Interview: Evgeniy Gaydukov – Country Director, AstraZeneca Ukraine

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Evgeniy Gaydukov, Country Director of AstraZeneca Ukraine, provides insights into the remarkable growth that the science-led, innovative company has been experiencing in Ukraine despite the unstable economic situation in the country, as well as the socially oriented, collaborative, and patient-centric approach he has been bolstering since taking over the helm of the Ukrainian affiliate.

You were appointed as AstraZeneca's Country Director in Ukraine in October 2015. What were the strategic priorities you set yourself when taking over the helm of the Ukrainian affiliate?

Prior to my appointment, I had been working at AstraZeneca Ukraine for over eight years in different roles, mostly in sales and marketing, which has provided me with a great understanding of both the Ukrainian market and our company's culture. Since 2015, my overarching objective has been to align our local strategy with that of Global and ensure that AstraZeneca Ukraine is locally recognized as a science-led pharmaceutical company. This is despite facing strong headwinds along the way, as Ukraine still shows traits of a classical emerging market, such as instability, unpredictability, volatile risk to benefit investment ratio and the ongoing geopolitical conflict affecting our country.

In terms of strategic priorities, we focus on three areas. Firstly, achieving scientific leadership, which entails the successful launch in Ukraine of our company's new innovative treatments, as well as educational activities directed towards doctors and patients. Secondly, we want to continue our growth, as we have been growing twice as fast as the market average over the past two years. And thirdly, we need to ensure we create a motivational and exciting workplace environment and culture for employees that is built on our AstraZeneca Values.

Being successful in these three areas will allow us to attract and acquire the best talent, while also ensuring we are a transparent and socially responsible company. Furthermore, continuously building up the confidence of our staff is paramount after the deep turmoil Ukraine has encountered over the past three years. I am proud to highlight that we have managed to go through the recent challenges with minimal restructurings.

You mentioned how AstraZeneca has been outperforming the market over the past two years. What is your recipe for success?

In Ukraine, and globally, AstraZeneca is focusing on three key therapeutic areas: cardiovascular and metabolic diseases, respiratory diseases, and oncology. We are constantly growing our market share in these therapy areas in Ukraine.

In Ukraine, 97 per cent of our sales come from the retail, out-of-pocket market. Despite the competition of cheaper local generics in some areas, we have managed to establish our medicines as trusted and recognized brands, and market leaders in their respective fields.

Furthermore, the success of our portfolio and the strategic placement of our priorities have been heavily dependent on the ongoing health reforms being undertaken by Ukraine's Ministry of Health. We acknowledge the promising reforms recently implemented by the government and – above all – that the Ministry is encouraging business input. We are happy to be contributing to the improvement of the regulatory system in healthcare in Ukraine.

Another key ingredient to success relates to our sound understanding of the local pharmaceutical market, which framework and structure have significantly changed over the past few years. This expertise allows us to launch new products in Ukraine. In 2016, we brought onto the market an innovative oncology medicine for the treatment of ovarian cancer. In 2017-18, we are going to launch three new products in diabetes and cardiology.

Overall, we have a very focused strategy for Ukraine, which we have adapted from AstraZeneca's best practices all over the world, including in the US and EU. This is all driven by, as highlighted

earlier, a culture of motivated and engaged staff.

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What is your stance on the recently implemented reforms that you just mentioned?

Whether it relates to the recent implementation of a reimbursement mechanism *[covering 21 INNs in three therapeutic areas – asthma, cardiovascular, and diabetes, e.d.]*, to the outsourcing of centralized public procurement of medicines to international agencies, or to the long-awaited reforms aiming to further deregulate the pharmaceutical market, they have indisputably improved our country's healthcare processes. In the meantime, the current government has set very ambitious objectives when it comes to the execution of these reforms, which is extremely promising.

Nonetheless, I believe that advancing these reforms should be done meticulously, rather than making brash decisions. In this regard, we need to patiently construct a consistent plan with a very precise timeline and a strong focus on transparency throughout the decision-making process. Thus far, the main drawbacks have been the lack of communication between participating parties. Therefore, I believe a critical success factor will revolve around the government's commitment to involve stakeholders from a range of areas and allow them to openly discuss their ideas as well as contribute to the development and implementation.

Furthermore, the government should continue to understand patients' needs and conduct medicine purchasing based on this information. Resources are sparse, especially financially, at this current time in Ukraine, so we must work together to use available funds efficiently. The government should also consider implementing evidence-based European standards and protocols, not just on paper, and educate medical professionals and patients to change the mentality around self-medication and the misuse of drugs altogether.

From my perspective, these reforms have so far been specifically designed to cover essential patient needs. Being an innovative company, we develop very sophisticated, personalized, unique medicines, which are different to the "one size fits all blanket" approach being employed. Hopefully, the government will consider this as the system matures.

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In summary, I think our progress to date and our movement towards a positive healthcare revolution in Ukraine has been remarkable. However, the government still needs to increase overall transparency and take further steps to develop a long-term sustainable healthcare system.

Strengthening the legal framework will attract new investors to Ukraine, which is important for the evolution of our healthcare sector. In this vein, AstraZeneca, with its unique global positioning, can help share best practices from across the globe to help drive Ukraine forward along this journey.

What sets Ukraine apart in the way AstraZeneca models itself?

On the one hand, Ukraine is very similar to the countries of the former Soviet Union. On the other hand, our country is currently undergoing difficult times of instability, which makes Ukraine different. Nonetheless, when it comes to innovation access or to our country's disease burden, we are still able to leverage models implemented by AstraZeneca in other parts of the world.

Above all, I consider bringing a true patient-centric approach to the Ukrainian ecosystem as being of paramount importance. This approach truly differentiates ourselves from the other market players.

AstraZeneca Ukraine is constantly strengthening its connections with various industry associations as this allows us to network and share best practices with other large companies, an approach that holds critical importance within Ukraine's healthcare ecosystem. Our united front will go a lot further than individually voiced agendas. In this regard, I am glad to see that – in Ukraine – competitors are joining forces to implement real change in our country.

Alongside this, AstraZeneca has been substantially supporting educational activities, which target both physicians and patients. We are working diligently to bring change to some old treatment paradigms with these activities, including patients' self-medication habits. Also, bearing in mind our overall economic situation in Ukraine, AstraZeneca runs patient affordability programs aimed to improve patient access to quality treatments and increase disease awareness levels.

We have also signed memorandums with multinational companies to develop healthcare programs tackling some of the most urgent diseases within our country's health system. For example, AstraZeneca was one of the first supporters of the Ukrainian program "Stent for Life!", a global initiative that aims to improve the delivery of guideline complying therapy and patient access to the lifesaving indication of primary percutaneous coronary intervention (p-PCI), thereby reducing mortality and morbidity in patients suffering from an acute myocardial infarction (AMI).

In addition to this, Ukraine AstraZeneca has started several initiatives to improve quality of treatment and diagnostics of patients. For example, the "All the Best is meant for children" initiative was designed to improve treatment of patients with Bronchial Asthma and Croup disease; and the gene BRCA diagnostics program aims to ensure women with ovarian cancer receive testing

free of charge, while allowing doctors to obtain important indicators for the prognosis of patients, as well as treatment strategies.

Finally, AstraZeneca Ukraine is conducting a significant number of R&D programs in Ukraine, which help Ukrainian patients to access the most innovative, ground-breaking drugs being developed by our company.

I believe each of these initiatives exemplify our commitment to putting patients first and is what truly differentiates AstraZeneca from other companies. We consider ourselves pioneers in Ukraine, bringing new, innovative methodology and the world's most advanced scientific expertise to the country. Moreover, these activities are extremely motivating for our employees and help fulfil our priority of ensuring AstraZeneca is considered a 'Great Place to Work'.

You have been the Country Director for two years now, how do you envision the future for Ukrainian healthcare and AstraZeneca?

Forecasting for the entirety of the healthcare industry, I predict the continuation of positive changes and a shift towards evidence-based medicines and practices. In the interim, I expect the Ukrainian pharmaceutical market to continue its recovery, both in terms of value and volume of drugs. All of this will be maintained by reforms, namely the maturing procurement process and the recently designed National Essential Medicine list.

2016 was a great year for AstraZeneca Ukraine as Eurasia countries were awarded with the "International Growth Award 2016 Runner Up Best Emerging Market". Currently we sit inside the top 10 of original pharmaceutical companies operating in Ukraine, with the future objective to reach the top five and to continue, year upon year, being the fastest growing multinational company in the country. This will be possible thanks to our projected launches of new products over the coming years, although this will be restrained for our most sophisticated drugs due to the current absence of dedicated purchasing schemes – unless our country's health system demonstrates progress in this area within the next few years.

Our desire is that the medical community recognizes our patient-oriented commitment, where we put patients first in all our endeavours, as well as our commitment to achieving scientific leadership through medical educational activities and programs.

In summary, the Ukrainian market recovery is great sign for potential investors as the reforms have already reached a point of no return and are striding forward.

As a company, we must keep in mind that the improvement of people’s lives through the creation of new innovative drugs should always surpass our commercial objectives. AstraZeneca now has a chance to inspire Ukraine, and the world, by demonstrating social responsibility and pursue a true patient-centric approach, as illustrated by our local company’s motto: “We are in Ukraine, for Ukraine!”

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