

Interview: Dorine Leung â?? General Manager and Country Vice President; Sian Ng â?? Head of Oncology, Novartis Hong Kong



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Novartis Hong Kong general manager Dorine Leung and oncology head Sian Ng discuss the companyâ??s restructuring, dividing the oncology business unit from the pharmaceutical division. In addition, they share their insights on what makes Hong Kong a destination for world-class clinical trials.

Novartis recently underwent a major restructuring with the goal of becoming a fully integrated company, most notably through the separation of the Oncology business unit from the Pharmaceuticals business unit under a broader â??Innovative Medicinesâ?? division. How does that fit and translate into the local Hong Kong context?

Dorine Leung (DL): Fundamentally, it allows us to really focus on our particular areas of business. Different divisions have specific business model, customer insights and environment, so as a leader, we really have to dig in and understand the intricacies of our relevant areas, instead of just having a superficial overview. Dividing the Oncology business unit from the Pharmaceuticals business unit â?? as well as the transfer of Alconâ??s pharma portfolio to the Pharmaceuticals business units, allowing Alcon to focus on the surgical and vision care business â?? allows us to achieve this goal.

Another rationale is to increase visibility at the global management level. When results used to be consolidated, it was easier for leaders to lose the full perspective of how the entire business was performing. For instance, all clinical research teams are now grouped under a centralized Global Drug Development unit. This not only promotes operational efficiency and generate synergies but

also ensures that the same clinical research standards are maintained across the Novartis Pharma, Oncology, Sandoz and Alcon businesses.

Novartis is also in the process of centralizing various operations and business support functions, so for instance, we have established the Novartis Business Service to oversee areas like staffing and IT that are generally the same across affiliates so that the same processes can be standardized. The idea is that the company would like us to focus on managing the business rather than, say, worrying about when to order a new computer model! There are also economies of scale and operational efficiency gains from the centralizing of some functions.

In Hong Kong, my role is to manage the pharma business as well as to ensure that across all Novartis divisions, we are operating efficiently and ethically, in line with Novartis's global reputation.

Change management is always difficult. How have you managed to implement this restructuring in the local affiliate?

DL: Communication is important when it comes to such major changes, and in particular, direct communication from the leader instead of more impersonal methods like email or memos. One advantage of Hong Kong is the beauty of its small size, so it is possible for me to communicate directly with my team. I think it is very important that my team feels that they are being heard.

It's also important to provide big picture of the changes, which sets the context. Transparency is also key: for things I know I will let my team know - if I do not know, I will tell them that I do not know. As the restructuring process may take a few years, it is important to convey that there will be uncertainty for a period of time.

As with all changes, there is a learning curve to adapt but we also have internal company platforms to discuss various areas of concern as well as more general operational difficulties.

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Coming to Novartis Pharma in Hong Kong, where is the business positioned in the local market?

DL: Novartis Pharma is currently the sixth in the local market - this refers to our General Medicines area, which excludes vaccines and oncology. There are some therapeutic areas where we are focusing on increasing our market positioning, like retina, diabetes and COPD respiratory portfolio, as well as our two new products in chronic heart failure and dermatology launched in the past 12 months.

Our portfolio consists of mass-market products. For instance, our new product for chronic heart failure has robust data demonstrating a decrease in mortality and hospitalization rates, this is an area we need to work closely with administrators to ensure the benefits of new treatments are taking into account when making resource allocation decisions.

Sian Ng: Novartis Oncology is around fourth in the local market. For us, as it is in the region and even globally, the most important aspect of our business is patient access. In oncology, this is a major issue because new therapies, especially targeted therapy or immuno-oncology products, are very expensive.

Despite Hong Kong's world-class healthcare system, there are still areas for improvement. At the industry level, a few of the leading oncology companies like Novartis have collaborated to produce a

study of the oncology care system in Hong Kong under the Oncology Innovation Study Group (OISG). We benchmarked Hong Kong against similar countries in terms of GDP per capita and population size like Singapore, South Korea and UK to compare how cancer diagnosis, treatment and patient access in Hong Kong fared. We found many areas for improvement. For instance, one finding was that for a colorectal cancer patient in Hong Kong, it may take up to two months for him to receive the first treatment, while in UK the length of time may only be two weeks. Furthermore, as Hong Kong is a semi-reimbursement market, people under the public healthcare system face the additional problem of having to self-pay for oncology products. This is an area quite unique to oncology because oncology drugs are usually the most expensive part of the treatment.

As an industry leader, how then does Novartis collaborate with local stakeholders to improve patient access and welfare?

DL: While we have our own company initiatives, I believe it is very important that the industry works together. For instance, some stakeholders and administrators may not be comfortable meeting with individual companies so having a more neutral entity like an association is a better means of communication. It is also important that we do not focus exclusively on advocating for our own interests like promoting our own products. Instead, we need to advocate for improving market access to innovative products in general.

Along with other initiatives, Novartis is also very active in Hong Kong Association for the Pharmaceutical Industry (HKAPI), which in many areas, coincide with our directions in driving early patient access in medicines and improve healthcare financing.

SN: We offer patient assistance and support programs catering to people in different income bands. We are also working with the government to explore other options like co-pay or risk-sharing programs so that all stakeholders can share in the financial burden.

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In the longer term, as an industry, we are also promoting and supporting the Voluntary Health Insurance System (VHIS) initiative introduced by the government to encourage more people to have an insurance policy.

We focus a lot on efficiency. Credit should also go to the Department of Health, as we are usually one of the first countries in the region to receive product registration. In oncology, we also have the flexibility of doing named-patient imports, so we can bring in specific products for a local unmet need once it is registered in an advanced country like the US. This also allows us to share real clinical experience of new drugs to other markets.

Hong Kong also has a great clinical trials environment. How is Novartis making use of this ecosystem?

SN: Novartis Oncology invests significantly on clinical trials in Hong Kong. I daresay we might be the most active company when it comes to conducting clinical trials in Hong Kong. A few years ago, the Hong Kong government funded the establishment of two clinical trials center at the two major universities, the University of Hong Kong (HKU) and the Chinese University of Hong Kong (CUHK), with the intention to attract more early-stage clinical studies. It was recognized that, as a small city, it would be harder for Hong Kong to run late-stage clinical studies that would require the recruitment of hundreds of patients as well as frontline staff. Early-phase clinical studies would be a better fit for Hong Kong as we also boast high-quality laboratory facilities and staff. As we are very active in conducting phase I clinical trials outside of the US and Europe, so this was a very good fit.

Both clinical trials centers are also accredited by the Chinese FDA now so that provides another strong incentive for us. On top of that, we have been successful in using Phase II clinical trial data from Hong Kong in successful submissions to the US FDA.

Furthermore, Hong Kong is fortunate to have many excellent, world-class investigators. For instance, recently, Associate Professor Stephen Chan Lam was able to bring a first-in-human study to Hong Kong, which is a huge achievement, as Novartis typically only conducts such complex studies in the US. Another advantage is the strength of the healthcare system as well as the fact that most doctors in Hong Kong would speak English well.

What Hong Kong can improve on is the speed of time it takes to register and approve the conduct of clinical studies. Hong Kong tends to take a longer time compared to South Korea, Taiwan and Singapore when it comes to this, which puts us at a relative disadvantage.

Given the size of Hong Kong and its connections between the international and mainland Chinese communities, can Hong Kong act as a test-bed for new innovations in areas like digital health?

DL: Certainly, we are exploring the potential of digital health technology. This is a new area for the industry that we need to learn. The world is changing so quickly that we have to adapt to it as well. With new products, we try to incorporate elements of this in the product launches and patient care pathways in partnership with patient associations. Nevertheless, we also have to be careful with compliance issues and patient safety. For instance, if we create a blog for a particular condition and patients use it to report side effects, we need to ensure that we have the resources and framework to report those cases as well.

In terms of innovation, we are still ahead of mainland China when it comes to new product launches, so we also share our market access experiences with our mainland Chinese colleagues.

We are also looking to build local partnerships that could complement our own portfolio. We of course focus on our own products but another way to increase our presence in the company is to look for other products that have synergies with our own, not necessarily in pharma but also in diagnostics testing and medical devices. For instance, with our new chronic heart failure product, we realized that patients sometimes do not even realize they have the condition as they have already gotten used to coping with the discomfort. There is a diagnostic test on the market but it is not yet commonly used by cardiologists, so we are exploring how we can promote better heart failure management as a whole.

Where would you like to position Novartis Hong Kong in the next few years?

DL: Being perceived an ethical partner by our customers and patients, with aligned vision to improve patient lives. For the general public, we would like to increase company image and reputation.

Strategically, we want to benchmark local affiliate with global as the market leader. We also want to focus on people development. In five yearsâ?? time, I hope to see most of our current team members developing to more senior positions with more responsibilities, whether with Novartis or different companies.

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