

Interview: Sven Schmidt – Country Division Head, Bayer Turkey



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Bayer Turkey's healthcare division head discusses how the company adapted to the post 2009 pharmaceutical pricing environment by shrinking their portfolio and focusing strongly on key growth products, launched recently from its R&D pipeline. The affiliate is also focusing on its role as a contributor to Turkish society with R&D, manufacturing and Corporate Social Responsibility programs

When you first arrived in Turkey, what was the mission or vision that you and global management set for you and this affiliate, and what progress have you made towards these goals?

I came here in 2011 when the mandatory discount was increased from four to eleven percent (now standing at 41 %). This was at the time that we were about to launch some major brands from our innovative portfolio. We're still waiting for some new products to come to Turkey, but they will come and it will change our portfolio substantially. Turkey is an important growth market and our portfolio is fitting very well to the unmet medical need in this country.

By the time I arrived, we had shifted our strategy towards innovative products that would be launched in the years ahead. This allowed us to focus on the areas of our business that we felt could contribute the most growth, and this new strategy turned to work out very well. In general, I fully believe that our strategy in Turkey is working out very well. We have a very strong portfolio and an ambitious team that is contributing to our company's success in Turkey.

When we met with Andres Fibig in 2009, he predicted that Bayer would remain a leader in women's health, become a major player in cardiology and oncology. Has Bayer achieved these goals, particularly in the Turkish market?

Bayer has a strong heritage of strong legacy products and a very good portfolio of new and innovative drugs. Cardiology is the best example: we have a great heritage of cardiovascular risk management and at the same time, we are developing and launching our new innovative products in

oral anticoagulation. It worked very well and we were privileged in Turkey because of our strong cardiology footprint.

We are still the market leader in women's health, in our traditional areas like oral contraceptives, as well as new areas that we have branched out into. For example, we have launched new products in gynaecological therapies such as endometriosis. In oncology, there were some delays in registration, but the portfolio is about to be completed now. We will also be launching two new assets this year, and we are preparing to integrate them into our existing portfolio.

A new, and very important area for Bayer Turkey is ophthalmology, in which we are helping thousands of patients to continue with a life that otherwise would have been severely impacted by major loss of vision or even blindness. Our new product recently launched in Turkey, is a great opportunity for the patients. It is a very exciting new area and I am very happy that Bayer can show the commitment to this area as well.

As a leading cardiovascular player, how can Bayer collaborate with the healthcare system to address the cardiovascular disease, which is the leading cause of death in Turkey?

Firstly, we collaborate through our products. From the global innovation R&D pipeline, we bring new and innovative products that address unmet needs. A very good example is pulmonary hypertension, an area of cardiology with high unmet medical need and unfortunately high mortality. These new products will have a huge positive impact on patients' daily lives.

Secondly, we are not just selling products; we are contributing with knowledge, know-how. Bayer is not only active in the global R&D, manufacturing, marketing, and sales, but it also is a very strong contributor and provider of scientific knowledge to the community. In Turkey, Bayer is an active sponsor of phase II and III clinical trials, and provides scientific information and training to the medical community and public through our websites and other channels.

Finally, we are also providing a lot of input and exchange with the government authorities and the academia world by the interactions that we are having through our projects and collaboration with the Ministry of Health, SGK and other related stakeholders. As an example for this contribution, I would like to mention our 'Bayer Young Science Ambassador' project, that was launched 3 years ago and aims to encourage young children to take a deeper look in the fascinating world of science.

How has the Turkish market reflected the consumer healthcare?

When we talk about consumer health, the situation in Turkey is very different. There is no over the counter regulation (OTC law) in place, which means that the products are cosmetics, food supplements or prescription drugs. This is a very different starting point for a company like Bayer, but we are trying to adapt to this. We have identified some strategic brands and the consumer health business is developing, but our efforts would be more successful if there were regulations in place for over the counter pharmaceutical products, which would also allow the government to reduce costs substantially.

How has the manufacturing facility in Turkey contributed to the strategic importance of Bayer Turkey to the regional and global organization?

Bayer has been operating in Turkey for more than 60 years. From the very early days it was clear that Bayer needed a local manufacturing footprint to provide products to the Turkish population. Looking at the overall production landscape and the new innovative products, things have changed in the last 50 years. Moreover, there is usually one production site supplying all the products

globally. Bayer is just investing in a new biotechnology plant in Wuppertal, Germany, with more than 500 million euros investment. That said, Bayer will continue producing for both pharma division and consumer health here in Turkey.

As our portfolio has changed over the years, the priorities from a production and manufacturing facility point of view have changed. The big benefit that Turkey has always had is the quality of the workforce. There are highly educated people in Turkey and in terms of governance and quality Turkey was always one of the outstanding examples in the Bayer world.

Is Bayer Headquarters looking at making further capital investments in the country any time soon?

As I have pointed out, Bayer has been operating in Turkey for more than 60 years. We also work in areas other than healthcare, and therefore, we have to take a broader perspective. As an example, Bayer has a global research and development center in Antalya for the vegetable seed business, so Turkey is a very important country for Bayer.

We are investing and trying to expand our investment in clinical research. The number of clinical trials that we are doing in phases II and III has increased in Turkey. Nowadays, based on the published data of the Ministry of Health, Bayer is the third biggest contributor to clinical research in Turkey in terms of numbers of clinical trials. We are planning to increase that because of the excellent infrastructure in the medical society, the hospitals and the experienced key investigators. The recruitment of patients in Turkey is faster than in many other countries. From our own experience, it is an excellent location to do clinical development. Having said that I wish we could that also for clinical research but there are a lot of things to be done in order to set up the infrastructure and make it compatible with other world-class research centers. Our hope is that Turkey will be able to compete with these other centers in terms of infrastructure, intellectual property rights, regulations, and mentality of private public partnerships.

Do you think that Turkey can benefit from more open innovation projects?

I would say so, because Turkey certainly has the brainpower and the necessary mentality, and people are curious and well educated. All the elements are present but there is some room for improvement in terms of framework, legislation and putting everything that is necessary to nurture this and to attract this kind of investment.

You've worked for Bayer in Greece, Thailand, Singapore, Germany, and now Turkey. What are the things you've found about Bayer that always stay the same, and the ones that always change?

What is always the same is the company culture. There is also a very good network of people. The product portfolio is very similar or the same.

What is different in Turkey, is the local culture, the people and the environment. Turkish people are very open and have welcomed me with open arms. My philosophy is to always look at the positive things you find, that stand out for a specific country or culture and enjoy it while you have it.

How did you adapt your management style to make the most out of your Turkish team?

Situational leadership is very important because Bayer Turkey and all the Turkish colleagues are somewhere at the crossroads. They are very well educated, but working in an emerging market economy and environment. Often people are very young and work in traditional companies. The perception is different and I think that the art for the senior manager is to try bringing out what works

best with the leadership style and that can be different for different people and situations. I was here in times of crises and needed to be a leader that gives guidelines and makes very quick and strong decision but in terms of normal situations, I encourage and appreciate the creative potential that many people in this organization have.

What motivates you to work for Bayer Turkey and what is your vision for the company in the five yearsâ?? time?

Bayer is an amazing company: it is very diverse and interesting. There is something new happening every time. What really motivates me is the feeling that we can create a difference in a patientâ??s life.

Bayer is the fifth biggest healthcare company in Turkey. As in many other markets around the world, Bayer plans to bring new and innovative products to Turkey, which means that we are on a growth projection and we want to grow and increase our market share. We are committed to Turkey as we have been in the last 60 years. We will continue to do clinical research and development in Turkey and of course, we want to be amongst the top three companies in Turkey. It is not only about business but also about providing the information, being a partner in the medical society, bringing the international scientific knowledge that Bayer has to the Turkish healthcare society and patientsâ?? lives. With this perspective, I am sure that our business success will be there.

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