

Interview: **Ciro Caravaggio, General Manager, Roche, Chile**



18.06.2014

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Ciro Caravaggio, General Manager at Roche Chile discusses Roche's mission as a highly specialized biotech with a long presence in Chile.

He stresses the importance of the affiliate's role in clinical trials and the key to success in the Chilean pharmaceutical market.

M. Caravaggio, you arrived at the helm of the Chilean operations of Roche a little less than three years ago after an experience in Roche's headquarters in Basel, and a career with the same company in your home country, Canada. How different was Chile and the Chilean environment from what you expected?

First and foremost I found healthcare was more politicized and in the media than I was used to.

In particular as I arrived we were in the midst of launching Herceptin, a revolutionary product for the treatment of breast cancer. Herceptin was not reimbursed in the public setting at the time and several actors were pushing to get the drug approved. Immediately it became clear to me that there was no formal evaluation process in place. Naturally each country is different in terms of market access and its reimbursement system but what was different in Chile is that the industry is not officially part of the reimbursement or access process.

How sensitive and reactive do you think are KOLs in Chile? What have you found is the recipe to 'have their ears'?

Stakeholders in the private system are very on top of the newest innovations and many of them are early adopters. Access to those drugs moves relatively quickly. Naturally we still need to conduct work to ensure the drug is on the formulary and insurers cover it but overall we see good results here.

In the public system the healthcare professionals are also very open to educational events. The issue here is that very few high value high cost drugs are covered and therefore there is less value in educating on drugs they cannot use.

How is this reality reflected in the way you conduct product launches or organize your sales force?

Depending on the drug, sometimes we have distinct efforts in the private and public sectors. A great example of this is our HER2 franchise. We have a robust portfolio that includes Herceptin and Roche's new subcutaneous (SC) formulation of Herceptin. This SC form reduces the time breast cancer patients spend receiving treatment, can free up healthcare provider time and helps improve health centre efficiency. In fact we were the first country for Roche to launch this SC form of Herceptin, which is important for Chile. In the public system the country has access issues in terms of chemo chair capacity. If we can free up capacity by giving SC treatment it is a huge benefit for the hospitals and improves the quality of life for patients.

Additionally, we have Roche's new HER2 products, Perjeta and Kadcyra. Perjeta is used before surgery in people with HER2-positive early stage breast cancer and Kadcyra a drug for advanced HER2-positive breast cancer. Because both drugs are not reimbursed in the public sector we have a medical sales representative focusing on those specific drugs in the private system. In the public sector other representatives are working with Herceptin, which recently received financial coverage. Their focus is on education around the drug in order for the patient to get the most benefit and value out of the drug and in addition provide access to the SC form of Herceptin.

How has Roche been performing since you arrived three years ago and what has been your main challenge?

We naturally get directions from our global headquarters to excel and do our best in every area. However, for a small country such as Chile we have to prioritize. Our focus has therefore been getting our high value drugs such as Herceptin reimbursed in the public system which serves 80% of Chileans. Because we had success in getting some of our products reimbursed in the public system, we have grown tremendously over the last three years.

Personally, one of our main challenges has been developing trust and credibility internally. Initially I sensed a real distance between senior management and the people. That is why listening and following up on commitments is important. Moreover it was critical to get out there with the medical sales representatives to understand the different perspectives and see what we were doing well and where we could improve.

Roche ranks between the 3rd and the 5th largest company per sales in the World, yet in Chile you are still far behind this figure (15th). This is of course not a "race", but still, do you believe that this reflects where Roche should be, or is there room for performing and ranking better in Chile?

First of all, this figure, captured by IMS Health, is based on retail sales in Chile. As Roche is a biotechnology company only a small percentage of our sales derive from retail.

When I look at our overall position in the Chilean market we are in a good position, ranking among the top three multinational pharmaceutical companies in Chile. For oncology, our key business, we are the market leader. In terms of growth, we exceeded the growth rate of the Chilean market both in 2012 and 2013 and we expect to exceed market growth in 2014. The key to success lies in identifying the areas where our efforts will have success.

With that said, you may have a very good product but you also need the right people in the organization. Even an outstanding product can flop if you don't have good people. Therefore, I

want people working for Roche to understand that they as an individual can make a difference in patient treatment, access, and helping the medical community get the best benefit out of our drugs. This has been a challenge, but I believe today we have people with the right mindset in the right places within our organization.

How do you find the talent pool in Chile?

Companies are competing for talent. Due to Roche's innovative products, we have strong interest from people wanting to be a part of delivering the most innovative therapies to patients. In addition, I think that everybody wants to be where there is a great work culture, great leaders, and attractive career opportunities. This is exactly what we offer at Roche and we strive to attract profiles that are a great fit with our culture. Over the years we have also attracted people from outside the country and young talents through our Trainee Program.

This year for our Trainee Program we received over 200 applications. We initially planned to hire just one person but due to the large pool of talent we decided to hire three.

We are looking for the best people, we are serious about people development, and we are willing to take chances where we see great potential. For example, we have several cases where we are developing talents at a fast pace, people from junior positions can hold senior positions as long as they deliver strong performance and demonstrate their willingness to learn. When these talents flourish it sends a phenomenal message to the organization.

Roche has a long history of conducting Clinical trials in Chile. Some are saying that this is often a way to wage off-criticism that foreign companies are not doing real investment in the country. How do you react to this? Why is it so important and how active have you been on that front?

As you mentioned Roche has been very active in clinical trials in Chile. We have 19 on-going trials in 10 different disease stages and we are eager to conduct more in the future.

Conducting clinical trials in Chile can be expensive, the process can be slow, and requires significant approval hurdles. Furthermore, many don't see the value the trials can bring to a hospital or a patient. For a major oncology hospital, clinical research is an integral part of care and not an afterthought; it is critical! So many patients are at the end of their treatment and want new hope.

We would love to do more and we believe conducting clinical trials is a significant investment we make in the country. In addition, we invest in education, fellowships, screening programs, diagnostic infrastructure and in patient support programs. Moreover we do a lot to ensure drug access with differential pricing. I believe we do more than national firms in this regard.

Last year Roche initiated an award for Pharmaceutical and life science/medical journalism. Can you tell us more about this initiative?

One of the drivers that led to this project is that in Latin America there are very few dedicated journalists to healthcare. And for the journalists that are writing about healthcare they often do not have the freedom to cover the topics they feel are newsworthy.

There are significant healthcare issues in the region which deserve more attention. A big part of this award is focused on strengthening health journalism, helping specialization, and raising awareness.

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