

White Wang - President, Allergan China



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White Wang, president of Allergan China, shares the uniqueness of Allergan as a diversified company covering traditional pharmaceuticals and medical aesthetics; the milestones of his first year, with major projects like the Allergan Innovation Center and the Customer Experience Center being launched; as well as Allergan's commitment to providing consumers with information and quality products in an ethical and socially responsible manner within the field of medical aesthetics.

White, having previously been with Big Pharma companies like Novartis, AstraZeneca and BMS, why did you decide to join Allergan China in September 2018?

Allergan is truly a very unique company. It is at once a pharma company, a medical device company, a cosmetics/aesthetics company and a digital company - I think there is no other company in the industry sitting at the convergence of all these areas, like Allergan is, leveraging so many business models and talents. As a result, Allergan is a fast-moving, bold and innovative company that dares to make hard decisions.

Just look at my first year with the company: so much has been achieved. From new product launches and reimbursement negotiations to [the launches of our Allergan Innovation Center and Customer Experience Center in Chengdu, Sichuan Province](#) to the establishment of our digital team, Allergan China has grown at a tremendous pace.

Internally, we have actually come up with a phrase 'the Allergan year', which equates to four or five years in other companies! Globally, Allergan is already a very fast-paced company but in China, the speed is even more apparent. China is such a dynamic market and there are so many opportunities here – we do not want to miss anything. Our global team has observed this pace of development and in fact, in many global initiatives or projects, Allergan China is the pioneer and/or the model.

Allergan is a very internationally-oriented company but presently 80 percent of global revenues still come from the US. What is the significance of the China market to Allergan globally?

Certainly, China is critically important to Allergan. We play three fundamental roles: firstly, we are a significant growth driver – perhaps the most important growth driver – for our International business. Secondly, we also represent a very important talent pool. Our International Business (sales outside of the US) is still seen as an emerging business so talent is in great demand, and Allergan China contributes a lot of talent and resources to support our regional and international teams. Thirdly, we are also an innovation hub with flagship initiatives like the Allergan Innovation Center, the Customer Experience Center and our digital health platform with Alibaba – all of which are first for Allergan globally.

There is great communication between our global, regional and China leadership teams. Our EVP and President of International Business Marc Princen and SVP and President of APAC&MEA Jason Smith have all been to China several times and have a very deep understanding of the market. As President of Allergan China, one of my key responsibilities is communicating the dynamics of the China market and organization. We do not want China to be a black box. We want to foster clear and transparent communication so that stakeholders can understand us and we can receive the support we need. I also encourage our China leadership team, including the middle-level management, to participate. Usually, Chinese business leaders are very strong operationally as well as incredibly hardworking and committed, but they lack overseas experience. Communication with regional and international teams was an area that we needed to enhance further and in the past year, we have started working in that.

Given the importance of the China organization to global, what do you assess as the strengths of Allergan China's business today?

First and foremost, we have a very good portfolio and we are bringing new products and indications to China each year.

Secondly, our business model is very unique and extremely competitive. Many, if not most of our industry peers, are typically product sellers. However, our business model is extremely comprehensive. We focus on the overall ecosystem. This is actually something that our customers have noticed and feedbacked to us. We provide training to doctors, we work on initiatives connecting digital companies to hospitals, we partner with local governments, and so on – as I will elaborate on later. We are not only selling a product.

The third pillar is talent. Our talent strategy centres on diversity. We have a wide range of talents with backgrounds from Big Pharma, medical devices, tech companies, cosmetics and consumer segments, and even consultancies. They all bring different expertise and perspectives, which can make it difficult for them to communicate at the beginning but I believe that this talent diversity is critical to Allergan's success.

Chinese authorities are now accelerating the regulatory timelines for new product approvals and reimbursement, with a focus on priority areas like oncology and rare diseases. What about the area of medical aesthetics?

From an urgency perspective, it is clear that areas like oncology need to be fast-tracked. However, we also need to acknowledge the strong unmet medical needs in medical aesthetics. Consumers want access to these therapies and products – whether they are approved or not in China. If they are not available, many consumers resort to accessing unapproved products from other countries. This poses a huge risk to them.

That said, overall, we are very pleased that the Chinese government has demonstrated a strong commitment to accelerating the approval of new products, and Allergan is a big supporter of this across all the therapeutic areas we work in, not just medical aesthetics. For instance, China has designated Hainan province a special pilot zone for the use of products approved in the US or EU but not the Chinese NMPA yet. We are one of the first several companies to have products approved under this pilot: a medical device for glaucoma, XEN. We are very proud to participate and be seen as a trusted partner of the Chinese healthcare system.

The second interesting aspect of your business model here focuses on building the ecosystem through the launch of new facilities like the AIC and CEC, as well as digital projects. Why has Allergan China invested in these areas?

We have invested in these initiatives to address genuine and significant pain points within the Chinese industry. They are not just some publicity stunt.

Firstly, there is a serious shortage of medical aesthetics doctors in China, which is why we built our innovation centre. The goal is to train 3,000 new doctors each year in this innovation centre. This was a significant commitment: we worked to receive a hospital license for this centre so that we could provide truly best-in-class doctor training. The centre also offers digital courses and training so doctors can access them remotely at their own pace.

We believe that customer satisfaction has several components: brand quality, doctor skill, and doctor-patient communication. There is no one-size-fits-all in medical aesthetics. The therapy needs to be individualized to the patient. As a company, Allergan cannot make our products for each individual patient but we can help doctors improve their skills so that they can personalize their treatment. The more qualified doctors there are, the healthier the market will be, and the more patients will benefit. This centre has been operational for a few months and the feedback has been unbelievably positive.

Secondly, the consumer awareness of medical aesthetics solutions in China is still very low, about six times lower compared to the US. Many of our potential customers do not have access to the necessary information. This is why we built the CEC: to help our consumers better understand their needs and the available solutions out there.

This is also what is driving our digital initiatives. The digital industry in China is extremely strong and has already reshaped many, if not most industries, including highly conservative industries like finance. However, tech companies have not seen that much success when it comes to working in the healthcare space due to a few fundamental barriers. Healthcare is a very serious, individualized industry while the Internet business relies more on standardized delivery to achieve widespread penetration. Quality is also far more critical to the healthcare industry compared to other industries. A branded cup or bag that you order online can turn out to be counterfeit but you can still use it as a cup. But if a drug that you order online turns out to be fake, it is no longer a drug! As a result, the healthcare industry is also extremely regulated.

That said, we do believe there are real opportunities for digital initiatives in healthcare. Allergan is a great space to leverage on this because our target populations are often normal consumers, not

patients with specific medical conditions. The challenge here is how to identify and reach out to consumers – because everyone could be a potential consumer, unlike in traditional pharma, where ‘consumers’ self-identify by going to see a doctor. Through digital channels, we can reach and target potential consumers much more efficiently and effectively. This is why we established a digital health platform with Ali Health.

The third element of your business model here is talent diversity, especially across different industries and functions. Why is this so important to the business?

I have always been a big fan of diversity and inclusivity. A team with similar people can go faster but a team with diverse talents will go further. When I build teams, I like to choose different profiles and include a mix of people with first-line sales experience; strong business credentials like MBAs; degrees from top schools; top consultancies like McKinsey; and functional expertise.

I think this is very important for Allergan as an extremely unique company with both B2B and B2C elements. For instance, in B2C businesses, the consumer is the only thing that matters. The top priority is to develop products for the consumer, and the only thing that matters is the consumer. I read an article recently about Nio, known as the China Tesla. The CEO is from the digital industry and he commented that in the digital industry, the only thing that matters is the consumer. However, for B2B businesses, stakeholder relationships are very important. That is why pharma and medtech executives will visit hospitals and speak to people at every level from directors, department heads, purchasing, doctors, nurses and so on, to better understand their needs and to explain their product value comprehensively. Another interesting difference is the product development process. B2C people are used to launching beta or working versions of products, and they use consumer feedback to constantly improve their products. However, this is unimaginable to B2B people. For them, to release an ‘unfinished’ version of a product is extremely unprofessional!

It can be extremely difficult for B2B and B2C people to communicate. We need to align our teams and implement a new process for them to understand each other, communicate better, and collaborate together. As a leader, bridging these divides is not easy but I love the challenge.

With talent being so important, how does Allergan China invest in your people?

To promote better communication and collaboration across divides, we use some outside resources, for instance, inviting professors from the China Europe International Business School (CEIBS) to organize workshops for our employees. In one of the workshops, for instance, we introduced the Intel Inside® case study demonstrating the successful integration of B2B and B2C business models. We also organize internal workshops to provide our employees with a platform for open debate. I learnt this model from Alibaba, who has a very famous debate culture, for instance. Only by debating and discussing openly can people learn from each other. There is value and beauty in diversity, and this is how we can unlock our potential and progress.

This divide between B2C and B2B models is actually also the reason we established our digital team this year. As mentioned, collaborations between the healthcare and tech industries have not been very successful. Tech companies do not know how to communicate with hospitals, whose purpose is to serve patients. This is where Allergan can play a role to bridge that gap. Tech companies have useful and innovative solutions and technologies, but they need industry expertise to tailor them to hospitals and patients – which Allergan can provide. This is why we have built a digital team and have worked with Ali Health to establish the AliHealth Medical Aesthetics Platform, using mobile internet, artificial intelligence and other technologies to explore what is called the online to offline integration (O2O) model.

One of my personal ambitions is also to develop more talents, especially from the younger generations, to regional and global leadership roles. When I was in Europe at the headquarters of my previous companies, I noticed that there were not many Asian faces. As the importance of the China market increases, I believe that China should be sending more leaders to the global arena. This will also help the global industry understand China better. If our employees in China are interested, we will open the door for them to pursue global opportunities.

Allergan’s business in China predominantly focuses on medical aesthetics. How does Chinese consumer behaviour in this area differ from other markets, especially in the US?

A few differences stand out. Firstly, the average consumer age is much lower than in other markets. Younger generations are much more likely to receive and access information from the Internet, and gain exposure to medical aesthetics solutions from other mature markets like South Korea, Japan and the US. Secondly, from the treatment perspective, surgical procedures have a much higher weight in China compared to the US, where the main market segment is non-surgical

treatments. Thirdly, medical aesthetics hospitals in China are far larger than in other markets. Every time we have global executives visiting our customers in China, they are surprised at the size of the hospitals. In other countries, usually medical aesthetics solutions are delivered at smaller clinics. Fourthly and maybe relatedly, there are many doctor-owned clinics in other countries but in China, there are very few doctor-owned clinics. Finally, the hospital market is still more fragmented in China, with over 9,000 medical aesthetics hospitals and clinics. Even the market leaders are not as big as in other markets, for instance, like Australia, where the market leaders have over 100 hospitals and clinics in their network.

While noting these market characteristics, we challenged ourselves further: what might the medical aesthetics market in China look like in the future? I believe that there will be a few changes. Firstly, the current consumer population will age so the consumer market will be older. I also believe the non-surgical treatment business segment will grow larger to look more like the US market. We are also seeing ongoing M&A activities between hospitals in China so I believe that the hospital market will become more concentrated in the future with the larger companies growing much faster, in the process further increasing the quality of their service delivery, the scale of operations, and branding.

To respond to market changes, we focus on putting consumers first. For instance, we believe that if the market becomes more concentrated with bigger players emerging, that is better for consumers because bigger companies are more conscious about their reputations and more committed to delivering higher quality to patients. Therefore, to support this market trend, we have piloted a key account management model, where we build dedicated account teams to support our top accounts in China. These teams combine every single function to serve the needs of that particular account for faster response and better service delivery.

To begin wrapping up, how do you see the Allergan brand in China?

I have confidence that if you choose any medical aesthetics hospital in China, they will recognize the Allergan brand as the best medical aesthetics brand here. We have invested significantly in developing the market and we are proud to be the market leader here but we are still not satisfied. We hope the market can develop and grow further, and we want to contribute more to China alongside our partners and other stakeholders here – so that patients and consumers in China can benefit.

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