

Tony Au - General Manager, AbbVie China



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Tony Au, general manager of AbbVie China, shares the key milestones for the affiliate in the past six years, the strong foundation he has built for AbbVie in China, the mission of AbbVie to be the most reliable pharmaceutical company in China, and the exciting pipeline of innovative products and solutions AbbVie will launch in China in the next few years.

Tony, you have been general manager of AbbVie China since its establishment on 1 January 2013. What have been the key milestones of the past six years?

Following the spin-off, my first mission was to build a solid foundation for AbbVie China. As a new company, we have to understand what works the best for the market and the patients here in China.

AbbVie's core values are about people, passion and possibilities. People refers most obviously to patients: how we can better serve patients and develop good medications in specialty care to meet unmet medical needs. We are very focused on the patient journey from diagnosis to treatment to recovery.

But here in China, it is equally important to remember to focus on employees and the employee journey. Without happy and productive employees, the company cannot grow! AbbVie China's employee approach has worked very well so far. We emphasize a lot on talent acquisition, development and retention, and in general, we work to create a strong culture where our

employees have the freedom to take smart risks and create novel solutions while collaborating cross-functionally towards the All for One AbbVie goal.

When AbbVie China set our vision in China, we were very clear. Our goal is not to be the biggest company in China either in terms of size or sales. Rather, we want to be the most reliable pharmaceutical company in the eyes of all industry stakeholders, from patients to partners. I think we have built a very solid foundation in this way.

In terms of financial results as well, our business has performed well. Our growth rate has always exceeded the industry average. Therefore both externally and internally we have seen great progress.

From my perspective, it is very important that a company identifies clear and relevant industry developments and opportunities within the market. For instance, with the healthcare reforms ongoing in the past few years, the environment is changing a lot. It is important for our employees to avoid being distracted by all the changes and to stay focused on our own direction. As a GM, this is what I must be very clear about and share with our employees. As a simple example, AbbVie is a specialty care company operating in areas like immunology and virology, and in the future, oncology. Policies aiming to redeploy public funding may give pressures to primary care products but however may be seen as an opportunity for AbbVie's specialty care portfolio.

It is clear that the government's agenda now is focused on 'Healthy China 2030'. This aligns very well with AbbVie's focus on specialty care. We are committed to bringing in innovative products to China in order to address unmet medical needs. In the past six years, we have seen very good development as a company in all areas from corporate culture, value, employee development and commercial figures in this direction.

AbbVie is quite an interesting company because it was spun out of Abbott, so it was both a 'new' and 'old' company. How did you build the right kind of corporate culture for AbbVie China?

Abbott gave AbbVie a very good legacy in R&D but after the spin-off, it is even more clear that our R&D focus is in the areas of immunology, oncology, neuroscience and virology.

For China, we localized the 'Ways We Work' (WWW) to inculcate the right culture in our employees. Our message is that it is not business as usual. We want our employees to learn how to be agile so we can react to the market more quickly; how to interact with each other through a more

integrated and functional approach rather than working in siloes; and how to match the market's direction because we can see the acceleration of regulatory approval for specialty care products, most notably in oncology.

The Chinese government has led its different ministries together to work hand-in-hand along with input from industry, clinicians and patients. Different government entities now play very important roles across various decision-making processes. This is why it is so important that AbbVie moves in the same direction. We must focus on teamwork and internal efficiencies so that we can become more agile.

During this process of healthcare reforms, how can multinational companies like AbbVie support the government?

It is all about partnership. We can see that the Chinese government is very eager to develop a more robust healthcare system in China and they are using best practices and the experiences of other markets as a reference. Decisions like China joining the ICH are all good moves on the part of China to engage with the global industry. It is clear that the Chinese government is looking at the best way to pursue solutions and systems that work best for Chinese patients and people.

As a multinational company, we are in a very good position to facilitate this knowledge exchange and dialogue. AbbVie has organized many exchange sessions with government agencies and officials, not just with domestic experts or stakeholders but also foreign experts and stakeholders, including from our HQ. I think this is a very good way for both sides to understand each other. In addition, when a particular government agency or other stakeholder has a specific need or question, they sometimes approach us to help them understand best practices globally.

The industry is moving in a very healthy direction and I think these kinds of conversations are just the beginning. The Chinese government is really investing in building their capabilities, as we can see from the increase in staff at the National Medical Products Administration (NMPA), and in such initiatives, multinational companies can play a strong supporting role.

Overall, I think there is an understanding that China's healthcare system is still developing and it is important to try different things. Therefore, it is important for different players to come together and support such initiatives. In China, we have a saying called 'crossing the river by feeling the stones'. The country is so large and complex that it is difficult to develop a system or policy for the whole country. This is why the government is launching pilot programs to trial different ideas. The

same applies to companies and their strategies. This is generally the way things move in China! Therefore, I think there is a general consensus within the industry to support government efforts.

Coming to AbbVie China, with such encouraging commercial performance in the past six years, what has been driving your growth here?

I would say that nearly all our products have been growth drivers, which is great. China is, in general, a growing market and in addition, there have been quite a few pilot initiatives that have been very favourable for market and patient access launched by municipal governments, such as the Critical Disease Insurance (CDI) and Disease Related Group (DRG) initiatives, which essentially reimburse all treatment options for a particular disease or therapeutic area. These help reduce the financial burden of these treatments on patients tremendously.

AbbVie is focused on a few specialty care areas. For immunology, our flagship product, HUMIRA®, is performing very well. As you might know, we have 17 indications for HUMIRA® globally, which is impressive. In China, HUMIRA® is only approved for three indications, so there is still huge growth potential and momentum.

In virology, we have ALUVIA®/KALETRA®, a very reliable HIV product, on the Chinese market as well as VIEKIRAX®+ EXVIERA® for Hepatitis C (HCV). This is an area of serious unmet medical need in China, where there is an estimated 10 million HCV patients alone – the largest patient population globally. Unlike in more mature markets, HCV screening and diagnosis are also not as developed so there are many ‘hidden’ patients without access to diagnosis or treatment. This is why we see this area as very important for us.

Looking at the future, AbbVie globally has a huge oncology pipeline in solid tumour and haematology, with many breakthrough products that will become our future growth drivers.

While AbbVie is not ranked among the top multinationals in China at the moment, our innovative pipeline address the country’s needs exactly as well as align with the priorities the government has placed on critical diseases like cancer and infectious diseases. This is why I have a lot of confidence in the future and our ambition is to enter the top ten in the next few years. Looking at other markets, many of our products have become market leaders after launch.

With new product launches on the horizon, how will AbbVie leverage on the new distribution channels such as e-pharmacies that are appearing in China?

This is definitely an important trend in China and these channels are becoming more mature. AbbVie has already leveraged a lot on electronic and digital solutions and channels in our communication and dialogue with healthcare practitioners and business partners.

But it is important for us to pay attention to the reliability of such channels as well as any related compliance or safety issues, especially when they relate to patients. As a pharmaceutical company, we do not communicate directly with patients. If other entities are permitted to do that, we need to think about how to support them and how to present reliable and robust information. There are already pilot projects being tested in some cities and provinces, and we are happy to explore ways to work together.

With China being such an important market globally today, what is the strategic significance of AbbVie China to HQ?

The overall global strategy for AbbVie is our starting point so we consider what makes the best sense for all our stakeholders from patients to employees to shareholders. That is where we find the best positioning of China in terms of the value we can deliver to the global company.

Firstly, China is the second-largest market in the world so the scale is there. Secondly, the growth momentum is huge – and growth is always valued by the company, regardless of the scale. From the R&D side as well, China is already contributing to some international Phase III development programs so China is and will continue to be an important contributor to corporate to provide important data, especially of Asian populations.

Looking forward then, what are your strategic priorities for the next five years?

I have every confidence that AbbVie will thrive in China. In addition to that, we will continue to be a very good partner to the government and other stakeholders in the delivery of the ‘Healthy China 2030’ national strategy. The country needs many different ideas with many different innovative products to achieve that.

Another very important priority is to continually build a high-performing culture that attracts, supports, rewards and develops the dedicated people and transformative ideas it takes to deliver

medicines that make a remarkable impact for patients. We have been recognized as one of China's top employers for the past five years, and we hope to extend this track record into the next five years.

The market here in China is changing with both positive and negative periods. The most important thing is to be reliable. AbbVie has a very stable and robust team to interface with all the different stakeholders in a trustworthy manner. Sharing one dream, we aspire to bring innovative solutions to patients; to create the best workplace and career opportunities to our people. At AbbVie, we care. We make possibilities real. We are committed to being a trustworthy pharmaceutical company. This is a very important direction that the affiliate here will continue to move in. Personally, having been GM for six years, I am also one of the longest-serving GMs in the Chinese market and I am proud of that.

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