

Interview: Ksenija Purkovic Country Director, AstraZeneca, Serbia



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By reorganizing their management structure, diversifying their offering and presenting an altogether cleaner image, AstraZeneca Serbia has made tremendous progress since its beginnings in the Balkans in the late 1990s. Country Director

Ksenija Purkovic discusses the future of the Anglo-Swedish outfit, and how best to navigate a market that is renowned for being tricky yet possessing boundless potential.

How did AstraZeneca operations come about in Serbia?

AstraZeneca set up its first office in Serbia in 1999. When I joined in 2012 as Marketing Manager, later to become Country Director in 2015, it was a very commercially driven organization. At the start of 2010s the focus was on execution of the right sales strategy, more of a marketing powerhouse, less science-driven. As for products, around that time in Serbia, the business was mainly focused on a product called *Meronem*, an IV, broad-spectrum antibiotic which formed majority of our sales, but also on drugs like Nexium, Crestor, and Symbicort. These drugs were blockbusters globally, but with looming patent expiration shortly ahead.

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Once the patent loss did happen, it all went pear-shaped, and the timing of these products losing their patents was also unfortunate, at least for Serbia. This because, in 2010, there was a local investigation related to the manner of how the sales targets for oncology portfolio were pursued. The accusations were since then dropped, but have left AstraZeneca Serbia on shaky grounds lacking

stability, resources and staff. After the troubled period, situation started changing for the better, we started considering diversifying our portfolio while also morphing from a sales and marketing organization into a business system operations, and in general, creating our image from scratch.

Serbia organization now has three business units, aligning with three key AstraZeneca therapeutic areas – CV-Met, Oncology and Respiratory, and a separate medical department with field-based oriented medical-scientific liaisons. Together with other supporting roles, this forms a team of roughly 50 highly educated and skilled people, with most of our staff having either a pharmaceutical background or benefit from a healthcare related degree. We are striving to be fully customer facing organization. I believe that for a pharmaceutical company this is only natural because we work with people and for the people – patients. It is crucial to see what the competition, the physicians, and the real people are doing.

What has been your proudest moment in your five years at AstraZeneca?

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For me, the proudest moment must be when we won AstraZeneca's European Excellence Award, which recognizes businesses that invest in HR and career development opportunities. Our creativity is driven from limited sources in terms of number of people giving their best ideas every day and everyone must chip in and work together. As a result, we have a creative and encouraging atmosphere geared towards seeking innovative solutions. There is more diversity and flexibility in the workplace at AstraZeneca, Serbia: I like that you're able to move up the company or to move laterally – across the organization from for example commercial to medical or from pricing into logistics. To add to this, we also have developmental opportunities across borders – the previous Country Manager for Serbia, a woman, moved to the position of Country President for Switzerland, again highlighting the diversity and potential at AstraZeneca.

Personally, my goal is to create an open communication style. As you might have noticed, there are very few doors in our offices, with most spaces having paneled windows creating an inviting environment which promotes sharing of knowledge, ideas, open discussions. This reflects the overall AstraZeneca global work environment which operates by an "open-door" policy. Although this appears to be suggestive of the "Zeneca" – Swedish – side of the company, this approach is actually implemented worldwide. If you go to our Luton or Cambridge office, the same trends will be present: hot-desking, open-door communication, glass paneling, etc.

Interestingly, this does clash with Serbian work culture a bit, at least for the more experienced staff, there is some difficulty in adaptation. As for the new generation of employees – millennials and so forth, they are happy with the change because they have grown up working in such a way and are already Western-oriented.

One of the major problems that AstraZeneca has globally is the patent cliff, how is this reflected in the Serbian affiliate?

The short answer is not at all, because of the local difficulties that we encounter. I am referring to market access in general, which is always an issue, especially in central-eastern Europe, and over the years there has been no significant change in reimbursement of innovative products. Given that the Serbian market is small and AstraZeneca has global brand and global guidelines it has to adhere to, it is difficult to react to the more modest market size and adjust accordingly. The bottom line is that, for example, we will not be impacted as much with the patent loss of Crestor in Serbia, in comparison with Europe, because it was never reimbursed in our country. This because we could not match the generic copies prices, which are very low. Instead we have looked at discounting schemes to ensure the best deal for patients on Crestor.

Symbicort, on the other hand, which is AstraZeneca's most prominent global drug, is also Serbia's number one, so we are aligned with global on that one. Once, the product lost exclusivity, AstraZeneca decided to go with a lower price to stay competitive on the market. This reflects the entrepreneurial element of our company, as we managed to benefit from the fact that we are not part of the EU. So again, no reflection of the global events on the local affiliate in that sense.

AstraZeneca is globally changing: pricing pressure and market access are challenging everywhere and even in the wealthier markets governments are trying to save money and streamline costs. Of course, markets and governments communicate with each other, and market actions can have immense consequences. For example, several years ago when generics entered the market, the originators' price decreased. On paper, a lot of money was saved, but in reality, it did not automatically translate into new molecules being reimbursed. When it did happen, it happened with managed entry agreements.

What can you do as Country Manager for AstraZeneca, Serbia to counter these actions?

Of course, you have to try to contribute and impact change. However, in practice things are more difficult. The system is managed by a group of experts that are chosen from different areas of business and medical specialty. These people decide on the areas or diseases that will next be considered for reimbursement and determine what is best for the people with the budget they have.

What does this mean for the AstraZeneca global plan of introducing six new oncological products before 2020?

If you look at the rate at which drugs are brought to the global market and compare that with Serbia, then you see immediately that the Serbian market has much slower access. The local requirements for national registration of a drug in Serbia, since Serbia is not part of the EU thus the centralized registration does not apply, is that one can only apply when the European Medical Agency approves the product. So once this happens we receive the registration dossiers, then the registration application is submitted, and once completed, we can apply for price registration, and submit for reimbursement. If you miss March for reimbursement application, however, then you will have to wait for another year, because submissions for innovative products can only happen during March each year. All being said, access is a lengthy process that takes around a year time at best, several years at worst. We are still waiting for a few products to be reimbursed from March 2014, for example.

But there is a light at the end of the tunnel, since recently things started moving in a positive direction. Some of the big Pharma companies in Serbia have managed to sign managed entry agreements and have shown the necessary flexibility and pricing strategies to introduce new molecules into the market. For example, 23 molecules were reimbursed this year, this was the first reimbursement update in the last five years.

It appears that diabetes and oncology are high on the government's agenda for this year, and since these are two of the key AstraZeneca areas, we tend to be optimistic for the future ahead.

How do you want to position AstraZeneca in the future?

As mentioned, AstraZeneca globally has three pillars: respiratory, CV-Met and oncology. But still, over the previous two years, in particular the focus was mostly on oncology, the high point being the separation of the oncology business unit from our standard line of operations. Although oncology is our most prominent field, I'd like to position AstraZeneca in Serbia as an innovative company that helps patients in all three areas - not just oncology. We need to look at putting into place strategies that will work three or four years down the line.

In this tricky market, you need to listen to the people and listen to the wealth of the ideas that are out there. You need to give people in the company the chance to express themselves and allow them to be entrepreneurial. The other important caveat to working here is to try to help the government help itself. To do a good job they need the help of the pharmaceutical companies â?? their partners â?? to provide the best outcomes for patients. Through asking the right questions, doors open and solutions are discovered.

What is your final message on behalf of AstraZeneca, Serbia?

There is a lot of potential to be found here in Serbia, but it needs to be unlocked. Patience is paramount in this sizeable market, where experts and skilled individuals work together, although sometimes it can be frustrating, and so you need to wait for the right time â?? when the right tools are available â?? to forge the right path.

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