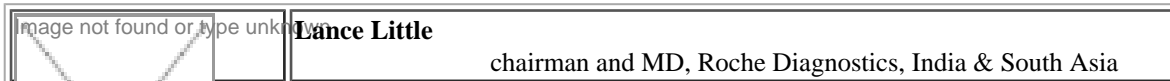


'Our focus is to drive quality in diagnostics'

05 October 2012 | News



Headquartered in Basel, Switzerland, Roche is a leader in research-focused healthcare, with combined strengths in pharmaceuticals and diagnostics. Roche Diagnostics began its journey in India in January 2002 through the of global acquisition of AVL Biomedical, leaders in blood gas and electrolytes testing market. Having operated in India for a decade, the company has clocked revenues of about 440 crore in 2011, growing at about 13 percent. Recently it announced the appointment of Lance Little as the chairman and MD of Roche Diagnostics India and South Asia. BioSpectrum spoke to Little about the market opportunities and company's plans for the region.

How do you differentiate the Indian market from other markets such as Thailand and New Zealand?

Q Little: In context to the laboratory diagnostics business, all countries are on the same platform. New Zealand with a population of 4.2 million people is a consolidated environment, as far as labs are concerned; primary and secondary healthcare are publicly funded and it is a very controlled, low-growth environment. The challenge lies in being able to increase the market share. Thailand has a combination of government-funded healthcare and out-of-pocket payments and also has a good quality user base. But again, Thailand faces similar challenges like India, when it comes to healthcare access to approximately 60 million people and with a significant population in rural component.

In India, we have a world-class and high-end lab facility. However, the challenge is when we look at the credentials of the laboratories present. There are about 40,000 - 60,000 labs in the country but, only approximately 400 labs are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL). These labs have to be consistent in their performance. Therefore, the focus that I want to bring to India is the experience from the other two markets to build and drive the quality in the labs here, so that more people can benefit from quality diagnostics. This is the fundamental principle and it can be accomplished by moving away from the traditional trader type outlook as a supplier to being partner-friendly to our customers.

How do you see the growth for Roche Diagnostics? What are the driving factors?

Q Little: We expect our business to grow in the range of 20 to 24 percent over the next few years, higher than the average industry growth.

Some of the predominant factors driving the market growth in these countries include increased health awareness and accessibility, with the expansion of existing labs. Additionally, private entrepreneurship in setting up of laboratories and hospitals is complimenting the initiatives of the government, thereby leading to an increase in quality of diagnostics and treatment.

Traditionally Asian countries are very susceptible to price. What is your take on this and what strategies do you have in mind to take the company on growth track?

Q Little: We have to make sure that we remain competitive. The Indian diagnostics market is a price-sensitive environment. That's the way it is. We just have to manage the business appropriately. But the healthcare expenditure is an interesting one, because as we understand from the latest government announcements on the next Five Year Plan, that healthcare spend has been increased from 1.4 percent to 2.5 percent of gross domestic product (GDP). This will allow an increasing number of people to access the healthcare and given that 70 percent of clinical decisions are made in conjunction with diagnostic information, I can realize the increasing demand for high quality diagnostic testing.

How do you see the competition in the diagnostics market here and in South Asian region?

Q Little: We have competitors in India as we have globally. Everybody has their space within their various product portfolios and the scenario is no different in India. But, the question is about maintaining the quality of products and systems to make sure if we fit it right for the Indian environment. We are a significant player in many segments including centralized diagnostics, point-of-care, tissue diagnostics, molecular diagnostics, as well as life sciences. Our strength is our quality and our focus will be to partner with the laboratories in India by bringing high-quality technology.

Looking at the government of India's plan, what streamlines, if implemented by Roche, will help it to maintain high growth rate?

Q Little: All of our diagnostic businesses are performing well with the centralized diagnostics and near patient testing showing a very strong growth exceeding our expectations. We hope to continue as we move ahead into a partnership model with our customers and add value through long term relationships, with a drive for excellence in laboratory services.

Can you elaborate on some of your plans for the future?

Q Little: We aim to strengthen our internal processes to support high quality growth by working on sustainable relationships. Diagnostics testing will not only increase as healthcare access increases, but new high quality tests and technologies will be available which will give clinicians more tools to treat patients. We will continue to focus on areas of unmet medical need and in particular there is a lot to do in blood screening and cervical cancer screening.