

# Interview: Selim Giray - VP and General Manager, GSK

## Turkey

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24.08.2018

Tags: [Turkey](#), [GSK](#), [Pharma](#), [Strategy](#)

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*Selim Giray, the recently appointed VP and general manager of GSK Turkey, provides insights into the company’s eye-catching footprint and commitment to Turkey, his ambition to integrate into the market’s Top Four ranking in the coming years, as well as his aspirations to see the industry and the government work closer together on moving the ecosystem’s agenda beyond the objectives of Vision 2023.*

### **Eight months into the job, how would you assess GSK’s competitive advantages on the Turkish market?**

GSK has been present in Turkey for more than 60 years; as a result, Turkish stakeholders do not perceive our company as a pure MNC but rather as an innovative company with deep roots in Turkey. In the meantime, some of our brands are among the most prescribed products in their categories, and every Turkish household probably owns or uses at least one GSK product, especially if taking into account our consumer care portfolio.

In the same vein, very few – if any – pharmaceutical companies in Turkey can boast a portfolio as wide as GSK’s offering, as the latter ranges from antibiotics, HIV, anti-infective, vaccines, respiratory and asthma therapies, as well as a promising pipeline of oncology products. This large portfolio enables us to interact with a substantial number of physicians and pharmacists, while some business divisions (such as vaccines and HIV, among others) almost operate like standalone entities, which ensures that business focus, knowledge transfer, and stakeholder engagement are

not diluted because of the depth of our portfolio.

GSK moreover holds a large manufacturing basis in Turkey, where we work with five different contract manufacturers – four of them handling the production of pharma products, the last one being in charge of manufacturing vaccines. As a result, 72 percent of the boxes sold by GSK in Turkey are locally manufactured, while we also concentrate our localization efforts and technology transfer on product categories that are scarcely manufactured in Turkey, such as Nebules. This commitment is absolutely crucial to upgrading Turkish patients' access to life-changing products while improving the country's trade balance, which both stand as strategic objectives of our country's Vision 2023 and position GSK as a key partner of the government.

On top of business aspects, GSK is also particularly active on the CSR side, targeting all parts of the population from youths to unprivileged people to increase awareness and improve prevention in crucial medical areas, ranging from HIV to vaccination. We want to ensure that the entire community becomes more self-conscious about their health-related choices, whether it relates to complying with prescriptions, treatment adherence, or immunization routine.

**Despite extreme price pressure and stringent localization policies, most of our interviewees told us that Turkey is still considered as a strategic market by many multinational companies. Is it the same for GSK?**

At 100 percent, the answer is yes. As a matter of fact, Turkey is considered one of the key growth markets within the group's ecosystem.

With regards to the challenges you mentioned, one should keep in mind that Turkey remains an emerging market, which – by definition – entails a certain set of advantages and hurdles that are obviously different from those encountered in mature ecosystems. In parallel to strong growth perspectives, economic and policy volatility often comes as a distinctive trait of emerging countries. Therefore, one should not assess the potential of such a dynamic country like Turkey on a six-month or yearly basis. When looking at how Turkey has been progressing since the 80s and particularly through the 2000s, the trend is clearly positive, and we should be confident the latter would remain as such in the coming years.

As for most emerging markets, the local ecosystem displays inherent risks, but Turkey clearly stands as a market that cannot be left behind by any global players. I believe that GSK looks at Turkey with confidence, but without forgetting either of the risks that come with our continuous investments.

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**GSK already stands as a particularly strong player in Turkey, what are your priorities to drive the affiliate to new heights?**

From a portfolio standpoint, we will give a special importance to vaccines, an area where our

country still holds significant room for improvement. First of all, several crucial vaccines must be urgently included within the country's immunization program, while Turkey also needs to strengthen its vaccines production capacity, which has not progressed as fast as small-molecule products. This is due to the fact that there are only a handful of large vaccines producers globally, but the good news is that GSK is a leader in this area, and we hold great ambitions for Turkey. From a broader healthcare standpoint, our company's expertise and added-value could be extremely beneficial to the entire ecosystem, ranging from production to clinical trials - as a matter of fact, GSK runs a dedicated clinical research center in Ankara that already accounts for 43 percent of Turkey's total number of trials conducted in the vaccines area.

Another pillar for the company's growth is HIV. We must ensure that it receives the recognition it deserves and diagnosed patients are able to access modern treatments as quickly as possible, especially considering the latter today enables HIV patients to live as old as chronic diseases patients, such as those affected by diabetes and cardiovascular diseases. In the meantime, COPD, unfortunately, remains one of the leading causes of inpatient mortality in Turkey, and GSK holds some of the best respiratory products in the industry. Beside these growth areas, we intend to keep promoting a wide portfolio, as GSK products remain actively used in the country. Today, GSK proudly stands as a Top Seven company in the Turkish market, and we aspire to reach the fourth position in the coming years.

While putting this business strategy into motion, we will also put an emphasis on bringing to Turkey innovative digital solutions and establish GSK Turkey as an innovation laboratory, based on customers' insights, to ensure we are ready for the future, whether it relates to technology or volatility management.

Last but not least, our company has been recognized as a Great Place to Work for the past two years (2016 and 2017), and we take great pride in this achievement. This dimension should be further embedded into the affiliate's DNA, as we must ensure GSK is seen as a first choice by young talent and ambitious professionals. Above all, I want our people to own a strong sense of purpose - at GSK, we do not work for numbers but strive for a bigger cause.

**Turkey is one of the very few emerging markets around the world that hold a comprehensive, single-payer reimbursement system. How does this specificity impact the way you head the affiliate, in comparison to your peers in other emerging markets?**

The Turkish system is unique. We are talking about a country of over 80 million inhabitants where almost the healthcare of the entire population is covered. Our common objective is to ensure that everyone in Turkey has access to the best treatments that are available globally. However, some aspects of the Turkish model tend to deviate from international standards, such as the pricing mechanism and intellectual property regulations. Adjustments are needed to make the overall

system more sustainable and not put the patients, the health system or the pharmaceutical companies at risk.

As a general manager, I personally attend all crucial meetings with the government. In Turkey, regulations, people in charge, points of view and decisions can change or be overturned overnight. As a rule of thumb, a minimum visit of twice a month to Ankara emerges as a standard for any general manager in the country, in order to keep a close contact with all the key stakeholders, including the regulators and the payers. The efforts of our comprehensive and talented pricing and reimbursement departments do not come close to the impact of attending and engaging in person and - above all - listening to your counterparts. In a country like Turkey, stakeholders' engagement is not only about conveying messages, but also understanding first hand what our stakeholders' problems and aspirations are, so we can better meet their needs, and - as general manager - better position the affiliate.

**In Turkey, the government and regulatory authorities are definitely accessible to the industry. Can you identify some rooms for improvements in the communication flow between these two crucial parts of the ecosystem?**

One room for improvement relates to the fact that - at times - decisions are taken hastily, without in-depth and holistic consideration of their consequences on crucial parts of the value chain, including the pharmaceutical industry, the physicians, the pharmacists, or even the wholesalers. However, all of them undoubtedly stand as the government's best allies to bolster healthcare sustainability. Last but not least, arbitrary and rushed decisions create a climate of mistrust, especially in the eyes of international investors and decision makers who do not know the country well.

On the other hand, accelerating the decision making process in some crucial areas - such as localization, pricing, or reimbursement - is extremely difficult: one has to meet and convince many stakeholders in various departments, while the situation could be greatly improved through the set up of "one-stop-shop" organizations.

Following the referendum of April 2017 and the presidential and legislative elections of July 2018, Turkey adopted an executive presidential system. One of the main objectives of this new political regime is to create a more business-friendly environment, with a shorter decision-making process and faster implementation - so we must see how things will evolve moving forward.

**As the founder & lecturer of the Product Management in Pharmaceutical Industry Certificate Program at Bilgi University, what do you see as the "often overlooked" fundamentals of a successful product's lifecycle management?**

The first crucial aspect to not overlook is planning, a phase that is typically rushed in the pharmaceutical industry as we strive to bring innovation to the market as swiftly as possible. It

makes no doubt that there is limited time for access and patent protection, which nurtures the industry's haste. However, rushing to the market also prevents companies from fully accessing and processing insights from the physicians and the patients. Then, chances are high that the strategy and promotion model chosen will eventually miss their targets, and the company will not be able to fully optimize the product's lifecycle management.

In this regard, Turkish people are very action-driven, and ensuring our teams take a deep breath is no easy task. Therefore, as general manager, I tell my colleagues to slow down and take time to listen to our stakeholders – in a nutshell, to be *insight driven* rather than action driven.

A second pillar concerns the digital revolution which is on everybody's lips. However, in this field, very few meaningful solutions have been launched in the Turkish ecosystem to date. In this regard, pharmaceutical companies should – again – embrace a bottom-up approach, where the insights of our customers and partners are at the core of the creation process. At the end of the day, innovation means addressing needs in a novel way – not accumulating apps, webinars, and other digital tools that will be of no interest to our partners.

### **GSK is already remarkably aligned with the objectives of Vision 2023. What is next?**

In parallel to the fulfillment of Vision 2023 objectives, I consider that the industry holds a key role to play in driving our ecosystem's agenda even further.

On the manufacturing side, we must jointly assess with the government which fundamentals must be put in place for MNCs to export on a bigger scale from Turkey, leveraging TITCK's recent entry into the Pharmaceutical Inspection Co-operation Scheme (PIC/S). By supporting the government beyond their current expectations, we could assess which export markets should be targeted in priority, especially for complex products like vaccines. As a matter of fact, plenty of markets in the region and around the world display the same frailties as Turkey in terms of local production of vaccines.

The same constructive thinking should be applied to an even more crucial topic: the sustainability of the Turkish model of healthcare. In this regard, there is still a significant gap between Turkey's total spending on healthcare in proportion of GDP and those of other advanced countries [*at around 5.1 percent of GDP in 2015, Turkey remains the lowest spender among OECD countries in terms of share of GDP, well below the OECD average of 8.9 percent – Ed*], but also with newly developed countries like South Korea and Singapore. A great way forward would be to jointly evaluate best practices and financing schemes that can be adapted to the needs of the Turkish context.

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Turkey's fixed exchange rate system, reference pricing model, and stringent mandatory discounts all stem from a structural, underlying problem: the current system is no longer sustainable.

Acknowledging this aspect would entail looking with fresh eyes at the Turkish model of healthcare and assess how we can take it to the next level. I fully agree that Turkey has experienced a remarkable healthcare revolution through the Healthcare Transformation Program (HTP) [2003-2013 - Ed] while the model ushered in by the HTP has worked extremely well for many years; nevertheless, some of its fundamentals may have become obsolete or unadapted. In this context, the pharmaceutical and healthcare industries and the government must come together and assess which aspects must be safeguarded or transformed.

**We can feel that you are particularly enthusiastic about your mission at the head of GSK Turkey and also as a leading pharma executive in the country, what is the motivation for this?**

I am very passionate about my job, and I never look at it as a purely financial mission. I really believe that if one does the right things, tirelessly engaging with both internal and external stakeholders, and prioritizing the well being of society and the patients at large - sales will come. This is also the message I instill in my teams: regardless of our position in the company, our mission goes beyond fulfilling our daily tasks - working at GSK means making sure that patients can access the medicines they need. In this regard, we believe that the years ahead will be extremely exciting and we invite motivated and talented professionals to join us!

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