

Q2 · 2021

LATIN AMERICA

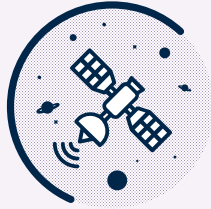
# Mission Health

Placing Latin America on  
the Corporate Map



**EXECUTIVE FORECAST**

Executive Interviews · Industry Intelligence · Insightful Conclusions



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America & Canada



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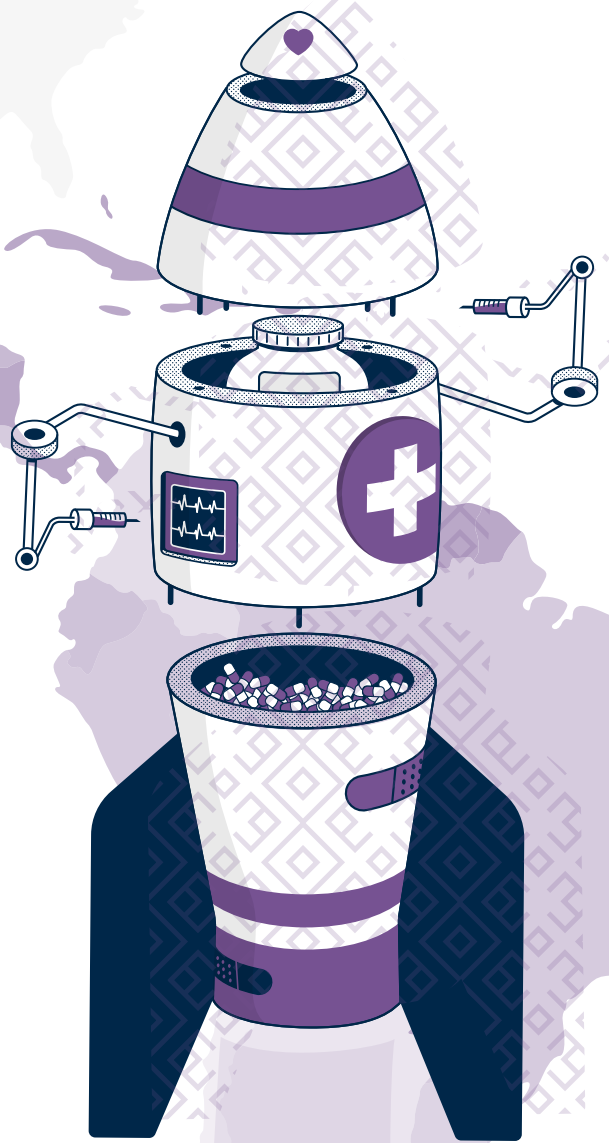


# AMÉRICA LATINA MISSION HEALTH 2021

## PLACING LATIN AMERICA ON THE CORPORATE MAP

“The year global health went local” is the title of the annual letter of the Bill & Melinda Gates, where they detail donations of more than \$1 billion to help combat the pandemic, especially in developing countries.

“When it comes to investing, business as usual won’t cut it,” says Makhtar Diop, the IFC’s newly appointed Managing Director. Diop took the reins this March with an ambitious agenda of “bringing back investment flows in emerging countries”—welcome news for Latin America, where IFC’s investments totaled a record \$7.1 billion in 2020, including \$4 billion mobilized from private investors, expected to foster sustainable growth across a region so often overlooked and underserved. *With health systems at the backbone of a post-COVID recovery, there will be unprecedented opportunity to leverage digital technology to overcome economic instability, spur new product launches, and ramp up capacity*—with an average of two doctors per 1,000 population, well below the OECD average of 3.5, only Argentina and Uruguay have more. “Impact investing is here to stay,” says Diop. “Despite COVID-19, 72% of investors reported they planned to maintain or increase capital. Let’s keep raising expectations.”



### Latin America in numbers *Courtesy of the PAHO*

<b>640,463,000</b> Total Population	<b>31</b> Median age	<b>25%</b> Population aged <15 years
<b>9%</b> Population aged ≥65 years	<b>0.9%</b> Annual population growth	<b>US\$16,022</b> Gross income per capita
<b>1.4%</b> Annual GDP growth	<b>US\$1,026</b> Total expenditure on health per capita	<b>US\$3,994</b> OECD average



## LESSONS LEARNED, LESSONS TAUGHT

LATIN AMERICA HAS BEEN DOCUMENTING UNPRECEDENTED TIMES SINCE THE BEGINNING OF THE PANDEMIC. ITS FIRST CASE WASN'T CONFIRMED UNTIL NEARLY MARCH 2020, BUT THE DISEASE HAS BEEN PERSISTENT AND DEADLY.

Just one year later, the official death toll passed a tragic landmark of half a million, a figure widely believed to be understated due to a lack of testing. In Brazil, Jair Bolsonaro has appointed four new health ministers since the outbreak began. Last November, Peru changed presidents three times—in a single week. But if it's a time of transition, it's also a time for reflection. *If you're not winning, you're learning, and there have been many lessons learned by healthcare leaders who have been steadfast in their commitments.*



**Rafael Andrés Díaz-Granados**, the Executive Director of FIFARMA, the Latin American Federation of the Pharmaceutical Industry, which represents innovative biopharmaceutical companies across the region, hopes that healthcare systems emerge from the pandemic with greater wisdom. *“Ensuring that the actions, messages, and objectives of pharma companies and representative national and regional associations are aligned with patient needs,” he says, “will help create better access policies in the region and develop more sustainable health systems in all of our countries.”*



Bill Gates projects a best-case scenario that vaccines will control the virus in Latin America six months after the United States. *“Typically in global health, it takes a decade between when a vaccine comes into the rich world and when it gets to the poor countries,”* Gates says.



“Latin America has the capacity to recover quickly; it copes with the ups and downs,” says **Florencia Davel**, LatAm GM of Bristol Myers Squibb. She cites Argentina as a perfect example, where the pandemic is compounded by inflation that has decreased lately but still stands at around 4%—per month. *“Dealing with all the factors we are facing in our region is complex,” she notes, “but there are some approaches we can articulate in sales with the right price and strategy in place to mitigate inflation.” And despite all its difficulties, “Argentina is still a major contributor in sales despite devaluation and inflation and it has one of the most important platforms in clinical research as well.”*



Despite all the recent changes, **Sandra Cifuentes** is committed to expanding Astellas's footprint in the region. As the **Area Lead for LatAm**, she was appointed in the context of a global commercial reorganization that saw an important shift in priorities. *“We are moving the Astellas hub in Latin America to Colombia this year,” she says. “This is good news for Colombia and us, as it is a moment of transformation.” Cifuentes hopes that the company's Japanese core, “rooted in discipline and collaboration,” will be a perfect match to a region in need of a fresh approach.*



## FROM COVID-19 TO DIGITAL-19



At a Digital Health roundtable in April 2021, **WHO Director-General Dr. Tedros Adhanom Ghebreyesus** boasted of the Tech4Covid initiative, which saw 40 technology companies working alongside the WHO on a pro bono basis. *“Digital technologies have been used to screen populations, track people who have been infected, and monitor the flow and supply of critical health resources,”* Dr. Ghebreyesus notes, becoming “a vital tool to help strengthen primary health care and prevent the spread of resurgent or new diseases.

*“Reaching patients in emerging markets is not a straightforward exercise,”* says Paolo Carli, Vice-President LatAm for Merck Group. Carli offers a simple reason for the difficulty—incomplete data, or sometimes no data at all—but says that market leaders have a duty to bridge the gap. “We created Merck Academies to guide high-level, data-driven decision-making,” Carli explains, “providing a general framework that elevates the standard of care.”

Such a guide is essential, Carli notes, because priorities may change drastically from place to place. In the case of specialty heart medications, for instance, doctors in one country might be interested in how a drug performs for a niche patient demographic, which means that Merck would need to adapt their emphasis accordingly. “In other countries, we may need to upgrade our message on heart-rate efficacy so we create an additional value proposition for the same case,” Carli explains. The same goes for oncology, where alternative treatments—more specialized and expensive medication—may be substandard when examining data on a clinical trial. “There may be many factors: the government, the doctors, the payers, the education, etc.,” Carli says.

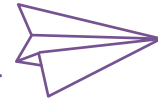
**Piero Novello**, General Manager for Baxter in Mexico, Central, and South America, took the chance to implement digital at home and at work. *“It is forecasted that homecare will grow the same as home-office did,”* Novello says. “Our homes will turn into the center of our personal & professional lives, and home care services will be increased. In my opinion, this will be an advantage for patients, physicians, and the rest of the healthcare system.”



“We have not stopped our launching activities during the lockdown and definitely, our digital transformation will enhance all our initiatives in the future,” says **Florencia Davel**, General Manager for Latin America at BMS. “In 2020, we were able to rapidly shift our activities to virtual platforms and even carried on our first product launch in June. Virtuality offers good opportunities to measure content and reach many more physicians at one time to communicate a message. We are planning to launch six more products over the next two years,” she adds, and points to the success of a recent major integration to combine and expand the portfolio in oncology and hematology, and strengthen the pipeline to maintain the company's pioneering status across virology, immunology, and a focus on immuno-oncology, with new resources devoted to cellular therapy research.



*“We have just launched a big program in Colombia on cardiovascular health,”* says **Robert Karsunky**, Head Latin America & Canada for Novartis. “We're taking on different segments of the Colombian population and with the collaboration of the industry—Novartis, public healthcare, and other players—extending lives and making people more productive. Ten years ago I would have just said we were launching a new product, but today we are thinking about a product and we don't even have yet to be part of an ecosystem! It's just about improving the health outcome of the population.”



# NO LIMIT BUT THE SKY



*“There are almost no limits to what can be done to contribute to the region,”* says **Rolf Hoenger, Area Head LatAm for Roche**, when asked about the biggest lessons on managing such a large region. “There are partnerships with governments or institutions where it is harder to make a significant impact,” he says because the power is solely in their hands, “but the more open and the clearer we are in offering collaboration, even in the short term, the lesson learned is that with the correct focus there is no limit to what can be done. That is the beauty of my job.”

Speaking to her recent appointment as the **LatAm GM for Bristol Myers Squibb, Florencia Davel** takes her responsibilities to her company seriously, with great ambitions for the affiliate. *“One of my main objectives was to put Latin America on the map. There is talent in the region,”* she adds, and although one point of improvement is greater diversity in gender, backgrounds, and cultures, there is a richness of well-educated people with the skills for difficult environments. *“We are experts in managing volatility, liquidity, and all the complexity of the market and this is a key differentiator,”* along with the native advantage of *“a highly representative population for international clinical trials.”*



**Robert Karsunky** agrees. *“I have always felt from a global perspective the region has been somewhat underrepresented in its contribution to sales, to clinical research and talent,”* says Karsunky, who takes “managing remotely” to the next level for Swiss pharmaceutical giant Novartis, as the **Head of**

**Latin America & Canada**. As former CFO of the company’s Global Pharma business, he was already used to managing risk, volatility,

and uncertainty when he took on his current role six months before the pandemic. His goal now is to accelerate these contributions on a regional level. “We are working on our access strategy to reach the big pool of patients that have healthcare through public funds. This way, we are expanding and looking at the entire population.”

*“The Latin America region is gaining more and more relevance in Bayer’s global strategies,”* says **Adib Jacob, Regional Head LatAm & General Manager Brazil**. “We have been, for some time now, driving growth within the business,” he says, boasting a 6.9% annual growth rate. “Results like that are what motivated the changes made in our structure. In order to regenerate and revitalize the region, we had to restructure the organization to ensure business continuity and prioritize delivery to our customer base, and to ensure patient’s access to healthcare.”

*“There is no one possible strategy for all Latin America,”* says **Paolo Carli, Vice-President LatAm, Merck Group**. *“The language could be the same or similar, and the culture can be similar, but the markets are very different! Specialty products in Argentina, for instance, are endorsed by the government, whereas Mexico has very low access—and it’s the same for fertility treatments.”* Carli stresses that access to medications is a constraint throughout the region, but that there’s a place for Merck as a specialty innovator while at the same time serving all patients with its traditional portfolio. “There are of course global strategies, but local adaptation must be cultivated, capturing the peculiarities of each market,” Carli concludes.

# Extraordinary

medicine requires extraordinary science.

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# ACCESS, THE TRUEST REFERENCE

*If a one-size-fits-all approach has ever worked in Latin America, the game is changing. Good business means delivering access to all patients, which requires a nimble responsiveness to challenges as diverse as political instability and runaway inflation. Executives must answer the question: how are you putting creativity and innovation to work?*



**Rolf Hoenger, Area Head LatAm, Roche:** *“My definition of access is working within the existing system to generate better results.* But the real changes come through correct policies, where we work on how to change health and the way we operate health. Instead of expanding coverage from 20% to 30%, we should discuss the other 70%! This is the most useful discussion and a long-term horizon.” One of Roche’s initiatives in Latin America to increase access, Movimiento Salud 2030, is an innovative collaborative platform that brings together stakeholders with different backgrounds and areas of expertise and young leaders to find solutions to the pressing health problems of the future. It is about looking beyond ‘access’ issues toward what we call ‘systemic’ issues.”



**Robert Karsunky, Head Latin America & Canada, Novartis:** *“Access can have many different connotations, whether financial (reimbursement) or physical access in rural areas. We are no longer selling products but outcomes—improving the outcomes of a large part of the population across the entire pyramid. What matters is finding the addressable part of the population in need of medicines and attention.”*



**Florencia Davel, General Manager for Latin America, Bristol Myers Squibb:** *“Access for me is to have the right medicine for the right patient at the right time.* We work in different pillars to achieve this goal, with medical education as the backbone of our strategy. It is imperative to work with governments, NGOs, and medical communities to ensure we provide the right level of access to more patients in a sustainable healthcare system.”



**Adib Jacob, Regional Head for LatAm & General Manager Brazil, Bayer:** *“I am a very pragmatic person, and from my point of view the freedom for any doctor to prescribe the right drug for the right patient is access.* My ultimate goal is for prescriptions to be accurate and it’s important to have the freedom to prescribe the correct medication, without problems of affordability, waiting times, or legal issues, and all done by the right doctor.”

## LATAM 101: ADVICE ON MANAGING LATAM

### Agile and data-driven

*“I see a more traditional and hierarchical management style that seems to be part of the Latin-American culture. I prefer a fresher, more millennial kind of leadership because we are a very young region compared to Europe. I want us to be quick and dynamic in our decisions, data-driven and efficient, agile, and to the point. I definitely think that the agility we have gained will be a key success factor moving forward.”* - Paolo Carli, Merck Group

### Adaptability and collaboration

*“We must listen to our clients, the physicians, and the institutions, understand what our patients need, and adapt, a difficult task as we have our own needs but we must listen to add value to the discussion. The spirit of collaboration is fundamental, we look to co-create something with the clients that solves the issue helps all sides, but above all the patient.”* -Rolf Hoenger, Roche

#### Latin America Pharmaceutical Market (Retail + Non-Retail\*) – MAT Dec 2020

	Retail		Non-Retail		
	USD Bi	MAT Dec 2019	MAT Dec 2020	MAT Dec 2019	MAT Dec 2020
<b>BRA</b>	19.5	11.9%	11.3%	5.1%	6.9%
<b>MEX</b>	9.5	8.3%	11.8%	6.3%	2.4%
<b>COL</b>	4.3	9.7%	5.5%	3.9%	-12.4%
<b>ARG</b>	4.2	69.4%	48.4%	-5.5%	1.3%
<b>CA+DR</b>	2.9	6.1%	3.4%	4.8%	2.9%
<b>CHI</b>	1.7	3.3%	4.2%	3.8%	4.4%
<b>ECU</b>	1.7	-2.5%	8.1%	-2.3%	6.1%
<b>PER</b>	1	-3.0%	9.4%	-2.2%	9.3%
<b>URU</b>	0.3	10.2%	10.5%	3.2%	-3.3%
<b>TOT</b>	45	11.8%	12.5%	3.9%	3.6%

Source: IQVIA MIDAS Dec 2020. IQVIA SISMED Q3 2020 \* Non Retail only for Brazil, Colombia, Ecuador and Mexico.

Notes: Colombia non-retail sales are MAT Sept. Values in constant USD/exchange rates. ARG 79.94; BRA 5.39; CA 1.00. CHI 759.54; DR 58.24; COL 3.649.61; ECU 1.00; MEX 20.54; PER 3.60; UR 42.61

MAT: Moving Annual Total, describes the evolution of the pharmaceutical market including the previous 12 months of the indicated month.



# Poniendo las vidas primero, hemos creado un legado que perdura



Por más de 130 años hemos abordado algunos de los mayores desafíos sanitarios del mundo, brindando esperanza en la lucha contra las enfermedades humanas y animales. Hoy continuamos nuestro compromiso de ser una de las principales compañías bio-farmacéuticas de investigación intensiva, en busca de avances médicos que beneficien a los pacientes y a la sociedad hoy, mañana y a las generaciones venideras.



# SATELLITE QUESTIONS

**Knowledge and experiences should be shared, in order to grow as a society. To this end, the following interviews aim to illustrate the industry perspective and refreshing ideas that hopefully will inspire business leaders to make better decisions. To preserve the interviewee's intention, interviews are shared in the language they were made:**



## **Robert Karsunky, Region Head of Novartis Pharmaceuticals, Latin America & Canada**

**EF: What was your mission when appointed and has it been adapted to the pandemic? What have you managed to accomplish last year?**

RK: I was the CFO of the Global Pharma Business of Novartis, well used to managing risk, volatility, and uncertainty when I came to join this great region (Latin America and Canada) about 6 months before the pandemic. Originally, my focus was on how to do business with a very large population and I have always felt, from a global perspective, the region has been somewhat underrepresented in its contribution to sales, clinical research, and talent and I came to the region with a purpose of accelerating these contributions from a regional perspective. Then the pandemic hit and I had to build on my experiences as a global CFO to manage. My emphasis is on providing a strong purpose for the company to keep the organization engaged, motivated, and inspired in time of crisis, for our people could feel comfortable while having the courage to look for opportunities and solutions on how to address the health problem. The purpose was a big point, as was a clear strategy to move forward and past the pandemic, to adapt as fast and easily as possible to this change affecting thousands of people in a very volatile market with a lot of economic challenges. We are working on our access strategy to reach the big pool of patients that have healthcare through public funds, this has not been the strategy in the past where the focus was on what I call the smaller parts of the income and the population pyramid but we are trying to expand and are looking at the entire population. In Mexico, we have launched our Entresto heart failure medicine, a company blockbuster worldwide that now has access through INSABI (ex-Seguro Popular) covering a huge population. We are working collaboratively on education programs and monitoring programs for cardiovascular patients to make this product more easily available and so achieving better outcomes for a bigger part of the population. We are becoming less product-centric and more outcome-focused, more customer and population-focused. Put simply, we are no longer selling products but outcomes, improving the outcomes of a large part of the population—an important strategy for Latin America for obvious economic reasons- as well as improving

the distribution within the markets while working to participate more within the public healthcare system, which in Mexico we have done with some success and we will be further pursuing this strategy.

**EF: Novartis has an access program developing 15 molecules which I understand offers tools to engage with the public system in a very different way due to the benefits it is bringing.**

RK: Digitization is the backbone of business continuity and is the tool connected to the Novartis access program which is particularly focused on low-income patients parts of the population. If we take a step away to visualize the pyramid, we can see that this program might work best on neglected parts of the population, on neglected diseases like Chagas or Zika or Lepra, which we are looking to support with global programs, and on neglected countries that are not even close to an adequate level of healthcare and medicine, like Paraguay, Bolivia, Haiti and among others. We are working with the ministers of health of Bolivia and Paraguay on an access program, not just for select products, but to bring them an entire portfolio.

**EF: Healthcare (and productivity) has been top of the 2020 agenda, so how could we use the healthcare momentum moving forward? Could health be necessarily included in budgets as a result of the pandemic?**

RK: That is exactly the lesson society is learning from the health crisis and as a result, we are talking with Ministers of Health, of Finance, and even of Innovation in some countries to think of the long term future and how to change the way medicines are offered to the different segments of the population and how to improve health outcomes. This will address productivity and economic success because health is the foundation of the economic success of a company and a country. We have just launched a big program in Colombia on cardiovascular health, taking different segments of the Colombian population and with the collaboration of the industry—Novartis, public healthcare, and other players- address the needs of the cardiovascular patients to extend their lives and make them productive thus contributing the Colombian population. Ten years ago I would have just said we were launching a new product but today, we are thinking about a product we don't even have yet to be part of an ecosystem that will help to improve the health outcome of the population. These are subjects of priority for all Ministers of Health and health companies must understand their motivations. We already know that they can't increase costs, but the main concern is to find the way to improve the health of the population through collaboration, using better tools, monitoring, diagnostics, implementation science, etc., to create an ecosystem that helps us offer better health to the population at large. That is the key to the future.

**EF: There is a lot of new blood in management roles, what do you think will be the new skill set needed moving forward for general managers?**

RK: I wouldn't say there is a shift yet but it is becoming more complex. Sales marketing skills will of course always be wanted in any business but in the future, the ability to collaborate across the company will be more important, almost like an account manager who will leverage the medical information, digital info and data, the product, and the human capital. I believe that what worked in the past will not work in the future, it will be more of a product-in to a product-out to the client perspective and this model is unlike the one in the past where the physician took decisions. It will be a much more holistic healthcare system covering the physician or practitioner and patients and it will be about managing the ecosystem and the Manager will need to bring all these skills to manage generally. It will be exciting and different.

**EF: Anything you would like to add?**

RK: I am quite optimistic about the region's future. It has a lot of potentials, great people, and dynamic economies that look to become more stable and which I think will do well as players in the health system. Incidentally, the typically existing volatility in Latin America creates enormous talent in the workplace and for the business and it should be used locally.



### Florencia Davel, General Manager of Bristol Myers Squibb, LatAm

**EF: What advice have you offered your managers to get through the pandemic?**

FD: The new normality has come to stay and it has impacted all aspects of work and life, particularly the way we communicate. Specific to Bristol Myers Squibb, there have been significant changes in the way we plan and execute our jobs. Most importantly, we have proved we can work remotely as we have set the environment to communicate with the different teams at a cross country level and be more inclusive and collaborative in communicating the right message in the right timelines. In terms of communication, the key advice would be to optimize the tools without overusing them, we must be efficient and differentiate ourselves. Many companies are using the same tools to offer webinars, medical platforms, and carry on scientific meetings so it is difficult to be different and unique and it is important to plan strategically for the future that is coming. How we will get to 2030 will depend on the decisions and strategies we implement today especially in terms of communication.

**EF: With everybody using the same tools to connect with customers and stakeholders, how do you stand out and try and differentiate yourselves?**

FD: Consultants have already analyzed what will be the behavioural decisions in the future and 40% of them agree that in the future, virtual will be adopted to treat patients and to do trials. But first, we must understand our customers: find out what is working for them to ensure the success of the tools we are offering. In 2020, we were able to rapidly shift our activities to virtual platforms and even carried on our first product launch in June. Virtuality offers good opportunities to measure content and reach many more physicians at one time to communicate a message. I think the segmentation of activities and the segmentation of decisions will be key. We are planning to launch six more products over the next two years -we have not stopped our launching activities during the lockdown and definitely, our digital transformation will enhance all our initiatives in the future. We are listening to our customers and their needs and measuring the success of our work to be able to make informed decisions to be more effective. The information for our decision-making comes from the support we provide patients.

Considering the impact of the pandemic on patients, and the decrease of visits to the physicians, we decided to provide further support to patients enrolled in our programs.

**EF: Do you think Latin America can be overlooked as a region and how do you see the growth of the region?**

FD: One of my main objectives, when I assumed the responsibility

of being LatAm GM, was to put Latin America on the map. There is talent in the region, well-educated and prepared people, we have a strong platform and a highly representative population for international clinical trials. We need more diversity not only in gender but in companies, backgrounds, and cultures. We have the talent to work in a difficult environment, we are experts in managing very complex environments, volatility, liquidity, and all the complexity of the market and this is a key differentiator. Despite the difficulties, I think there is a great opportunity because Latin America has the capacity to recover quickly; it copes with the ups and downs and Argentina is a perfect example of this. With all it is going through, Argentina is still a major contributor (with Mexico) in sales despite devaluation and inflation and it has one of the most important platforms in clinical research as well.

**EF: You have been 20 years with BMS this year, how did you celebrate this important anniversary and in such a standout year for health, what would you like your 2020 tenure to be remembered for?**

FD: My 20th anniversary was in May in the middle of the lockdown, and I did receive a lovely surprise from my team with a virtual meeting with different pictures of my career and my personal life. I also had the very satisfying recognition of my family, my husband, and my children, which was the most powerful recognition of all. I celebrated the recognition of my team and family because, without them, I would not be where I am. As far as this year is concerned, I would like it to be remembered as a "complete turnaround" year in the history of humanity. Realistically, I think it will be a year of significant change and on a personal level, it has been a very impactful year because I have been able to spend more time than ever before with my family. It will be a year of human connectivity, even if we spent a lot of time seeing people through a screen, it is a year we valued human connectivity and it will be remembered as a year of health because health has been in the spotlight as has the value of health. The pharma industry of which I have always been proud of has had recognition; humanity depends on us to give them a vaccine and it is a great opportunity for the health industry to reflect on the value we provide to society, why we do what we do and on the value of innovation. Finally, I would like to mention an article I read on the transformation of leadership, a new kind of leader is emerging from this crisis, an empathetic and authentic leader. A leader can lead from the head or from the heart and this year is the year of leading from the heart. Personally, I like this new leadership which will redefine the way we work and specifically the way we lead.



### Adib Jacob, Region Head LatAm and General Manager of Bayer, Brazil

**EF: As the Head of Bayer LATAM, and GM of Brazil, how do you structure your priorities?**

AJ: Brazil is half the business of the region and because it has a very important role in the Latin American pharmaceutical market, we decided to regenerate and revitalize the region. To this end, we had to restructure the organization in order to ensure business continuity and prioritize delivery to our customer base and to ensure the patient's access to healthcare. After 9 months, we have achieved

trust in the different countries, accountability, pitched bigger battles while managing remotely, and delegating responsibilities to my team. We have created a new concept of communities for products of therapeutic areas and franchises, our team grew toward these communities. After receiving feedback, we found everybody was extremely happy with the new set-up. As region Head, I am constantly in communication with my team and I ensure to provide a space where we share best practices and create collaboration.

**EF: You mentioned communities and an organized move by therapeutic areas, what does this look like from an operational model in terms of changing KPIs or measuring performance when making the transition?**

AJ: I work with each country leader and provide them with guidance on setting the priorities right. We are a well-established brand and this puts us in a good position, yet we have the responsibility of delivering results to both headquarters and society. Part of this new set-up is having the right people in the key positions in order to prevent micro-management and focus on the right job. My different heads are very strong as is all my leadership team, they are all top-notch people with a clear set of priorities for each country or region and we have an excellent communication process, which makes a positive difference in management.

**EF: When in communication with other country managers, what are the key takeaways, what do you bring to the table to keep it fresh every time you talk to them, and what are your priorities?**

AJ: Our communication is strongly related to the culture of the region which we all manage together, even if I have the final word. For instance, in certain cases, I empower my manager to deal with a situation on my behalf. We have very recently implemented a set of cultural beliefs to drive the region to a place we want over the next five years and it is a big topic in my weekly conversations as a lot of our energy is invested in our cultural beliefs. Growth also features in our talks, we are set to drive sustainable double-digit growth in Latam and we explore new opportunities and ideas of launching them, which is a big priority in our agenda.

**EF: What would you like your 2020 tenure to be remembered for?**

AJ: That despite the crisis, we strived in terms of growth. The whole region is growing in high single digits but I would like to reach double digits because we have a lot of disbursements especially in the case of Brazil. Ten years down the road I want people to look at the numbers and believe there was no Covid in Brazil due to our success. I always tell my people, "if the pie gets smaller, I want a bigger share of that pie" and I repeat it again and again. I want a big market share and we are driving market-share growth across the company in key brands, we are taking chances, being bolder and sharper as an institution, and reacting faster than others.



**Paolo Carli, Senior Vice President  
& Head of Merck, LATAM**

**EF: While many people are playing it safe during the pandemic, you assumed your current role just as COVID-19 hit its inflection point in March of this year. What motivated you to make this bold move at this particular juncture?**

PC: To be honest, it was more of a talent-management issue. Refreshing the corporate management across each group is a regular process. In fact, the decision was made pre-COVID-19 and for a period of three months, I was managing two regions at once. There was a lot of fun but not a lot of sleep.

**EF: How do you differentiate strategies to improve access in a region that is so big and diverse and has so many moving pieces?**

PC: The language could be the same or similar, and the culture can be similar, but the markets are very different. There is no one possible strategy for all Latin America. Compare Argentina and Mexico. Speciality products in Argentina, for instance, are endorsed by the government, whereas Mexico has very low access. Similarly in Argentina, when a couple is not fertile, they can go to the healthcare system for help to have a baby and that service is fully reimbursable, while in Mexico, a couple must pay out of pocket which is a significant strain on the family economics depending on their social background. We must adapt to each and every market, capturing the peculiarities of each. There are of course global strategies-but local adaptation must be cultivated.

Access to medication for the majority of the population in Latin America is clearly a constraint. We reinforce MERCK as a global speciality innovator in Latin America while continuing to serve all patients with our traditional portfolio. Our dual mission will be a strategic point moving forwards in Latin America with the traditional non-communicable disease portfolio and the pace of speciality innovators.

**EF: Governments are preparing their fiscal budgets after a very complex year health-wise; what advice would you give as they look forward to 2021?**

PC: We are all wondering if there will be another lockdown next year, something key to the 2021 budget. If the second wave is big, we are all in agreement that it will have a significant impact on the economies of all countries. Latin American currencies are seriously devalued and this potentially creates pressure on imports but allows a huge opportunity for exports, with countries like Mexico and Brazil which are export-orientated, will be strong and focused. From a healthcare point of view, it is clear that health needs to be a priority in the budgets. Patients are not getting their treatments because they are not going to the doctor or hospitals or clinics, or even to have simple diagnoses, and this could be a matter of concern because we all know the cost of the lack of prevention- impacting the long term with higher costs for all the preventable diseases. Most governments in Latin America appreciate the effort and the complexity of bringing innovative medicines to the market.

**EF: What would you like your 2020 tenure to be remembered for, considering that there are still 3 months left?**

PC: I would like my tenure to be remembered for navigating the Covid crisis, bringing the company from conventional face-to-face communication to remote interactions, and a complete shift in how to manage people. We have become an organization based on and driven by outcomes, regardless of employee schedules. In some cultures, this change is revolutionary. Finally, despite the crisis, Merck has been very resilient and after the last four months, I would like to reset the strategy for Latin America, striking a balance between the old way and the new way, although I believe our customers will decide for us. I assume that we will not go back nor stay in this present level of lockdown. I want to be remembered for a new way of managing people, a new way of working which will be outcome-driven, agile and focused on access and to be a global speciality innovator for Latin America.



## Rolf Hoenger, Area Head of Roche, LATAM

**EF: You have been Roche's regional Latin-American leader for nearly 2 years now, what was your given mission when appointed?**

RH: My mission was to make our products and drugs accessible to the largest number of patients in Latin America and my biggest interest was to bring innovation to Latin America for the highest possible number of patients.

Latin America is a region with a lot of ups and downs but it has enormous potential. Many patients are not covered, which means that if we do our job right, we will ensure access to our innovations for more patients, which will also mean growth opportunities for the company, even in the middle of the crisis. The region has its challenges but with a portfolio like ours, based on a lot of innovation, will mean a process of continual growth as we bring more value to the table. Working in a challenging environment is also part of what makes my work in the region so valuable and exciting.

**EF: How have you been managing 2020, and your non-communicable portfolio within a communicable disease scenario?**

RH: I never thought back in March that we would be in lockdown for over five months. During the transition, our mission has been twofold: addressing the sanitary emergency and sustainability. At the beginning of the pandemic, we gave our people the mission of doing something unique, of making a difference in the healthcare system and we had a lot of government collaboration in the first impact of the crisis. The next task was dealing with all the usual patients, the ones with chronic diseases that are out there, some who had their treatment interrupted and others who must be diagnosed to be able to receive treatment. When the Covid-19 crisis will have been solved we will have another huge crisis on our hands of patients that have died or had complications for other reasons or even from lack of access to care. So we have worked on empowering our employees from very early on to make a difference even in times of distress and uncertainty because this not only helps people become more resilient at an emotional level but also gives them a sense of purpose. I feel very proud of the willingness and ingenuity of my team to support patients and health systems in this time of great need. In some countries, we have worked with call centres to give answers and dissipate fear, in other countries we have done it through a chat-box or doing blood donations as a result of looking for solutions that would help. We created internally a repository of ideas called the "caring initiative" to share best practices of initiatives that could be replicated worldwide. Here, we have examples covering telehealth, treatments at home, or home infusions all in aid of helping with the world healthcare crisis. This is what leadership means in times of crisis.

**EF: What are the lessons learned?**

RH: An important lesson is that there are almost no limits to what can be done. There are partnerships with governments or institutions where it is harder to make a significant impact as they are the ones that manage the projects but the more open and the clearer we are in offering collaboration, even in the short term, giving assistance getting the healthcare system running is very important and the lesson learned is that with the correct focus there is no limit to what can be done, and that is the beauty of my job. The current context has truly shown me that when everyone works together, we can

achieve great things, important advances that can make a difference for patients, and we have to continue looking for ways to collaborate.

**EF: Do you think we are now at a unique moment where public policy could be changed?**

RH: I think so; as you probably know Peru went into lockdown very early and this was because they have very few emergency units, ventilators, so it is a simple calculation. The lockdown allowed them more time to build up capacity and infrastructure which is a health system issue, something which was never before prioritized. This is a country which has had a wonderful growth of the economy for 20 years but the investment in health in terms of percentages has been much lower than it should have been. Peru is just one example as there are many others. In Chile, people have just recently started demanding a health system at the level of the capital rate the Chilean population has. Public hospitals in Chile are no different from public hospitals in other countries in Latin America; sometimes they are even worse whereas the private sector works much better. Today it would be possible to have a more rational discussion to reduce the inequalities without getting into short term politics. The discussion should be about the future, about 2030 and beyond, and work backwards from there, avoiding discussions with politicians and what they have or haven't done in the last three years because it is not useful. What is useful is to know if there are enough physicians or introducing telehealth as a realistic option.



## Piero Novello, General Manager of Baxter, Mexico, Central & South America

**EF: En 2020 fuiste nombrado Director General para las clínicas de atención renal de América Latina, conservando el liderazgo de BAXTER México, Centroamérica, Puerto Rico y Caribe. Recientemente, tu rol se extendió también a la dirección general de Sudamérica, ¿cuál fue la misión que te fue asignada?**

PN: El objetivo de mi liderazgo es asegurar la continuidad del negocio para avanzar en la misión de Baxter: salvar y mantener vidas. Así ha sido desde la primera experiencia que tuve como director general, en Brasil hace cinco años. Mi temporada en Brasil fue muy valiosa profesionalmente, y después de tres años, me ofrecieron la oportunidad de liderar México, Centroamérica, Puerto Rico y Caribe. Aunque son mercados diferentes, en todos me he enfocado en garantizar la sostenibilidad del negocio a largo plazo en beneficio de los pacientes que requieren nuestros productos, servicios y terapias. Ahora, en Sudamérica, conservaré la misma visión, apalancando los recursos con los que ya contamos y los resultados positivos que se han logrado durante los últimos años. Como una compañía líder en el segmento de salud, tenemos un deber con la sociedad. Me siento afortunado y privilegiado de trabajar en este sector y entiendo la fuerte responsabilidad de ser socios del sistema sanitario en todos los países donde operamos, facilitando el acceso a soluciones innovadoras de alta calidad, como lo hace Baxter. Para lograr todo esto, debemos capitalizar dos elementos fundamentales: los seres humanos y las finanzas. Profesionalmente, recibo energía de las personas con quienes trabajo, dedico mucho tiempo a estar en contacto con mi equipo e interactuando con la gente, ya que el capital humano es clave para la sostenibilidad del negocio. El activo principal de una compañía son las personas que trabajan en ella y

la cultura adecuada, es lo que hace posible que una organización tenga éxito. De la mano va la comunicación porque, aun teniendo las mejores intenciones y la mejor cultura, si no se comunica interna y externamente de la manera correcta, no sirve de nada.

**EF: ¿Con la situación actual y al no poder estar en los pasillos ¿qué consejos podrías compartir para tener un liderazgo efectivo en tiempos de una transición?**

PN: Hay que seguir liderando de manera cercana. El home office no puede ser una excusa para no estar en contacto con nuestros equipos. Incluso, en algunos casos, el trabajo remoto facilita la interacción, gracias a las herramientas virtuales que utilizamos para comunicarnos con el exterior. Por ejemplo: a mí me gusta hacer reuniones presenciales y tener contacto físico con la gente, pero a veces esto se complica debido a las múltiples localidades de la compañía, plantas, puntos de distribución y clínicas renales en América Latina. Ahora, la tecnología nos permite estar en contacto, a pesar de la distancia, con muy buenos resultados. Todas las semanas, realizamos reuniones con distintas localidades y países y llegamos a todos ellos de una forma más eficiente y efectiva. Un buen líder puede y debe aprovechar estas herramientas para estar presente. Ni siquiera una pandemia es suficiente motivo para estar ausentes. Por lo contrario, en una situación retadora, como el COVID-19, debemos estar más cerca de las personas porque es en estos momentos cuando más necesitan escuchar a sus líderes. De hecho, creo que éste es un momento muy interesante que va a cambiar la manera de trabajar. BAXTER comenzó a implementar prácticas de flexibilidad y trabajo remoto desde hace más de diez años; sin embargo, ahora que el cien por ciento de nuestro personal administrativo lleva más de 4 meses en la modalidad home office, queda claro que se puede liderar desde cualquier lugar. No hay ninguna duda de que nuestra forma de vivir el día a día será diferente en adelante y debemos buscar las ventajas en los cambios, por ejemplo, los empleados que viven a 1 hora y media o más tiempo de la oficina, están logrando más calidad de vida trabajando desde sus casas. Debemos aprender a construir nuestra nueva rutina, armando un espacio profesional en nuestra casa para que esté separado de lo personal y respetando horarios. Vendrán cambios en la mentalidad de las personas después de la pandemia y mi naturaleza optimista me indica que, con disciplina, nos adaptaremos cada vez mejor para tener mayores logros.

**EF: ¿Qué estrategia tienen para asegurar la cadena de abastecimiento en toda la región?**

PN: BAXTER se ha asegurado de que sus plantas sean una fuente de suministro de productos tanto a nivel nacional como internacional y, si hay un pico de demanda en un país determinado, estamos capacitados para responder desde una fábrica ubicada en otro punto del mundo. En México, específicamente, contamos con tres plantas de producción, un centro de distribución y quince operaciones de cross-docks. Esto nos permite tener varios niveles de inventario distribuidos a lo largo del país y responder a las necesidades del sector salud nacional de forma consistente. BAXTER México tiene más de

30 años de experiencia en la distribución nacional de productos a una gran cantidad de pacientes que diariamente requieren realizarse diálisis peritoneal (DP). Cada mes, entregamos insumos de DP en los domicilios de más de 40 mil pacientes. Hemos desarrollado una robusta experiencia en este rubro y, en los últimos meses, hemos adaptado nuestros protocolos para lograr la máxima protección de los pacientes y del personal que es responsable de las entregas.

**EF: ¿Desde enero hasta ahora en qué medida has cambiado o adaptado tus decisiones? ¿Es decir tus decisiones han sido tácticas y de corto plazo o estratégicas y de largo plazo y cómo evolucionan?**

PN: Tanto a nivel personal como en mi rol profesional, necesito entender y mirar al largo plazo, tener un plan de tres a cinco años y una estrategia clara. Mi equipo y yo construimos una visión estratégica que, por supuesto, puede tener modificaciones en el camino, pero siempre nos indica el punto de partida, hacia dónde vamos y guía todas nuestras decisiones. En un ejercicio de colaboración, identificamos nuestros objetivos y las prioridades estratégicas. Después, en el día a día, ajustamos nuestra estrategia de acuerdo con las necesidades y dinámicas del momento. En épocas como las que estamos viviendo, lo más importante es no perder el foco de la visión y objetivos de largo plazo, y al mismo tiempo, tener agilidad y flexibilidad para adecuarnos a lo que se puede presentar en el camino. En este sentido, en BAXTER continuamos trabajando con base en nuestros pilares estratégicos, construyendo un negocio sostenible, creando propuestas de valor innovadoras y ofreciendo un ambiente donde las personas puedan desarrollarse. Constantemente, buscamos la mejor manera de generar eficiencias y así estar preparados para actuar con agilidad, siempre en línea con la misión de BAXTER, que es salvar y mantener vidas.

**EF: ¿Dada la nueva realidad a la que nos tendremos que adaptar, como ves al sector en 5 a 10 años?**

PN: La industria del cuidado de la salud tiene un impacto altamente significativo y directo en las vidas humanas. Por ello, es muy importante contar con una infraestructura lo suficientemente sólida para garantizar la sostenibilidad del sector, y al mismo tiempo, tener procesos ágiles que nos permitan adaptarnos y responder oportunamente a las necesidades de los pacientes y la comunidad médica que surgen en el panorama actual de transformación. Conforme el mundo y el sector enfrentan nuevos retos, los líderes debemos innovar y adaptar nuestras estrategias para provocar la mejora continua en nuestros procesos y así, ofrecer soluciones en línea con las necesidades de los pacientes y profesionales de la salud. En lo personal, mi compromiso es continuar el legado que la compañía ha construido durante décadas en el país y en el mundo, dando continuidad al negocio. Mi objetivo es generar valor, no sólo económico, sino también social, en los países que lidero.