

# Interview with Fabio Landabazal , Senior VP & Area Director, Asia Pacific, GlaxoSmithKline (GSK)

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The company's current corporate strategy includes a major focus on the Emerging Markets and Asia Pacific (EMAP) region. Concretely, what are the expectations and the main objectives for the Asia Pacific region?

GSK Asia Pacific is composed of: North East Asia, South East Asia and South Pacific (this includes countries from Taiwan to Australia). Therefore, in order to operate within such a diverse area we have divided our operations into three main clusters: the mature or developed markets, which includes New Zealand, Australia and Taiwan; the hybrid market, which corresponds to the markets where we find a mixture of public and private segments (meaning there is both reimbursement and "out-of-pocket" payment, countries such as Singapore, Thailand, Malaysia and the Philippines. The Philippines, for instance, is a very good example of our hybrid market since it has a large population with a considerable percent of out-of-pocket market, but where a strong public market is starting to develop since President Aquino has prioritized in ensuring transparency and improving the countries healthcare system. Consequently, they are investing heavily in healthcare and vaccines. Lastly, our emerging markets cluster includes the countries that are growing in high double digits like Vietnam and Indonesia.

As each region is distinct and has different needs, we have a flexible strategy for each one of the clusters and we support all of them from our offices in Singapore.

Since we recognize this inherent diversity and tailor our strategies accordingly, we bring our broad GSK portfolio to every market in order to be successful. For example, in the mature markets we are increasingly driving the innovative brands and our new assets, since our new portfolio plays a major role in these types of markets. While the dynamics in the emerging markets are such that through nurturing our established brands and bringing access to the population with a flexible pricing strategy, we can make our products as affordable as possible in order to reach the highest number of patients.

Following your comments regarding the specific needs of every market determining the strategies and the types of drugs offered? Is increasing the vaccine business then a priority for GSK?

For us it is very important to increase the growth of our vaccine business. As a diversified global healthcare company, vaccines is one of our key areas of focus.

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In our vaccines business we are the market leaders in the mature markets. In those markets the immunization calendars are very advanced and they include most of the new antigens. We are very proud to be a major vaccine supplier in New Zealand, Australia and Taiwan. Certainly this is a business that we will continue to grow and its future will be dependent in part by our pipeline.

For our hybrid markets we are seeing that governments are starting to prioritize immunization. For example, the Philippines have already introduced the rotavirus vaccine, and they are looking to introduce a pneumococcal vaccine. Other examples include Malaysia driving cervical cancer prevention by extending their immunization program to include girls aged 18 and 19 years. There is a general trend where governments are showing a lot of interest of investing in vaccination in order to meet their Millennium Development Goals in these hybrid markets.

As for the emerging markets, the private market is growing quickly, but we need to drive improved access to vaccines. This is why we are working with organizations like the Global Alliance for Vaccines and Immunization (GAVI) in order to try to improve access to vaccines in markets like Vietnam. Without doubt, access to vaccines is something we need to increase in our emerging markets, but today our core business there is the private market which continues to grow.

Aligned with GSK's vision, EMAP is a key market cluster for the growth of the company. As the head of GSK Asia Pacific for almost 2 years now, can you evaluate your performance more specifically, how has AP performed since you took over the operations?

In Asia Pacific we are growing either in-line with the market, or faster than the market.

In the case of the emerging markets within the Asia Pacific region, our growth has been faster than the market and we are growing well. In Vietnam we are the leading multinational pharmaceutical company, and in Indonesia in the overall ranking we are in the Top 10.

As for the hybrid markets, I am very proud to say that we are the market leader in Singapore and we are growing at a rate of three times the market. In Malaysia we are growing at twice the rate of the market. In the case of the Philippines and Thailand, we are growing at the same pace as the market.

In mature markets, our portfolio has been suffering the diverse price cuts in the non-patent protected areas observed by all multinationals. Therefore our strategy has been to focus more on the patent-protected segment and that is how we have been gaining market share and performing quite well.

This of course is a snapshot of our performance during the last 12 months. Looking to the future, despite the challenges that the worldwide pharmaceutical industry is facing, we are very positive about our future growth prospects.

What will be the main challenges in meeting the great ambitions GSK has for the AP region? Would launching the right products and attracting and developing talent present challenges for GSK?

Certainly a critical factor in our future success is identifying and developing the right talent for Asia. Achieving it won't be easy since what we are looking to develop, in the long term, is what we call Glocal leaders essentially Asian leaders with local knowledge but a global outlook. These new leaders will need to have the necessary capabilities to translate our global strategy into local implementation and execution plans that make sense in the local markets in which they operate.

Developing those leaders that can share the global values of the organization and translate them in the local context and make them relevant is the recipe for success. Therefore, we are investing very heavily to make that happen. For example, we have established programs with leading universities throughout the region, in order for graduates to become more familiar with GSK as a company.

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At management level we have been investing very heavily into providing international experience to our Asian talent so that they can start thinking more globally. We send top Asian talent to leading business schools where they get exposure to business, so when they come back they have a global mindset and an excellent academic background to drive and implement GSK's global strategy.

Besides talent, another critical element for our success is our late-stage pipeline. Over the next 24 months we have the potential to launch 8 new assets: we must ensure these launches are successful.

In particular our respiratory portfolio and pipeline remains very important for us.

With the recent trend of the industry focusing more on emerging markets, governments are of course expecting benefits for their citizens. Today, we see that most of the big pharma companies that enter these markets are creating what they call CVP (corporate value proposition). What kind of CVP is GSK offering?

The way that we approach our corporate values is by utilizing a comprehensive approach to bringing healthcare solutions to society. For us, it is not just about bringing science or innovation to the countries in which we operate, but the need to make sure that our innovations are supported by increased access to our medicines.

An example of this is our work in the Least Developed Countries (LDCs), defined by the United Nations as the "poorest and weakest segment" of the international community. Examples of LDCs within the Asia Pacific region include Cambodia, Laos, and Myanmar. At GSK, we reinvest 20% of the profits we make from our pharmaceutical and consumer healthcare businesses in LDCs back into local healthcare infrastructure. This is a clear example of the GSK values in action: going beyond commercial success we try to partner with governments and key stakeholders in the countries in which we operate to find solutions to healthcare challenges. We are very open to working with different markets and with new models in order to meet stakeholders' expectations.

On this note of stressing the importance of partnerships do you think that partnerships are the cure- all for the industry today?

I can't say that is the complete solution, but certainly I see a future with more collaboration not only from within our own industry, but from innovative collaborations with other industries. The pharmaceutical model is at a stage where it might benefit from strategic collaborations with diverse industries such as IT and banking.

In the current dynamic environment of the global pharmaceutical industry, I don't think that solutions for both healthcare and society will come solely from within our industry: a massive collaboration is needed to bring different solutions.

Dr. Lu of Biosensors said that today the industry requires "out of the box" thinking and understanding that apart from just the need for drugs, there needs to be a focus on delivering them in effective ways, which is up to the leaders to offer this vision. What is the responsibility and commitment that you have as a manager and a leader to encourage innovation?

My responsibility involves creating an environment that enables people to be creative, to provide a good place to work where people enjoy what they do and appreciate to devote their time and efforts to this company. I have to make sure that they understand the values of the company, and the very high ethical standards that we operate to.

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Working for a company like GSK you can impact the lives of many people and my role is to develop and empower talent that can drive GSK's vision: improving the health of people regardless of the market we operate in, since we have a commitment to impacting people's lives.

What is your final message for our international readers?

We are located within a very diverse and dynamic region, and Singapore is a great platform for enabling GSK to connect with the entire region. This allows us to have a strategy that is flexible and adaptable to each of the market realities.

Singapore is certainly trying to put all the resources, the infrastructure and the talent pool together to make the country a key hub for research activities. As one of the companies that have taken advantage of these favorable conditions, what are the main activities and programs that GSK has in the country?

GSK has a significant presence in Singapore: Singapore is home to our Regional Headquarters (EMAP), an R&D facility (Biopolis), two global manufacturing and supply sites (Jurong & Quality Road), a Stiefel manufacturing facility, and a state-of-the-art vaccines plant (Tuas). Furthermore, we have built up a number of public-private partnerships (PPP), such as the S\$2 million PPP between GSK Vaccines and A\*STAR's Bioprocessing Technology Institute to collaborate on vaccine and adjuvant system-related research projects.

In 2010, GSK, in partnership with the Economic Development Board (EDB), launched the GSK-Singapore 10 Year Strategic Roadmap, with a joint fund of S\$50 million dedicated to capability-building in the areas of green manufacturing and healthcare policy in Asia. S\$33 million in funding has been allocated to grow Singapore's capabilities and talent base in green and sustainable manufacturing.

The second initiative is the NIHA (NUS Initiative to Improve Health in Asia), a new integrated initiative to improve public health and healthcare delivery throughout the region, with funding of S\$17 million.

On a more personal note, what has been the most rewarding part of working for a company like GSK?

With GSK I have had the chance to work in diverse markets around the world and what I have witnessed with my global experience is that despite the different environments and country situations, GSK shares a common value system. We have a very strong corporate culture and I am very proud to be part of it.

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