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Amrop Interview

October 2012

Life Sciences

Monika Horníková:

Balance is the key

With VP & General Manager
of GlaxoSmithKline on trends
and visions of pharmaceutical
industry as well as her own
views and experience



**Monika Horníková, Vice President & General Manager
of GlaxoSmithKline:**

Balance is the key

She finished Faculty of Pharmacy at the Comenius University. After four years working at National Oncology Institute in Bratislava she moved in 1992 to pharmaceutical industry. Since 1995 she led branch of GlaxoWellcome in Slovakia, and after it merged with SmithKline Beecham in 2001 she became General Manager of newly created GlaxoSmithKline. In 2006 she managed their branches in Latvia and Estonia. Since 2007 she is General Manager of Division Pharmaceuticals at GlaxoSmithKline in the Czech Republic and at the same time she heads the Oncology Division in CEE. Between 2003 and 2007 she was the Chairwoman of the Slovak Association of Research-Based Pharmaceutical Companies (SAFS), and since 2010 she is the Chairwoman of the Board at the Association of Innovative Pharmaceutical Industry (AIFP) in the Czech Republic. She is member of the Supervisory Board at the Czech Healthcare Forum and honorary member of Board of Elpida. With VP & General Manager of GlaxoSmithKline on trends and visions of pharmaceutical industry as well as her own views and experience talked Martin Krekáč, Senior Partner of Amrop and Chairman of Jenewein Group.





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Monika Horníková

Amrop: You are already twenty years a part of the pharmaceutical industry, a sector that is under strict scrutiny of the public and it is not one of the most popular among consumers. What has brought you and what still keeps you there? Don't you mind to a certain degree negative image of the sector where you work?

Monika Horníková: The pharmaceutical industry, especially the innovative one, has its charm in the opportunity to contribute personally to overall progress through bringing people the newest achievements of medical research that provide them with hope to live longer and to have better quality of life that is tangible and not only unattainable wishful thinking. Every one of us who works in the industry, and who feels he/she works honestly and based on ethical values, is not content with its current reputation. If you truly believe that the work has added value, then you try to influence how the industry is viewed through your behavior that is strictly in line with what you declare.

Amrop: How do you see the current stagnation of the sector?

Monika Horníková: The overall stagnation has logical justification today if more perceived through an impact of the economic crisis in Europe. On the other hand there are many countries that are in growing phase of their economy cycle and they are simply growing. As long as global companies like GlaxoSmithKline want to make their products available also in developing countries, then there is nothing that would prevent them from fulfilling their mission in broader global environment, and not only in the wealthiest countries of the world. Doing this they can even balance the decline in the mentioned regions. It is always a matter of their strategic decision. In case of our company the decision has been clear and essential – to fulfill our mission globally. The other factor of stagnation in pharmaceutical sector lies in continuously growing costs of R&D of new molecules and vaccines. These represent, based on TUFS – an institute focused on conducting detail analysis, more than a billion of US dollars and are continuously growing. That creates a pressure on increasing effectiveness of work and especially productivity of R&D. But this is also healthy as nothing should stagnate. Even in this it is necessary to innovate. High productivity needs to be maintained in the whole chain.

Amrop: You have worked in several countries –

Slovakia, Czech Republic, Latvia, Estonia and Czech Republic – what are the similarities and what are the differences of these markets?

Monika Horníková: The markets as such have changed over the past five years I have spent in Czech Republic. With the lapse of time I cannot competently evaluate them; I have a general overview of the Central Europe as I am heading Oncology division in the region. The markets are very different and even access to new therapeutic methods is diverse. In the region there are still countries without transparent approach to creating of healthcare system. Transparency in defining and creating healthcare system is the most important attribute that should be met. Furthermore, there are countries in CEE that move upstream. I will explain: in general you can say that EU countries centralize special care (it is mostly oncology treatments or high-cost care with lower incidence), but you can see that at some places they are going to decentralize it which increases the risk of poorly controlled costs. There are more anomalies like this; however, the market conditions always directly correlate with performance of the economy and readiness of the government to pay for healthcare.

Amrop: Your sector is one of the much regulated sectors. You as representative of associations are active in representing pharmaceutical companies in relations to the public sector. What is important to achieve in this dialogue especially when there is a certain dependency on public finance?

Monika Horníková: I believe it is necessary to achieve certain level of mutual trust and understanding of common goals. Everywhere in Western Europe there is a dialogue between industry and state authorities or regulator and that is the way how to go about this in my opinion. The dependency on public finance lies in fact that the state, or their political representations precisely, decides what it wants and can finance from public sources. These are essential decisions, especially in these times when many governments in Europe deal with high and quickly growing state deficits and state budgets are under high pressure. Citizens even under these circumstances expect that their needs will be fully saturated. The industry must also understand that medical and economic value of innovation must be tenable. And pharma industry must as well look for solutions in broader contexts and beyond its natural environment especially in time when contribution of innovations demonstrates positive impact that goes beyond

costs of healthcare. With the ageing population it is necessary to plan sources differently and definitely across several sectors, at least healthcare and social affairs.

Amrop: In March this year the European Commission introduced proposal for modification of Directive on Transparency with the aim to improve procedural framework for price-setting and drug substitutions to provide patients with access to innovated products. It seems to pose a problem for pharma companies that operate in countries with different levels of economic development. What is your opinion on this?

Monika Horníková: The wording of so-called transparency directive 89/105 on price-setting and payments recommends not only time intervals in which new drugs should be released in terms of setting their price and payments from public sources. It also recommends faster launch for generic drugs to balance this. You are pointing out the dilemma – how to take into account the differences of individual country economies and not dictate them rules that would not reflect the reality of individual country performance, their evolution, taxation, citizen's expectations, etc. You can already hear from political leaders of various countries that they simply do not want to be the first to implement the innovations and they prefer to wait until the products become part of payment systems in bigger and stronger economies. And this creates the vicious circle of excuses leading to Europe where innovation is not valued, something that has not happened yet in the USA where the environment is still favorable for innovations. So the real question now is: how will be the European countries willing to value innovations and consequently support further R&D? Will we see more products that will never make it to European market and will be available only in USA and Japan? That is possible but it would be a real pity. That is why I will return back to the importance of a dialogue and argumentation. The EU countries should really more attract biotechnology research that is now concentrated in USA, Japan or China.

Amrop: At the same time EFPIA released statement for full transparency in lobbying for interests of the association and its members. How is this ambition met in real life?

Monika Horníková: From my point of view transparency in lobbying is the absolute basic precondition for existence and operation of any association or firm. At the same time the same principles of work and communication must be



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applied when dealing with public officials and state representatives. Simply put, everything should happen in such way that it could be openly published without any alteration or censorship. Without transparency it is not possible to have the ambition to become long-lasting and respected partner, but this does not apply only to pharma industry. This one is currently undergoing very significant self-regulation and that is right. Maybe other industries could get inspired by this.

Amrop: Speaking of transparency, how is this process implemented in your company? How do you manage it internally and when you use associations or professional government affairs consulting companies?

Monika Horníková: As any global company we have well established and clearly described principles of interaction with healthcare professionals as well as with public officials. Transparency is the basic value of our business. As I have already mentioned, even if your interest is represented by professional association, we need to always check that the way they go about their business and their principles are in line with your standards and values. The corruption topic is overused and is talked about even in areas where a relationship has nothing to do with corrupted behavior, subsequently causing the efforts toward higher transparency are devaluated. I have now quoted Minister Leoš Heger who recently in one radio interview pointed out why it is normal when an expert speaks at a congress sponsored by a company. I can see live what is happening in the Czech Republic and it is true that the attention is maybe directed in a wrong way.

Amrop: What do you expect to happen in the regulation of pharmaceutical industry?

Monika Horníková: We can expect more regulation, some of it essential and needed for better patient protection like for example protection against doctoring of drugs or stricter rules for reporting of side effects of drugs. On the other hand, if you take into account how available is today information on internet or social networks, and how dubious the information might be and it still may substantially influence decision of a patient, then you realize there are new threats and challenges. The new technologies bring benefits, but also risks. The regulation will continue in all areas where regulator will see it needs to intervene. Even if fundamentally liberal politician decides to introduce a policy which is against liberal philosophy but for example protects



a patient, then he/she will do so as there is less and less of ideological continuity.

Amrop: What development you expect on the market? Do you think that business models of individual players will need to be revised?

Monika Horníková: I am convinced that the time for that is here, but since customer is more conservative than in other sectors, it will take more time for the models to develop. Personally I do not see a benefit in promotion of products that are on the market for a long time and bring nothing new in terms of scientific knowledge. To implement a new therapeutic procedure and check the new area you need a limited time, let's say three years, if there is no new breakthrough medical information.

Amrop: In today pharmaceuticals how important is the balance between medical benefits and economic outcomes?

Monika Horníková: It is crucial for our future business. It is exactly what we will be looking for when we will need to turn our focus more on sectors that are now seemingly complementary but will be from economic point of view important in the future. From my modest estimate this is one of the most important challenges ahead of us – find the right balance between these two factors and quantify them as what will a person be willing to pay for these benefits in the context of an individual, family, but also a society.

HUMAN CAPITAL

Amrop: What impact has the current and expected future development of the market on human capital in your company? What are your challenges in this area?

Monika Horníková: Human capital was, is and will be the most important asset of our company. This seeming cliché I can proudly document by many years of positive motivation of our employees to work for our company. There are various challenges, and if I should simplify – we need to perfectly balance high performance with growth of talents. It means we need to have the right diversity. We need, besides high performance, grow and inspire talents who very often in global structures end up outside of our company (which is in a way good). At the same time we



GlaxoSmithKline – is a science-led global healthcare company that researches and develops a broad range of innovative medicines and brands. Its products are used by millions of people around the world, helping them to do more, feel better and live longer.

GlaxoSmithKline has three primary areas of business in pharmaceuticals, vaccines and consumer healthcare. Its commercial success depends on creating innovative new products and making these accessible to as many people who need them as possible. By achieving this, the company will be able to grow its business and provide benefits to patients, consumers, society, its employees and shareholders.

With headquarters in the United Kingdom, GlaxoSmithKline has a wide geographical reach. It has offices in more than 115 countries, major research centre in the United Kingdom, USA, Spain, Belgium and China and an extensive manufacturing network with around 70 sites globally.

need to highly reward all of those who continuously contribute to results of our company.

Amrop: What is the difference between managers you currently work with and managers you worked with few years ago? How have your expectations of them evolved over time? And how has the challenges the top managers face changed?

Monika Horníková: Many difficult questions. In my current team I have big diversity in age, experience, region, or gender. Currently four nationalities, in expanded team its even five, equal number of women and men, experience is quite broad and I believe it will be more diversified later. Half of my team is almost temporarily part of the team. It means they have ambition to move on and potential for it. The job requirements are changing and if top manager does not understand the trend, it is only a pity. With new changes I see that some areas require different dimension of leadership. The biggest problem I see when a man does not leave his home country, does not work in real international teams and does not keep his eyes open. Especially young people, young women without children should not be afraid to go to work to other countries. They can gain much better perspective and intercultural knowledge. I am sad when I see a talent that could have grown and did not. New challenges are in variety: top leaders must know how to lead and motivate new generation as well as the previous one; they must have good judgment in quicker change initiation, often just based on their instinct, and yet remain close to the reality. There is a number of challenges and for me the biggest one is productivity in everything we do.

Amrop: Do the pharmaceutical companies use external consultants to address personnel issues?

Monika Horníková: For sure the specialized consultants are broadly being used parallel to many instruments we use to standardize functioning of our organization. Locally we often ask experts for special services for their exclusive knowledge of market.

Amrop: Are in your profession and work some topics or questions that still can surprise you?

Monika Horníková: One of the topics that will have to be defined is the legitimacy of the doctor-industry relationship so it would bring maximum benefit to patients. And here comes the question – who should define it – state as regulator or a doctor as expert with common sense? It is



not a topic that would surprise me, and solutions are many and I myself search for an answer that would be the most appropriate.

Amrop: What professional challenge is ahead of you? What would you like to achieve?

Monika Horníková: Right now I feel that I have started something in the Czech Republic and have almost animal need to bring it to a successful end. I like transforming organizations and I can fully do that now. And if that will no longer be a topic, then I probably start feeling unfulfilled and I can have that only for a short while.

Amrop: Do you have some unfulfilled professional ambition?

Monika Horníková: In general, I love what I do. Being General Manager requires breadth but also depth. I am privileged that from the beginning I work for a company that is regarded by me, but not only me, very high in all aspects. At the same time I have had a chance to learn from very inspiring people. I think there will come a moment when I will desire to create a new space for myself, but I think that will come later. As long as one is healthy, he should not impose any limits on himself. I am not rejecting new things, but as I have already mentioned I like to leave things finished and exceptional.



Amrop

Amrop Slovakia is a part of The Amrop Group, a Context Driven Global Executive Search network.

Amrop is a member of The Association of Executive Search Consultants (AESC) – the most respected global association for Retained Executive Search and Leadership Consulting firms. Amrop is the longest active Retained Executive Search consultancy and still the only AESC member with fully-fledged office in Slovakia.

Through human capital solutions Amrop helps its clients build their businesses and meet their strategic goals by finding talents and leaders adept at working across borders and various sectors.



Our thanks go to Fipra consulting company for professional assistance in the preparation of this interview. (www.fipra.com)



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Already in 1990 Martin Krekáč established strong international platform for consulting services in the area of Executive Search and Leadership Consulting at Slovak market. By this time he built foundation for a consulting company, which thanks to his active participation has become in 1999 fully-fledged part of global organization of Amrop – Context Driven Executive Search.

He is Chairman and owner of Jenewein Group, strategic consulting company with special focus on Strategic Management Consulting that has become the integrative platform for operation of consulting company Amrop and since 2007 also for specialized company Fipra with focus on Public Affairs and Government Relations where he is Senior Partner as well.

He is responsible for strengthening consulting portfolio of the group and for creating synergic solutions between individual consulting companies and experts from Business Innovation Network (BIN), a platform for bringing innovative solutions to clients. At the same time he manages development of strategic relationships in the public sector and in regulated industries, and he helps to create strategic partnerships and to transfer knowledge between public and private sectors. He is well-regarded trusted advisor on strategic issues.

He is Co-Founder and Chairman of Board of analytical institute EPPP – European Public Policy Partnership operating in Bratislava and Brussels, a member of various Boards and associations, clubs and organizations in Slovakia as well as abroad; he serves also on advisory bodies of Slovak parliament and government. Since 2005 he is the President of Business Alliance of Slovakia (PAS) and between 2006 and 2010 he was a member of European Economic and Social Committee (EESC) in Brussels. He has been an invited speaker on a number of occasions and has published many articles in Slovakia as well as abroad.

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