Interview: Mada Shinta Dewi – Country Manager, Mundipharma Indonesia



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Mada Shinta Dewi, country manager at Mundipharma Indonesia, explains the unique business model of Mundipharma in Indonesia, collaboration with the local business community, and the benefits that the company's consumer health medicines and ethical business line can bring to patients.

Could you please explain to our international audience how the operations of Mundipharma have evolved in Indonesia?

The products of Mundipharma have been commercialized in Indonesia for more than 35 years through strong partnerships with local companies such as Mahakam Beta Farma (MBF), which locally manufactures our star antiseptic product (Betadine®) and one of our pain management prescription medicines.

However, in 2012, we decided to open a representative office in Indonesia because of the high dynamism of the national regulatory environment as well as our corporate guideline of being closer to those countries where our products are marketed. By that time, it was quite challenging to find the right symbiosis with our local partners, especially for our consumer health division, but we finally made it. Referring to our consumer health business, which is the biggest division in Indonesia, the final deal consisted that MBF stopped being our licensor for Betadine® but, instead of building up our own manufacturing plant. MBF became our Contract Manufacturing Organization

(CMO) for such division. In return, we gradually transfer to them our technology to manufacture our Betadine® products.

In addition, we have recently launched our ethical medicines in Indonesia through an out-licensing agreement with Kimia Farma, which is a state owned pharmaceutical enterprise. Nevertheless, it is important to mention that opioid drugs, which are most of our ethical division, have to be compulsory commercialized in Indonesia through Kimia Farma by law.

I am highly satisfied of the results obtained through our collaboration with the local business community, which it is highly aligned with the Indonesian government's objectives. MNCs have to do its maximum to contribute to the national goals.

What was the rationale behind opening a subsidiary and what was the biggest challenge in setting up the subsidiary?

Our objectives behind the opening of the affiliate are to have better visibility of the local trends as well as to gain speed in our decisions making. As aforesaid, it is a corporate guideline to have presence in every country where our products are marketed. In order to have stronger responsibility of our medicines, we are developing our pharmacovigilance capabilities to monitor the post market of our drugs; it is a common trend that pharmaceutical companies are receiving more pressure from governments to control the risk of their medicines once they are marketed and Mundipharma is aligned with it.

In parallel with the above commented points, since our business model in Indonesia is based on several partnerships, both for ethical drugs and consumer health lines, having a representative office in the country helps us to have more control about the quality of our products.

Ms. Mada, could you tell us the three main accomplishments since you were appointed GM of the Indonesian affiliate in 2014?

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Firstly, consolidating our operations in collaboration with our local partners minimizing any business disruption has been one of my main accomplishments. Secondly, aligning the affiliate objectives with our board members' ambitions has certainly strengthened our business model in the country and it has enabled us to subsequently bring results to corporate. Thirdly, building up a highly-professional team is a milestone that I am really proud of.

What is your strategy to maintain such outstanding performance considering the high dynamism of the industry?

We have always been really focused on our objectives putting the patient at the center of our operations. Nonetheless, our strategy varies depending on the business line.

Expanding on our consumer health division, we are carrying out medical education initiatives to fight against antimicrobial resistance, which is a national health issue in Indonesia being one of the largest antibiotics consumers globally. Betadine® is an antiseptic that should be used before start consuming antibiotics, we could drastically diminish the consumption of antibiotics that it will not only enhance the patients' life quality but also reduce the cost of treatment. Thus, our strategy is to educate physicians and the rest of the industry stakeholders about the benefits of our consumer health solutions both for patients and government.

Referring to our ethical business line, Mundipharma is focused on supportive care to national burden diseases such as cancer and diabetes. In fact, most of the cancer patients in Indonesia came at late stage which means they also experience pain with higher intensity. They are treated through chemotherapy practices which may also induce side effects such as nausea and vomiting. These may contribute to reduced patients' quality of life and treatment outcome. Our ethical drugs help reduce the pain and mitigate the side effects of chemotherapy of such patients and ultimately enhance their quality of life. We have just launched our prescription products in the country but we are already carrying out several medical education programs in joint with leading medical associations to develop the pain management landscape in Indonesia.

Can you give us an overview of how Mundipharma is positioned in Indonesia today?

We have experienced tremendous growth in our team from four employees in 2012 to more than 100 in 2017. Just to give a few quick facts of our performance, our revenues in Indonesia increased around 300 billion Rupiah (USD 22.6 million) mainly because we took back our consumer health business in the country from our local partners. Such factors have led our 65 percent growth in 2016 and we expect to maintain such great performance in the next years.

Our strategy has been mainly focused on developing our consumer health business but, since we have recently introduced our ethical medicines in Indonesia, we will combine our business development efforts between both lines. Furthermore, our manufacturing capabilities of Betadine® products are not only serving to the local market but also to Malaysia and Singapore; my vision is to position Indonesia as the South-East Asia manufacturing hub for our Betadine® products.

The operations of Mundipharma in Indonesia are sorted out in two main divisions: consumer and ethical drugs. What is the breakdown of revenues per business line and where do you foresee more growth?

Consumer health contributes 95 percent of our revenues because we have just launched our ethical portfolio in Indonesia. Moving forward, our ambitions are to grow our business in both areas but, since we have started from zero, our ethical medicines line is going to grow exponentially.

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Even though you have just started your operations with ethical medicine, how involved is Mundipharma in the Indonesian public market?

We are currently focused on private market because it takes a long time to get any product listed within the BPJS (Social Security System). However, we expect to increase our footprint within the public market in the mid run in joint with the implementation of the Universal Healthcare Insurance (JKN).

There are many interesting factors that could certainly boost the national healthcare industry such as the fact that the government’s commitment to implementing a Universal Healthcare Insurance (JKN) that will cover the entire Indonesian population by 2019, making it the largest in the world. Considering its still early development stage, what is the role of Mundipharma in such governmental program and what are the embedded challenges?

We are fully aware that collaborating with government and several medical associations play a crucial role in the development of our two divisions in the country. Therefore, we have a close relationship with the industry stakeholders in order to identify the gaps where our solutions can fit; such collaborative approach is the same that we are using with JKN.

We are not currently involved within JKN program but our ambition is to list our ethical medicines in such scheme in the mid run. Nevertheless, we have to define the best strategy for the program since there are some challenges that should be addressed first; JKN may face challenging time currently and the financial stability of such governmental health program is still under uncertainty being quite unpredictable.

Thus, in the short run, our main goal is to get listed within JKN scheme since it will allow us to enlarge the patients’ market access to our high effective medicines and then we will define the proper action plan to contribute more within JKN program.

Coming back to Mundipharma, you are one of the World's leaders in Pain Management, something that is still very poorly taken into account in Indonesia. How do you explain this situation?

The low penetration of pain management treatments in the country is because a combination of culture, regulation, and medical education factors. Firstly, Asian cultures do not complaint that much about pain, it could be perceived as impolite. Secondly, opioids medicines are highly restricted in the country. Thirdly, there is barely any education of pain management in medicine universities.

Mundipharma, as one of the world leaders in pain management, has the duty to develop this arena in Indonesia. In this sense, we are currently more focused on developing pain management knowledge to treat cancer patients, which is one of the main causes of death in Indonesia. It is a long journey that needs to be supported by a long repertoire of medical education initiatives in collaboration with leading medical associations, pharmacies, hospitals and other stakeholders. The results obtained are quite positive, but there is a long way to go.

What are the main objectives that you would like to achieve in the upcoming years?

The main priority on my agenda is to consolidate our consumer health and ethical business in the country supported by targeted strategies to each area. And, secondly, I want to grow and develop my team of professionals to support the accomplishment of the aforementioned objective.

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