Interview: Jawed Zia – Country President, Novartis India

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Think global, act local! This is the Novartis business approach in India. A great believer in stakeholder collaboration, Jawed Zia, country president of Novartis India, explains how co-marketing deals with big names like Cipla and Lupin allow patients in every corner of the country to benefit from the company's breakthrough products, standing out as a global healthcare innovator.

Novartis underwent a major restructuring in 2016, splitting its pharmaceutical division into two business units, one focused on oncology and the other on the remaining therapeutic areas. How does this translate in the Indian context?

At Novartis, we tend to mirror the global priorities and implement them in the local affiliates. Here in India, we have the very same structure. However, it is worth noting that while Novartis thinks global, it also gives you the freedom to identify the needs in a given market and implement business plans to meet those needs. Our motto is 'Think Global, Act Local'.

Novartis India is on the cusp of a great opportunity. India, in terms of demographics, is the youngest nation in the world. The median age today is under 27 years. At the same time, it has a large aging population which together with a growing middle class will eventually lead to a rise in demand for healthcare.

Last year Novartis launched 16 new products and the US FDA designated five of them as breakthrough drugs. In terms of product launches, are there any drugs from the Novartis portfolio that you are excited to welcome in the Indian market?

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We are committed to launching all new innovative molecules coming out of the Novartis pipeline. To name a few innovative products that we launched in India, we have Ultibro® for COPD, Cosentyx® for psoriasis, Entresto® for Chronic Heart Failure and will soon be launching Kisqali® in the Oncology portfolio. Galvus® used in the treatment of diabetes has been in the market for quite some time now and continues to do well.

How do you communicate the value of Novartis innovation to central as well as different state governments across the country?

India is a self-pay market so in a way it is vital to communicate the value of the products that you bring here to different stakeholders. We have been using social media to convey our value proposition. While engaging with government stakeholders we emphasize our commitment to changing the treatment paradigm and focus on how the drug will not only improve the quality of life but how it will also improve the standard of care.

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To give you an example, Entresto®, is able to improve quality of life in reduced ejection fraction heart failure patients, reducing number of hospitalizations by 21%, which in turn reduces the total cost of heart failure treatment. It also reduces mortality rates by 20%. Communicating these benefits in the right way means the drug is welcomed by stakeholders. The same narrative applies to Cosentyx®, our psoriasis drug, which plays an important role in regulating the body's immune response in psoriasis giving clear skin that lasts long. It also provides improved mobility to patients with psoriatic arthritis and ankylosing spondylitis.

Furthermore, the launch of a new product is not about launching the pill or the injection per se; we go beyond that to include initiatives that improve access and compliance. Our endeavor is to ensure that patients complete the entire treatment cycle and do not stop treatment mid-way once they start to feel better.

How strong is the local perception of the Novartis brand as a global leader in healthcare, especially in terms of its commitment to bringing science-based innovation to the country?

India is facing a dual burden of disease. The burden from communicable, maternal, neonatal and nutritional (CMMND) diseases has declined, but still remains high. According to a recent study published in the *Lancet*, in India, deaths from CMMND diseases – largely preventable and mostly

due to poor sanitation and public health – decreased from 53.6 percent in 1990 to 27.5 percent in 2016. At the same time, deaths from NCDs such as heart disease, stroke, and diabetes accounted for 61.8 percent in 2016 vs. 37.9 percent in 1990.

NCDs not only affect health, but also productivity and economic growth. The increase in NCDs is likely to add economic stress on both private households and healthcare delivery systems in India. Today, NCDs account for about 40 percent of all hospital stays and roughly 35 percent of all recorded outpatient visits. There are variations between states in India. Poorer states tend to be more burdened by communicable, maternal, neonatal, nutritional diseases while more developed states have a higher burden of NCDs.

Novartis in India is synonymous with innovation. We have launched all new products that have been marketed globally here in India. India plays a major role in global clinical trials through its operations in Hyderabad. Inclusion of Indian patients in these trials allows us to speed up local registration process for launch of new drugs in the Indian market – on average between nine and twelve months after the US or EU launch.

Given India's size, reaching our drugs to the large number of patients in the country is a challenge. To address this challenge, we have partnered with large local companies like Cipla and Lupin in the areas of cardiovascular diseases and diabetes, for products like Entresto® and Galvus®. With their large footprint in the country they are able to reach a wider range of both doctors and patients helping drive access.

Novartis is active in rural areas in India and the company set up 'Arogya Parivar', a social business initiative that brings affordable medicines and health education to villages in the rural parts of the country. Can you talk us through Arogya Parivar?

In a country like India where the vast majority of people live in rural areas and where millions live on less than USD 2 a day, a great share of the responsibility to provide them with healthcare lies with the government. Unfortunately health infrastructure continues to be a challenge. Affordability and access are two very different things but unfortunately the two are often confused and used interchangeably.

Novartis launched 'Arogya Parivar' (Healthy Families), its first social business model, in 2007. The program is organized into cells that currently total 239. Each cell – covering 35-40 km – includes 60 to 75 villages and small towns with around 200,000 inhabitants. Today, the program operates across 11 Indian states, covering some 14,000 villages and small towns that are home to more than 32 million people. Arogya Parivar broke even in less than three years and has been

sustainable ever since, meeting both its commercial and social targets. It is expected to reach 44 million people through health education meetings and health camps by 2022.

Economists such as Michael Porter see Arogya Parivar as a prime example of a business model that creates “economic value in a way that also creates value for society by addressing its needs and challenges.” In 2016, 7.4 million villagers attended more than 135,000 health education meetings. In addition, more than 350,000 people participated in nearly 7,000 health camps, of whom 180,000 went to a physician afterwards. Sales supervisors serve as the initiative’s local sales force, interacting with distributors, pharmacists and local doctors to ensure medicines are available in rural communities. The revenues generated through the sale of Arogya Parivar products fund the program’s social arm (i.e., the health education activities).

Started in India, Arogya Parivar or Healthy Families has been successfully replicated in Vietnam and Kenya.

You have spent the last 30 years of your career in Novartis, what has been your greatest achievement so far?

My biggest satisfaction comes from implementing new business models – for instance when I was the Division Manager at Ciba-Geigy in Turkey we were the first company to set up a consumer health business. When I worked in Alcon, setting up a dedicated team in collaboration with a leading ophthalmic hospital, to educate surgeons about new ways of conducting cataract surgery gave an immense sense of fulfilment. In ten years’ time Alcon was able to change the way cataract surgery was done in many parts of the country. Imagine the difference that it has made for the patients and the skills that the doctors acquired as a result. All in all, I have always liked to be on the ground running a country affiliate or managing a region, rather than being in head-quarters.

India is today one of the fastest high-growth emerging markets in the world and Novartis is doing a tremendous job in ameliorating the Indian healthcare ecosystem. What would you like to say to your 150.000 colleagues around the world who will be reading this interview?

The Government increasingly understands that bolstering investments in healthcare is one of the key platforms on which elections can be won or lost. We at Novartis with our focus on bringing new medicines for unmet medical needs are well positioned to meet the growing demands for healthcare in India.

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