

Interview with Ayse Cetinel Sapmaz, General Manager, Janssen (Johnson & Johnson) Turkey

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After a significant experience in consumer goods at Procter & Gamble, you have been managing director of Janssen Turkey for 11 years. Over this last decade, the Turkish pharma market has fundamentally changed in its structure—?with the introduction of the NHI, a reference pricing system, institutional discounts, new patent laws, and etc. To what extent would you say JnJ has been able to evolve with the environment and adapt to these changes?

I believe for any multinational company in our field, predictability is quite important. JnJ is a company that was established over 125 years ago. We have achieved many milestones over this period, and much of our success is attributable to long-term planning.

Turkey offers a challenging and fast-paced changing environment, we at JnJ Turkey have had overcome some challenges in adding value to the global organization since these changes are not very easy to manage. We prefer to make plans for 10, 20 years ahead, and we largely have not been able to do so in Turkey. In many cases, Turkey has looked at problems in the healthcare system and taken action too quickly, which makes difficult to adapt in general.

Nonetheless, the bright point is that the changes here have been for the better. Access to healthcare has increased dramatically—?and this is of course something that we view positively. People are no longer left waiting in queues; they have access to doctors, they have access to treatment. From a societal point of view, things are moving in the right direction.

As an industry, we have contributed in a significant way to the development of Turkish healthcare—?notably, in terms of budget management. And we are ready to continue to help fashion an advanced healthcare environment—?although of course, there are limits to what we can do! The new pricing mechanism, for instance, has enforced not only the lowest price in Turkey, but also a high number of mandatory discounts. This has put the country at a level that is 50-60% lower than mean European prices. We do not find this sustainable.

You mentioned our adaptation to these changes. We have coped by, first, always striving to be an economical company. We have to be conscious of our expenditures, and we have to be efficient. We try to focus our spending, and our efforts, on areas where we can truly add value. If we cannot make a difference in a particular niche, we prefer not to engage. We also try to maintain efficiencies in our human resources—?specifically followed consistent HR policies & practices.

Which of the major changes that you have witnessed during your tenure were true game changers for JnJ?

We are a company focused on specialty products. Our role is to bring innovative products to the market, and we do so. We ensure that doctors are aware of the latest information about our drugs, and we also try to provide information in respect to disease management. Changes in the healthcare environment have not made an impact on our strategic direction. We were and will continue to be a specialty focused company.

After two challenging years, the global Johnson & Johnson organization returned to delivering operational sales growth in 2011. How has Turkey been performing?

This is a very good question. As I mentioned, we have contributed to the management of HC budget through high price cuts and increased mandatory discounts. There are still patients that need treatment in chronic diseases. Therefore, we have been growing in terms of volume.

JnJ is not as strong in Turkey as it is in other markets. For instance, the company is not yet present in the Top 20. What are the historical factors that explain this situation?

We entered Turkey in 1999. We focus on bringing innovative products to the market and focus only on specific therapeutic areas.

Because of our focus, we have not targeted a presence in the Top 20 in Turkey in the areas where we do have a presence, we offer the best products to the market. We are the leader in schizophrenia, multiple myeloma and severe pain.

How tailored is JnJ's portfolio to the Turkish population and its specific medical needs? What therapeutic areas or products have your attention at the moment, and should be driving growth in the future?

Our global portfolio actually fits very well with local patient needs. The demographics of Turkey are not particularly different from current global demographics. To illustrate more specifically, the global prevalence of schizophrenia is about 1% which is the same figure in Turkey.

There are a few areas in Turkey that deviate a bit from world trends, such as HIV. Luckily, there are few HIV patients in Turkey. Still, we offer innovative products in this field for those who do need them.

Oncology has been defined as an area for future growth in Turkey by your counterparts. How is a drug like Abiraterone Acetate a recent JnJ oncology product performing here, and what other strategic movements, launches of new products, or acquisitions should we expect from JnJ in this area?

Oncology is indeed one of the strategic therapeutic areas for our corporation. We have a lot of R&D initiatives on-going in this field, as the need is high globally, and the need is high in Turkey too. We bring our innovative oncology products to Turkey as fast as possible, but unfortunately, local process takes longer than EU and US.

This is a product for metastatic castration resistant prostate cancer, especially for patients after chemotherapy. We also have good clinical results to use prior to chemotherapy. We have many patients in Turkey that are awaiting Abiraterone Acetate, and we are doing all in our power to expedite registration.

Turkey offers economic competitive advantages for producers, with a qualified workforce and an excellent geostrategic position. While many MNCs chose to establish manufacturing facilities in Turkey, JnJ has made different choices. What in your view explains that, and are

you pushing for the company to invest in the country to develop production?

The world has become a global place. Our idea is to utilize existing resources—not only in a specific place, but worldwide. There are many corporations closing down their manufacturing sites because of underutilization. In Turkey, since our entry in 1999, we have engaged in a partnership with a pharmaceutical company. Through this collaboration, we produce 13 products locally. Local production constitutes more than 70% of our unit volume.

We do know that there is a high quality of production possible in Turkey, and although we do not have our own facility, we participate in the manufacturing market. We have always had strong audit results at the manufacturing site, and I am proud of this fact because, in a way, it is good marketing for the country and will attract more foreign investment.

We are also ascertaining whether it will make sense for JnJ to bring more products to the local production sites. We have not made a decision yet regarding expansion, but we are looking into it.

Globally, retaining and attracting talent is a challenge for this industry. How difficult is the scenario in Turkey, and what is your message of value proposition to people who are considering joining the company?

The value proposition rests on the fact that JnJ is a long-term-focused company. All of our strategies are based on this philosophy. We also have an extremely strong value system based on our Credo. Whatever business decisions we take, we always refer first to the Credo. This adherence protects patients, physicians, society, and our own employees.

Furthermore, I feel that at JnJ, we are free to speak our minds, and even to be in opposition to upper management and we are heard. We are strong, too, in innovation, so our future is bright—this is actually the second-most important selling point for the organization. We expect many strong innovative products from our pipeline.

It is not coincidence, that we are positioned in such a way. It is a matter of developing our organization in a deliberate way throughout our 125 years of history. We currently have a plan that stretches out over the coming years of our growth. I feel confident in our standing.

From a talent point of view, I am happy that we have the opportunity to export and import our human resources. We have some local talents currently working in Europe for other divisions of the organization; conversely, talents have often come from abroad to work for us at the Turkey subsidiary.

In the U.S., JnJ is a very emblematic brand, accompanying people from their childhood to old age. How well is the brand established in Turkey, and what image is it synonymous with? How difficult is it to establish such strong brand recognition in Turkey?

I prefer not to speak on behalf of my colleagues in JnJ consumer products—because if we are speaking of the JnJ brand, truly it starts with consumers. Nonetheless, I can say that the organization has done a lot of work to establish a strong brand here—although it may not be as well recognized as in the U.S., the company’s mother country.

Several years ago, the company decided to extend the JnJ brand to pharmaceuticals as well. We have consolidated our names. We were once Janssen-Cilag, or Cilag; now we are Janssen Pharmaceuticals companies of Johnson & Johnson. Because this decision was made, it has been easy for us to establish a common identity with JnJ at large. We are working in Turkey, as well, to make our name more known amongst society.

At the same time, as a specialized organization in pharmaceuticals, our priority is to be known by the physicians.

On the subject of branding, marketing, and sales, how do you view the evolution of your sales tactics and the necessary adjustments the company must make to adapt to a new Turkish environment? Some companies mentioned the possibility, for example, of setting up specific teams targeting pharmacists. How will JnJ's commercial strategy evolve in the coming years?

Firstly, our focus is speciality physicians and pharmacies according to our product portfolio.

In terms of commercialization, I believe that the needs of stakeholders changed a lot. The industry used to be based on the classic model of face-to-face visits but now our stakeholders often don't have time for this. Hence, we need to innovate new models and we have done so.

In the last two years, we have piloted a number of different ways to understand our stakeholders. We asked them about their needs. We try to understand how they want us to interact with them.

We have identified new and alternative communication tools. For instance, we are now facilitating discussions among opinion leaders and their colleagues on the web. By doing this virtually, we not only save money on conferences, but, more importantly, we save time.

We continue to work as traditional visits but we are also using new channels.

What do you believe are the most important choices that JnJ will have to make in the future in order to reach the position it deserves in such a strategic market as Turkey?

We will continue to rapidly bring innovation to Turkey, as we have done throughout our 13 years in the market. Together with our products, we will bring the information around the disease as well, with full transparency.

Concurrently, we will try to play a role as a trusted stakeholder for our government, in terms of identifying deficiencies in the system, and identifying what we can do to help the system work better. We recently had a very productive meeting in Turkey with our global pharmaceutical chairman. We reviewed our activities at the strategic level, and agreed to continue in the same direction, which is in line with the JnJ pharma 2020 strategy.

Of course, we will also continue to discern what else we can do for society. We have a number of CSR projects that are on-going. For instance, we currently have the "White Caps" project, which has already helped more than 5,000 children. The aim of the project is to reduce the use of violence as a form of communication. We work with an NGO that trains kids and teaches them how they can better communicate, and communicate without violence.

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