largely attributed to the widespread prevalence of unmet medical needs, which will of course continue placing additional pressures on health systems across the region. Nonetheless, we're optimistic that the growth will invariably continue, and with our leading positions, we will continue to provide the same caliber of services and level of commitment in these markets.

Historically, Teva has largely been recognized as the market leader in generics, but

increasingly so in specialty medicines. What factors might sway the weight of the portfolio in one way or the other?

We look at ourselves as the right provider of pharmaceutical products to the patient depending on their needs. Regardless of whether that comes from generic medicine or the specialty side, at the end of the day we’re focused on addressing the demands of both the patients and healthcare professionals.

Our portfolio mix varies greatly in each of the countries in which we operate. But we will continue our development efforts on both fronts, ensuring that our portfolio is seamlessly accessible to the those in need all around the world, while investing significantly in R&D to safeguard the continuity of our value proposition and unwavering commitment to the patient.

In line with macroeconomic trends, there is an increasing demand for generics across all of our markets, including Singapore, with successive patent cliffs and the increasing trend of reducing drug prices globally serving as the two main drivers. Ultimately, we take into consideration the desire of the patient and that dictates what we bring to the market. In many places, we participate in government tenders to supply segments of the population with less financial means to access our medicines or if there is a particular demand for one product in a certain country, then we will prioritize that product and expedite speed to market.

With top 10 innovators such as Novartis and Sanofi continually enhancing their generics arms, how would you evaluate the company’s ability to maintain or grow its competitive positioning, specifically here in Asia?

We value the fact that many other companies are entering this hybrid space. If they are trying to bring quality products to market, then it can only benefit the industry. As a leading provider of generic and specialty healthcare products that impact millions of patients worldwide every year, quality is our utmost concern. That’s one of the big differentiators for us, and as long as our efforts are constantly underpinned by that incessant commitment to quality assurance, then we will continue to maintain a premier position in the market.

What are your ambitions for Teva in the next three to five years, as head of APAC and MENA?

The next three to five years will be a good time horizon to focus and leverage the consolidated assets of both Teva and legacy Actavis to strengthen our overall position in the markets. This entails determining the most optimal route to not only grow across APAC, but all of our Growth Markets. On a higher level, this also requires figuring out how we can bring the Teva promise to the billions of patients in this region, while upholding the level of quality and steadfast commitment to the patient that we’ve become known for.

As a manager overseeing a region as complex and dynamic as Asia, how exactly do you

keep up with the pace of change?

The sheer level of excitement that my 1000+ colleagues in the region—58,000 across the globe—and I share is really what keeps me going. For someone working in the pharmaceutical industry and the generics space, this is truly one of the most exciting places to be. As market leaders, we take this position very seriously, but also with a lot of humility. We further support the markets by looking ahead and anticipating the future needs, innovating creative solutions to meet those changing dynamics in each of market that we operate in.

Now at the helm of the one of the largest multinational pharma companies in the world, your career has evolved quite rapidly from your time working in finance in NYC. What is a piece of advice that you'd like to pass on to the younger generation?

Continue to follow your passion, and make sure that you find the right areas to apply that passion. Luckily, I found that outlet in Teva, as well as its legacy organizations. Even in the limited amount of time I've been with the company so far, it's clear that Teva values the expertise, approach, and attitude that one can bring to the table. This has allowed me to embody a sense of excitement and purpose everyday, and apply that level of interest to everything I do; I can only hope that others find the same type of outlet.

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