

Sanofi Malaysia, Singapore & Brunei – Leah Goodman, General Manager



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Sanofi's general manager for Malaysia, Singapore and Brunei discusses the benefits of implementing of a new channel business model and proudly showcases the dengue vaccine, 20 years after the company initiated its research.

In 2010, Sanofi was undergoing a transformation to become a more diversified healthcare player. Could you tell us how you managed this transition when you joined in 2011? What have been your priorities since then?

The group has been going through a transformation however it has been different in Europe than in Southeast Asia. The reason being the dynamic for off patent brands is a little bit different. For instance, Pfizer's Lipitor which has been on the market for a long time still has strong growth in Southeast Asia due to brand equity but not so much in Europe. In other words, the way we manage off patent brands is radically different here than anywhere else.

In 2009, Sanofi Malaysia and Singapore were united as one affiliate, which led to adjustments in terms of cultural and operational habits. Three years later, it became clearer that for the company to thrive in Malaysia it needed to understand better its external stakeholders and make strategic decisions based on external rationale rather than internal. Therefore, in Malaysia improving our focus on cooperation with key stakeholders like the Ministry of Health, Malaysian Medical Association, and key channel stakeholders became our priority. These targeted interactions gave us a much better idea of their five year priorities. Based on this information we have gathered, we asked ourselves where we wanted to be as an organization in the long term, and from this point, we managed to establish a clear and effective Vision and longer term strategy. While this is a simple common sense approach but only a few companies that actually go through this full assessment process.

Before this transformation process, Sanofi Malaysia was too "internally business oriented" and not enough focused on customer interaction. Therefore we redefined our business structure and the way we communicate with our customers. Our Substitutable business which represents >70 percent of the entire business is now structured into key channels, all of which behave differently. Understanding them and addressing them one by one really changed our business. Today for this part of our business Sanofi Malaysia does not have product or brand managers but channel managers. What many companies don't include as a key component of their strategy is the fact that to succeed today a company's image and values are critical success factors. We sell based on our reliability, quality and partnership behaviour.

This cultural behavior change takes years and is never easy. However it has enabled Sanofi to experience high single digit growth without significant new product launch over the last few years, and more importantly to prepare itself for the future. Sanofi is looking to continue this partnership model as a key growth driver moving forward; even we as a company enter a phase over the next 4 years of bringing many exciting new innovative medicines to Malaysia. Long term Vision is paramount for Sanofi, while many companies will sacrifice long term sustainable growth for short term profits, we are here in Malaysia for the long term and the future looks bright for us.

Many of our interviewees have spoken about the benefits of operating in Singapore. What do you believe to be the best qualities of Malaysia?

Malaysia has more public healthcare support for middle income citizens than Singapore. The reality is that even if Singapore has a public sector it is still out of pocket for most, whereas in Malaysia the public sector which gathers 60 percent of the patients is virtually free. The challenge is to enable access of the best medicines from a cost effectiveness and quality of life perspective by working together with the Ministry of Health. Sanofi has been doing this effectively and has been able to reach more Malaysian patients with quality medicine with proven outcomes. Of course, out of pocket expenditure and the scheduling dynamics differences means that in Singapore the OTC and pharmacy channels are much bigger contributors than in Malaysia.

In terms of access to medicines, it is easier to define models for high cost medicine in Singapore because of their more developed socio economic structures

How is the company doing in terms of registration and getting access to the National Formulary "Blue Book"?

In terms of registration, we have worked very hard to set our dossiers to the highest standards. This is why we recently managed to have one medicine registered in less than 12 months. Most products take 18 to 24 months for registration which is quite lengthy, however by meeting the right stakeholders, putting together a high quality dossier and perhaps having a medicine that meets an unmet medical need, it is possible to get fast track registration.

In Malaysia, there are also processes available for fast track registration related to the healthcare NKEA via enabling local manufacturing.

Overall product registration is not an issue, at least not for Sanofi. However getting access to the blue book is a different story. The process involved is lengthy and could seriously be shortened, which would really benefit patients in Malaysia. We are currently working as part of PhAMA with the government on options related to achieving a shortening of these steps, as well as improved transparency on process.

Many companies have decided to focus more on the private sector because of the challenges surrounding the public sector. Could you tell us how Sanofi has performed in the private

sector?

The private sector represents half of our business and we have been doing well in this area because of our strong investment in partnerships with these channel stakeholders. As many of our products are substitutable, one of our challenges is to try to ensure we have the right product for each channel. This is also one of the reasons we offer the private channel our high quality generic range of medicines under the sanofi Winthrop banner. Our activity in the government channel is different. Generic competition is very strong and the government choice of generic drugs is based on cost reduction. Given our strong reputation of quality medicine, and ability to deliver on our commitments we have been successful in terms of winning a number of government tenders. Earlier this year we won a very important tender concerning human insulin where sanofi won 70 percent volume of this tender, with the remainder going to Novo Nordisk. I respect Novo Nordisk as a worldwide leader in insulin but we proved we had a competitive offer both in quality and price. What I personally am proud of with this tender is that sanofi is able to now delivery high quality insulin in an award winning device to a significantly larger volume of Malaysian diabetes patients due to our willingness to be so much more price competitive than other companies. Diabetes is a major long term issue for Malaysia, and it is great for sanofi to be able to contribute this way.

According to IMS, Sanofi is ranked third in Malaysia and fourth globally. How do you feel about placing Malaysia on the spotlight?

Certainly our new business and channel strategy has been paying off. We know this channel approach and sanofi's entrepreneurial willingness to take educated risks is unique among MNCs and gives us the necessary competitive edge. With a market growing at seven to eight percent and our company expected to grow at more than 10 percent year after year, this is very encouraging.

Sanofi has a partnership with Hovid to manufacture generic medicines under EPP 3. How will this evolve?

Local manufacturers are going to become more and more attractive to MNCs, especially for those wanting to properly enter the public sector. Local manufacturing and local partnerships can give companies a new competitive edge and this is why we decided to collaborate with Hovid. Any partnership is not easy as we have very strict quality standards and our audits are carefully undertaken. But Hovid is a company that met our criteria, and as such is a valued partner for sanofi.

Today we are sanofi's largest country in terms of our quality generic offering in Asia. Therefore we are trying to extend that partnership as it has been successful so far. We know that other MNCs in Malaysia have tried making a success of their own generics without significant sustainability, so we can be proud of our achievements so far.

Sanofi is already taking part in one of the biggest breakthroughs in vaccine history with the future launch of the dengue vaccine. Could you share with us the final stages of clinical trials in Malaysia and how important this launch is for Malaysia and the group?

Over the next four years we will be launching a number of medicines and vaccines to cover unmet medical needs; the dengue vaccine is like no other. Everyone knows that when it comes to vaccines, it is a battle both internally and externally because of supply, so we are cautiously leading the next steps. Malaysia is a priority for Sanofi and we are doing everything we can to keep this priority status.

Everyone should understand that having access to a vaccine should not make them take less precaution in their environment. The Ministry of Health and Ministry of Education have been crucial

elements in raising awareness and keeping everyone alert. In 2012, Sanofi launched a program named "Dengue Patrol" in collaboration with the Ministry of Health and Ministry of Education. This program played a significant role with school children located in dengue hot spots, where we must maintain the information and an extremely high awareness level. Government stakeholders are fundamental for the successful launching of the dengue vaccine.

Sanofi is very prepared for access to our dengue vaccine, This preparedness is mainly attributed to our global CEO and executive committee living the behavior of "entrepreneurial risk" by investing several years ago even before the phase III study outcomes in a production facility in anticipation of our ability to bring forward such a vaccine. This is truly amazing knowing that Sanofi has been working on the dengue vaccine for the last twenty years.

After the very promising clinical trials on dengue, what growth can we expect for the company in the next three years?

We are expecting double digit growth for the next three years. We have an amazing pipeline for the coming years; therefore we need to keep improving our internal competencies in areas such as regulatory processes. Also, as a company and industry we must keep fighting against life threatening diseases. When we know that 20 percent of Malaysians over 18 years of age have diabetes, we must act. What is even more worrying is that the majorities of patients is in the public system and are treated with human insulin. This is saddening when there are other medicines available which are more effective and safer to manage the disease. Market access will be everyone's challenge as many will not have access to the best possible medicine available.

Therefore, my priority now is to have everyone in the company performing well, following our new vision and embracing our new values. Hence, it is my duty to build the best leaders possible.

Could you share Sanofi's approach towards talent development to lead the company forward?

Richard Branson says: "develop your people so they can leave, treat them so they don't want to." This is an idea I'm trying to develop here and this is why every one single person in this company has a personal development plan. We have implemented core behavior in all managers of coaching skills which leverage the ability to have what we call "crucial conversations" with the aim of continual improvement. We are building new competencies and assessing what capabilities can be developed amongst each individual. We are offering our employees the chance to move to other positions in order for them to acquire new competencies and build their overall potential.

Any company can give a 20 percent higher salary to attract people, however not every company can build its local talent by implementing personal programs. This is what we do differently at Sanofi.

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