

Interview with Rodrigo San Martin, Managing Director, Janssen-Cilag Argentina

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Dr. Paul Lombardi of IMS Argentina, he explained that a lot of multinational companies use Argentina as a base for regional operations. How does Janssen-Cilag operate in this Latin American context, and what role does the Argentinean operation play in Janssen-Cilag's plans?



Janssen-Cilag sees the pharmaceutical business very much as the business of innovation. This means developing processes Argentina in two main areas. Firstly, research and development: we are constantly looking for new products and therapeutic solutions. This also means developing products in Argentina. Argentina is Janssen-Cilag's third largest research and development structure in Latin America, after Brazil and Mexico.

From a commercial standpoint, we have very ambitious plans for Argentina. Janssen-Cilag Argentina has been growing above the national market rate consistently for the last five years. We have doubled the size of the business in the last three years, and we should be doubling it again in the next three years.

Argentina is key region for the company for a number of reasons. There is a tremendous educational background in the country for developing our business. There is a healthcare system that still has room for improvement, but which is excellent in terms of patients getting access to the most innovative therapeutic solutions. This is related reimbursement systems, and local health authorities among other things. These factors help to put the healthcare service in this country on a different level to those of other Latin American countries.

What have been the main growth drivers for Janssen-Cilag in Argentina?

The quantity of new products and solutions we have developed and brought to this market, which is connected in no small way to our R&D operations here. Also, a key growth driver has been that we have been able to take advantage of the educational professional background of our employees, of our customers and Argentina's scientific community. Another key to our growth has been that Janssen-Cilag has been able to execute our plans, overcoming the challenges of the market in order to realise its potential.

What therapeutic areas are you currently focusing on in Argentina?

We have five main areas. The first one, CNS, is really part of Janssen-Cilag's DNA. Dr. Paul Janssen, the company founder, was very well respected, and developed a lot of the CNS products

we have in the market today. We have over 50 years in the field, and we are the market leaders in this area amongst innovative research-based companies operating in Argentina today. We entered our second area, oncology, around five years ago. The third area is concerned with HIV and HIV-related drugs. Fourth is primary care, in which we have a good set of products. This is an area the company is committed to: we have some great products in the pipeline for diabetes sufferers, and also to treat premature ejaculation. The fifth area we have started to look at is the area of immunology, which also has some great products in the pipeline.

You mentioned that you plan double in size in the next three years. When we spoke to Martin Selles, the Managing Director of Janssen-Cilag in Spain, he told us that despite the challenges in Spain, such as weak IP protection, Janssen-Cilag was able to go from 45th in sales to 7th in 10 years. In the Argentinean market, where do you hope to be in terms of rankings?

Janssen-Cilag Argentina expects to be among the top ten innovation-based multinational companies within five years. Today we are around 15th in the market.

One of Janssen's key global strategies is to form partnerships in order to reduce competition. Have you replicated that here?

Since Janssen-Cilag has been in Argentina, we have worked alone. In that sense, we have reinvented some of our strategies internally. We haven't worked in local partnerships, and the simple reason for this is that we believe we can do a great job in Argentina by innovating and producing on our own.

We've already talked about the excellent resources that Argentina has here. This industry is not only capital intensive, but also human resource intensive. How does Janssen-Cilag put these resources to best use? Janssen-Cilag Argentina has invested a lot in developing our human resources. We have begun to export a lot of talent from Argentina to the Latin American region. Argentina can be a great exporter of talent to Latin America, and globally. This is a great opportunity for Janssen-Cilag. I have worked for the company in Brazil, Mexico, and the USA, and it is clear that Argentineans have a special background, a different background, and we are trying to take advantage of that through our global enterprise.

From a local perspective, Janssen Argentina has taken advantage of Argentina's excellent human resources by bringing in new speciality products, which are more complex and hence demand a higher class of knowledge. For example, treating a disease that demands primary care and treating HIV are two very different processes, and a company needs to have a different profile in order to do this. We are able to have this profile in Argentina, thanks to the level of education of our specialists.

What's your opinion on Argentina and clinical trials? Do you think Argentina has the potential to position itself as a clinical trial hub for Latin America?

I see this as a great opportunity for this country, given the aspects that I've just mentioned: a highly qualified scientific community, a high level of education, but in order for it to become a reality we need to work together as a team: the scientific society, the regulatory authorities, the Government, and innovative companies like Janssen-Cilag. The end benefit will be for the patients. I would like to have the best oncology treatments be brought and developed in but before we can do that, we need the right conditions.

Ernesto Felicio at CAEMe was showing us figures that show that R&D expenditures help to increase employment from 1998 to 2008, for every increased percentage point of

investment in R&D, there was a 1.42% increase in related employment. How aware of this do you believe the industry is?

Even though one of the main benefits of a well-developed R&D process in the country is the generated employment, I think that the main one is the early access to the latest treatments in medicine. I believe that the primary benefit is the opportunity we give the country to treat its population with the highest class of drugs and the most experimental and innovative solutions; since the cost of not having, for instance, the latest advances in oncology and HIV, would be very high. From a global perspective, the R&D process in a country may be present in three ways: there are those countries who get access to these advanced medicines first, and then those who receive them second and the ones who get them late. Argentina is somewhere between the first and second group in terms of access to innovation. Our vision as well as of other multinational corporations in this country, is to put it firmly in the first group.

This publication is read by managers and presidents of local and international companies all over the world. How would you describe yourself as a manager? and what qualities do you think a manager in Argentina should have?

In Argentina, a manager must be very flexible. They must have very strong listening skills, because Argentina's healthcare system is very different to those in other Latin American markets: it's much more complex, so in order to be a successful manager, he needs to be persistent and a fast learner. A manager needs to be able to build and develop a good team, because the job cannot be done alone here. He needs to work with his team to find solutions to the challenges involved in such a unique market. My international background has taught me to be able to manage different cultural populations, but I'm still learning on a daily basis.

If we came back to see you in five years, what would you like to have achieved at Janssen-Cilag Argentina?

I would like to be able to bring the most innovative products to the country in the next five years, and have no J&J product unavailable to an Argentinean patient. I'd also love to develop an even more talented team, making use of the Argentinean educational background, and put Janssen-Cilag among the top ten companies in this country.

Is there a final message you would like to send to Pharmaceutical Executive readers about Janssen-Cilag in the Argentinean market?

Argentina is a great country, with an excellent community of scientists and stakeholders. It has the potential to develop a much larger pharmaceutical market, with better conditions for patients and the healthcare community. I would love to see Argentina classified as an emerging market, and it has all the characteristics and potential to be a great market in the future. Many emerging markets still have lots of things to achieve, and I don't see that in Argentina - we have a great healthcare market, a great education system, with some very innovative and competitive international and local players.

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