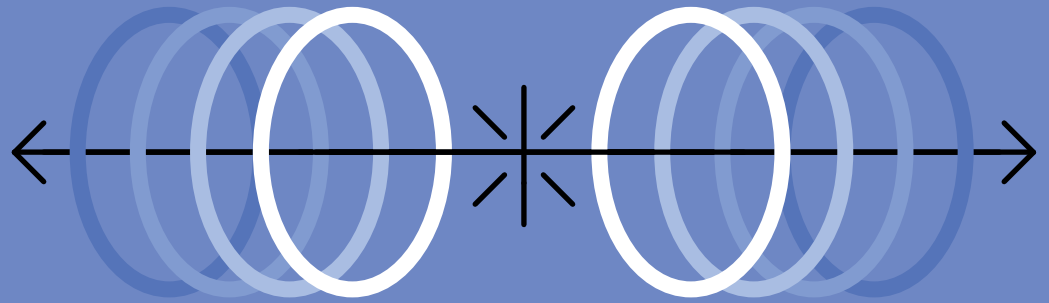




Meeting the Moment

New Business Paradigms for Delivering Health Care in Low- and Middle-Income Countries

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Shifting Mindsets: Realizing the Health and Financial Opportunity in Developing Countries

Given the sheer size and economic growth in low- and middle-income countries—including a rapidly expanding middle class—health care companies have vast financial and health opportunities to bring lifesaving medicines, vaccines, and diagnostics to more of the world's population. However, becoming a truly global company that's not solely focused on high-income countries or wealthy people in emerging markets requires a major shift in mindset. It means rethinking traditional ways of generating revenue and achieving long-term profitability; entering new relationships with governments, other businesses (including small and medium enterprises), and civil society; organizing internally; and providing leadership—both from the C-suite and on the ground.

This mindset shift is no small feat and a big departure from business as usual. But given the saturation in high-income markets and the rise in noncommunicable diseases such as cancer, diabetes, and hypertension in developing and emerging markets, adopting a new mindset may be the best path to growth.

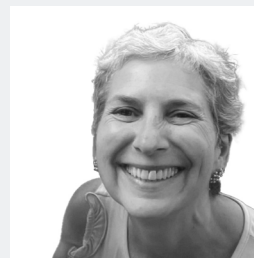
Many companies recognize the economic, public health, and reputational value of doing business differently and are testing strategies that will

increase access to their products in a financially sustainable way. As we've heard repeatedly from our clients, there is no magic bullet and there is no one-size-fits-all approach. Low- and middle-income countries—even in the same region—have different disease burdens, health systems, economies, consumer preferences, and political leadership. The products that exist or are in the pipeline are diverse—spanning small molecules, vaccines, and highly specialized biological therapies—and product portfolios of companies continue to evolve. The confluence of new markets and new products offers exciting opportunities for new priorities.

What's needed is greater experimentation to help people obtain the health care they need in a sustainable way. New models, partners, structures, and leadership—supported by new resources and the patience to try and try again—is the way forward.

Companies that are willing to bring their ethos of innovation in R&D and adapt it to innovation in discovering sustainable strategies for reaching more people are most likely to succeed in the long term.

As this paper highlights, it is no longer enough to understand the traditional pharmaceutical business model.



Maria Schneider

Partner

Rabin Martin

Successful leaders in under-tapped markets are those who understand the complexities of places where big pharma hasn't operated before and are willing to invest in the teams and organizational changes required to see results in new markets. On-the-ground experience in the culture and relationships with key stakeholders, an understanding of health-seeking behaviors, and knowledge of government processes are critical—as are personal attributes such as tenacity, resourcefulness, enthusiasm, and agility. These are the new bases of competitive advantage in global health care. Is your organization prepared to meet the moment?

Meeting the Moment

New Business Paradigms for Delivering Health Care in Low- and Middle-Income Countries

When Allan Pamba, a medical doctor, joined the Nairobi, Kenya, office of Basel, Switzerland-based Roche Diagnostics as the executive vice president of diagnostics, Africa, in 2021, the global health care company was reaching 50 million people in Africa with diagnostic testing. “The vision now is to reach 500 million in 10 years,” Pamba says. “It is hugely ambitious. It is scary. It keeps me awake at night, especially with the global challenges that we are facing right now. But it is exciting. And you know what? It is needed.”

ECONOMIC METRICS ARGUE that now is the time to act. In low- and middle-income countries (LMICs), higher demand for health care services, particularly for managing chronic noncommunicable diseases such as hypertension, cancer, heart disease, diabetes, and neurodegenerative conditions, is driven by two key factors: overall population growth—largely the result of past high fertility—and population aging, which is caused by declining fertility rates and increasing life expectancy. Consider that over the next 30 years, the over-65 population in LMICs will grow 2.7% annually—more than double the rate of that in developed countries.¹ This demographic shift is significant given that approximately 6.6 billion people live in LMICs.² However, this

vast population is far from homogeneous; LMICs are diverse not only between low- and middle-income groups but also across regions, leading to variation in population needs and health systems.

There are growing demands and changing expectations among individuals and families in these regions. For example, the middle-class population in emerging markets is set to double over the next decade, expanding from 354 million households in 2024 to 687 million households by 2034.³ “The most important trend is the emerging middle class and discretionary spend, which is leading to self-funding of care. There are people every day who are entering into this market space who have now got money to spend and who have had limited access to health

HIGHLIGHTS

Multinational health care companies that attempt to merely replicate successful models from developed markets in low- and middle-income countries (LMICs) may encounter cultural and economic barriers to success.

Sustainable success in LMICs demands more than market entry; it also requires a fundamental transformation in business models and leadership mindset.

Multinational health care companies that are prepared to rethink their business models and leadership approach will be best positioned to unlock both growth and health impact in the dynamic—and growing—markets of LMICs.

“The most important trend is the emerging middle class and discretionary spend, which is leading to self-funding of care.”

Iain Barton, founding principal, Health 4 Development

care up to now,” explains Iain Barton, a medical doctor and founding principal at Health 4 Development, a Cape Town, South Africa, and Labourdonnais, Mauritius-based strategic advisory firm focused on improving the availability of and access to quality health care and medicines. Barton previously developed regional distribution centers to support the scale-up of the U.S. President’s Emergency Plan for AIDS Relief, delivering HIV medicines across Africa.

This large and growing group of potential customers in LMICs means that to get traction, health care organizations need to shift their traditional low-volume, high-margin selling model to a high-volume, low-margin one. And that is only part of the approach they will have to change. Multinational health care corporations have struggled to achieve sustainable commercial success in LMICs to date—not only because their quarterly earnings mindset hasn’t meshed well with the longer time horizon required for infrastructure building and long-range planning but also because they are accustomed to higher profit margins in North America and Western Europe, both from their base business and from newer specialty products. The lower margins and different product mix in LMICs mitigate against expanding business in those markets, all other things being equal. However, for companies willing to adjust their risk appetite and invest for the longer term, there is a significant opportunity in the LMICs, where nearly seven billion people live.

In short, business as usual doesn’t work in LMICs, says Priya Agrawal, a medical doctor turned commercial leader and vice president of health equity and partnerships at Rahway, N.J., pharmaceutical maker Merck. Barriers to successful commercial expansion in LMICs go beyond product and price. Success in LMICs requires integrated strategies that include delivery, demand, and systems readiness. “How are you going to ensure that the right product at the right price gets to the people that need it? Because unfortunately, it’s not enough to have the right product at the right price,” Agrawal explains. “That is just the start. Without systems to deliver [it], patients will still go without. And we believe that partnerships are key here.”

Building fit-for-purpose commercial models is essential for success in LMICs. Achieving success also requires collaboration and partnerships with local stakeholders, including governments, health care provider groups, medical associations, and patient support groups. This report explores opportunities and challenges for multinational health care companies in LMICs. It also delves into the changing business models that these companies need and the obstacles they must overcome to operate sustainably, and it outlines what they need to do to cultivate the generation of health care leaders who will drive successful expansion into LMICs.

The Low- and Middle-Income Opportunity

The scale of unmet health needs and the potential for future growth in LMICs are driving multinational health care companies to reevaluate their strategies and prioritize these markets to drive both impact and long-term business sustainability. “The first reason [for prioritization] is the opportunity for impact—to drive health impact in populations that have a very high disease burden,” Roche’s Pamba explains. “Looking at the technologies that we have, it would be a shame to have them sit on the shelf. We need to get them where they can have maximum impact. The second reason is growth. The mature markets are saturated. Many are seeing decline or just flatlining. LMICs are exciting in terms of the opportunity for growth that they present.”

Merck’s Agrawal outlines three main drivers of Merck’s work in LMICs: a deeply embedded purpose-driven mission to get medicines to the people, a portfolio that matches global disease burden, and the recognition that global demographic changes mean that 85% of the world’s population now lives in the LMICs with a growing middle class—so commercially it makes sense. “We are and always have been science-first,” she explains. “So now it’s really about capturing the full impact of our R&D investments. If our *raison d’être* is science, then how do we make sure that science benefits the greatest

number of people?” Agrawal shares the two success metrics that really matter for the company—“How many people are we helping, and how much help are we offering?”

Adapting to Uncertain Environments

To be sure, LMICs may offer significant opportunities for health care companies, but these markets are also defined by complex and persistent challenges. While the opportunity for impact in LMICs is clear, these markets are characterized by high disease burdens, low health spending per capita, fragmented regulatory environments, the limited availability of skilled health workers, and a reliance on out-of-pocket payments. “[Africa] is a continent that carries a quarter of the global health burden but only has 1% of the global health budget and 3% of the global health workforce,” says Pamba.

A recurring barrier is the lack of harmonized regulatory processes across LMICs, particularly in Africa. Regulatory fragmentation can feel challenging to multinational health care companies that are accustomed to submitting a single dossier for approval of a drug. Clifford Samuel, previously at Gilead Sciences and now principal at San Francisco-based PCMS1 Consulting—a company that guides corporations, startups, and nongovernmental organizations (NGOs) on bringing lifesaving pharmaceutical products and diagnostics to emerging and low- and middle-income markets—explains the frustration. “In the U.S., if you submit a dossier, it covers all 50 states. When I submitted the dossier for [the] approval of an HIV medicine in Africa, I had to submit a separate dossier to every African country,” says Samuel. This path is different from that of the European Medicines Agency, for example, whose centralized approvals allow medicines to be marketed in all 27 countries in the European Union.

But this obstacle can be tackled through regulatory harmonization and standardization. Health 4 Development’s Barton highlights an innovative approach to regulation. “You can’t ever make regulation go away, because regulation is the only basis for an enforcement of quality,” he says. “But we

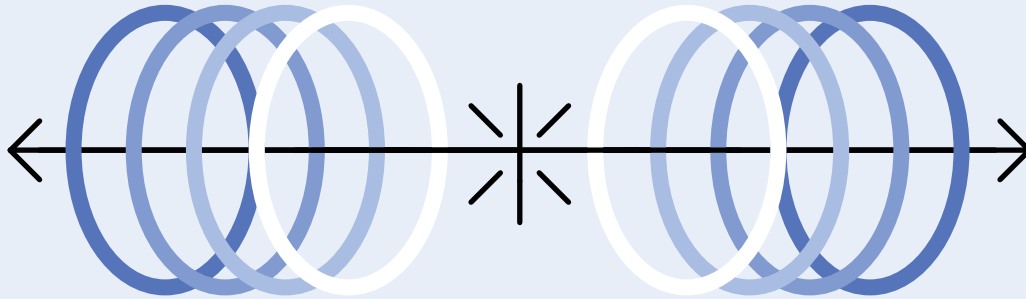
“[Africa] is a continent that carries a quarter of the global health burden but only has 1% of the global health budget and 3% of the global health workforce,” says Allan Pamba, Roche Diagnostics.

can harmonize and standardize. The African Medicines Regulatory Harmonization [AMRH] initiative is a fundamental driver of market accessibility for investment.”

The AMRH program was launched in 2009 to address challenges faced by national medicine regulatory authorities in Africa. The goal was to establish a coordinated continent-wide medicines regulatory process, thereby making it easier and faster to approve safe, high-quality, and affordable medicines. In 2019, the African Union (AU) adopted a treaty establishing the African Medicines Agency (AMA), which aspires to enhance the capacity of countries and AU-recognized Regional Economic Communities to regulate medical products in order to improve access to high-quality, safe, and efficacious medical products on the continent.⁴ Rwanda formally agreed in 2023 to be the location for the headquarters of the new AMA, and work has begun to harmonize regulatory standards and procedures across the continent.

Multinational health care companies that attempt to merely replicate successful models from developed markets in LMICs may encounter cultural and economic barriers to success. “The mistake multinationals make is believing that they can apply similar strategies that were successful in America and Europe to LMICs,” asserts PCMS1 Consulting’s Samuel.

Cultural intelligence and local insight are also important skills for success in LMICs, as the lack of either can lead to failed deals and delayed execution. As Pamba notes, “If you do not have the emotional intelligence to read your environment, you fall flat because things are different. You need



“The mistake multinationals make is believing that they can apply similar strategies that were successful in America and Europe to low- and middle-income countries (LMICs).”

Clifford Samuel, principal, PCMS1 Consulting	
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cultural integration capabilities, an open-minded approach to different cultures, and an ability to quickly adapt.”

Building Fit-for-Purpose Commercial Models

Transforming traditional models to fit LMIC market conditions better requires the same core disciplines of sound business practice that apply to high-income markets: a tailored approach to mission and strategy development, a deep understanding of the local health care landscape and stakeholders, and carefully considered pricing strategies. In LMICs, however, certain factors carry more weight. Companies need a more patient approach to profitability time horizons, a greater risk appetite, the flexibility to embrace innovations tailored to local realities, a willingness to consider establishing a local presence for trust and insights, and an authentic approach to partnerships.

Agrawal emphasizes that ensuring that LMIC operations are core to business and not just part of corporate social responsibility (CSR) efforts ensures that the business model is more sustainable. “It is now the main dish rather than the side dish,” she posits. “LMICs have evolved to be a very core part of our commercial strategy and our business strategy. We are not stopping donations, and we are not stopping CSR—these are still very relevant, especially for the most vulnerable and fragile populations. But as LMICs’ economies develop, they are becoming business opportunities for us. So we have made a commitment that every single product—right from discovery, as it is critical that access starts in the lab—must be evaluated for its potential impact across all countries and access strategies developed and implemented.” She explains how “thinking global from the get-go” is a major shift for a company like Merck.

Building on this theme of integrating LMICs into a core business strategy, Gilead Sciences offers another example of how a global vision can drive both innovation and access in these markets. A vision of a healthier world for all people

“Viruses know no borders, so if you do not think globally, you will never end these epidemics,” says Johanna Mercier, chief commercial officer at Gilead Sciences.

drives her company’s work in LMICs, according to Johanna Mercier, chief commercial officer at Gilead Sciences, a biopharmaceutical company headquartered in Foster City, Calif. “Gilead’s vision is to create a healthier world for all people. You can only do that if you are thinking globally about what you can accomplish,” she says. “Our mission is to discover, develop, and deliver innovative medicines. But if we just discover transformative medicines and they never get to the people who could benefit from them, then we have failed as an organization.”

Gilead Sciences discovers and develops drugs for HIV, hepatitis B, hepatitis C, influenza, Covid-19, and cancer, among others. “Viruses know no borders, so if you do not think globally, you will never end these epidemics,” Mercier explains. “Lenacapavir, our twice-yearly subcutaneous product for HIV prevention, is an example of a great innovation. But if that innovation never gets to regions like sub-Saharan Africa, Eastern Europe, or Southeast Asia—where the HIV incidence is highest—we will have failed.”

Unlocking Access Through Pricing and Product

Pricing strategies also need to be carefully tailored to the realities of LMICs. Unlike mature markets, where robust health systems and insurance coverage mean that many people can more readily access and afford care, LMICs often have fewer people who are able to pay for health services, with most patients paying out of pocket. As a result, health

care companies should consider identifying pricing models that can drive higher volume while remaining affordable for the local population. This approach is key to achieving both market entry and long-term sustainability. “In mature markets, you have health systems that are mature and you get even larger addressable markets. But in LMICs, the addressable market is often very small and most people pay out of pocket,” Pamba explains. “Insurance is not very well developed, and health systems are weak and not very well established. So, the approach that we have with LMICs has elements of price differentiation. You need a price point that will unlock volumes.”

Agrawal agrees on the importance of pricing. “You’ve got to think about [the] cost of goods rather than pricing alone,” she explains. “This means that you must consider where you make a product and how you make a product. There are different segments of customers in LMICs, and tiered pricing can help ensure a sustainable business model while driving access.”

Indeed, when it comes to pricing, Samuel says organizations must think differently. Marketing or pricing strategies that work in developed countries may not work in LMICs. “You cannot use classic marketing or pricing strategies designed for wealthy countries,” he says. “So, you must find different ways to market to them. These markets cannot be treated similarly to upper-middle-income markets.”

Samuel suggests that pharmaceutical companies could learn from consumer goods industries about how to tailor product offerings for LMICs. Instead of selling the same-sized products sold in high-income countries, companies could offer smaller options at lower price points. Just as Unilever sells soap in small sachets in LMICs, so, too, could health care companies sell blister packs of pills where appropriate, thereby matching the affordability points of their consumers. “Maybe the pharmacist can dispense five pills at a time versus trying to sell the whole bottle. Multinationals need to recognize that how business is done and how things are sold in LMICs differ, and they must adapt if they truly care and want to be successful,” Samuel asserts.

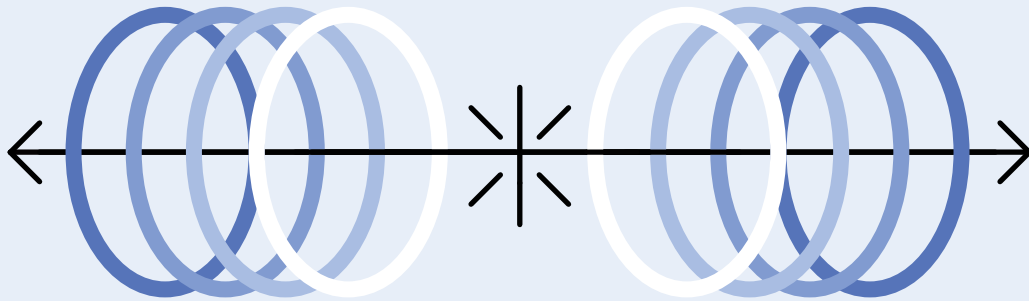
Samuel points to global health care companies that often assume that a marketing strategy successful in the U.K., France, or the U.S. can simply be transplanted into regions like Africa, the Caribbean, or South and Southeast Asia. Companies may believe that by merely changing the imagery to feature a local face, the campaign will resonate just as effectively, without considering that people in different geographies process and interpret information in fundamentally different ways.

Financial Innovations for Sustainable Growth

Because diagnostics and medicines must be sold at lower price points in LMICs, some multinational health care companies are hesitant to commit to the longer timelines required to achieve profitability in these markets. However, there is a virtuous cycle: Lower prices can drive higher volumes of sales. Higher volumes, in turn, can lead to profitability, even at lower margins and over longer time frames.

To accelerate this cycle and overcome market barriers, financial innovations such as uptake commitments, volume guarantees, and grant funding can help de-risk local manufacturing and innovation. Financial innovations can tackle two core problems—namely uncertainty about market demand and the financial risks of entering new or challenging markets—by providing assurance of demand or covering upfront costs.

For example, an uptake commitment is an agreement by a buyer such as a government or an NGO to purchase a certain quantity of a product if it is made available at an agreed-upon price and quality. This arrangement gives manufacturers confidence that there will be a market for their products. A volume guarantee, while similar, typically involves a third party such as a donor or a foundation that promises to buy a minimum volume of a product or to compensate the manufacturer if sales fall below a set threshold. An advance market commitment (AMC), on the other hand, is a financial pledge



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Priya Agrawal, vice president of health equity and partnerships, Merck

by governments or foundations to purchase or subsidize new medical products, such as vaccines, once they are developed. In this way, AMCs encourage innovation and decrease risk. Gavi, the Vaccine Alliance, pioneered the use of AMCs to incentivize vaccine development and procurement.

Samuel outlines how Axmed, a new Bill Gates-funded organization, is using volume guarantees. Volume guarantees help overcome market entry barriers by aggregating demand and providing suppliers with predictable minimum sales volumes, which reduce financial risk and motivate companies to serve new or underserved markets.

MedAccess is a nonprofit social enterprise that uses innovative financial tools, like volume and procurement guarantees, to broker and finance otherwise-unlikely agreements. For example, in December 2022, MedAccess, Viatriss—a major American global pharmaceutical and health care company—and the TB Alliance—a nonprofit organization dedicated to developing affordable tuberculosis drugs faster—announced that Viatriss had agreed to reduce the price of pretomanid, an antibiotic used to treat drug-resistant tuberculosis, by 34% in more than 130 LMICs. This price reduction was made possible by a volume guarantee agreement.⁵

Local Presence Builds Trust

While financial innovations can help overcome market entry barriers and reduce risk, building trust and achieving long-term success in LMICs can be bolstered with a strong local presence by establishing in-country offices, hiring local staff, or investing in local production and manufacturing. Pamba points to local presence opening doors with government. “Governments get excited once you set up a direct presence because they now say, ‘I can now talk to you. There is no middleman. We are talking one to one,’” he notes. “It also means that you can be a true partner, engaging in conversations on supporting the development of the health infrastructure.”

Having a local presence in LMICs goes beyond trust to understanding local context, developing a knowledge of

product development, regulatory approval, and market dynamics specific to that region. For example, “You must think about doing clinical trials locally,” Samuel points out. “You must think about having a clinical research organization locally. You must think about establishing a business unit in the geography. You cannot just do clinical trials in Europe or the U.S. if you intend to make the product available in Africa or India. Regulatory agencies in India and countries in Africa will ask, ‘Have you done any clinical trials in our geographies? And how do we know that this drug really works in our patients when our body mass index might be different?’”

Understanding local context helps ensure that lifesaving medications reach the people who need them most by enabling health care companies to tailor their approach to the specific needs and priorities of each community. Gilead Sciences’ Mercier explains the importance of understanding local cultural contexts to drive product delivery. “For example, with lenacapavir, the twice-yearly subcutaneous injection takes away the stigma of having a bottle of pills in your cabinet,” she explains. “It is very discreet. It is private. That is going to be an important piece of the puzzle for market expansion.”

A Partnership Mindset Is Essential

A partnership mindset rather than a transactional approach is essential for achieving success in LMICs. This means engaging not just with governments, which are often the largest customers, but also with a broad range of stakeholders such as health care professionals, community organizations, private-sector partners, and international agencies. “You cannot just come to make money,” Pamba says. “You must think about the environment. What is the health system? Where is it now? Where does it need to go to? Where do they want to take it? What is my potential role in helping them get it to where they want to get it? How can we do it together? Which means that you get involved in conversations that are

beyond selling a product. You must understand your partners and the journey they are walking.”

Building strong partnerships is a critical element of business strategy. Collaborating with governments, advocacy groups, NGOs, and local communities helps organizations gain valuable insights and build trust, key factors for successful implementation and impact. Pamba explains how these partnerships offer essential guidance from diverse stakeholders—including health care provider groups, medical and diagnostic associations, lab leaders, and patient organizations—that collectively informs how new therapies are effectively introduced and adopted.

Expanding on the importance of partnerships for building trust, Mercier emphasizes the critical role of local stakeholders in addressing community health challenges. Stigma, discrimination, and other social and behavioral issues that affect care-seeking behavior need to be considered, and doing this successfully requires trusted partners to work with the people companies are trying to reach. “You need the people on the ground that the communities trust,” she explains.

Mercier points to voluntary licensing as a key part of Gilead Sciences’ LMIC partnership strategy to help get more drugs to more people for the treatment of hepatitis C, HIV, and hepatitis B more quickly. In voluntary licensing, a patent-holding pharmaceutical company grants permission to another company—typically a generic manufacturer—to produce, market, and distribute the patented product, often under specific terms such as quality standards, geographic restrictions, and sometimes royalty payments. Where there are no royalty payments, voluntary licensing can still provide nonmonetary commercial benefits—for example, relationship building, improved reputation, and long-term market development.

Gilead has also licensed lenacapavir for generic production to improve equity in access. “We did voluntary licensing at no cost, royalty-free,” Mercier says. “We gave the recipe to generic manufacturers. We signed voluntary licenses before we filed for the [Food and Drug Administration] review,

much less approval. This focus on speed is a big step and something we’re very proud of.”

According to Mercier, Gilead Sciences has been able to treat close to three million people for hepatitis C through voluntary licensing. For HIV and hepatitis B—of which there are obviously huge epidemics—Gilead Sciences has reached more than 20 million people thus far since 2023 through voluntary licensing. “These numbers give us confidence that we know who the right partners are,” she says. “Our job is to provide science, and our partners provide the pathways so that people who need the drugs get the drugs.”

Developing a New Kind of Leadership

Succeeding in LMICs requires more than just adapting products or business models—it also demands a new kind of leadership. The challenges in these markets—including regulatory hurdles, complex health systems, the importance of cultural awareness, and the ability to address financial constraints with innovative mechanisms—mean that traditional approaches often fall short. It’s no coincidence that the executives interviewed for this paper embody a diversity of backgrounds, experiences, perspectives, and journeys—from frontline medical care to global strategy—that demonstrate why different operating backgrounds and broad-based expertise matter when navigating the complex markets in LMICs.

Developing new leadership for sustainable and successful expansion in LMICs requires a multifaceted approach. First, health care companies must make a priority of recruiting executives with qualities such as courage, resilience, and patience. Second, organizations should actively recruit talent in LMIC countries rather than sending expatriates abroad. Third, it is essential for decision makers from head-office countries to value and act on feedback from their colleagues in LMICs. Finally, companies must deliberately cultivate a global cadre of leaders who possess the skills needed to collaborate effectively across diverse cultures.

“You must respect what you hear from [your employees in LMICs], because what you hear might not align with your preconceived notions,” says Samuel of PCMS1 Consulting.

Courage and resilience are important leadership qualities for health care companies investing in LMICs. These qualities are important at every level, from the C-suite to staff on the ground. “If you look at the spectrum of LMICs in my neck of the woods in Africa, it is hugely challenging. It is not for the fainthearted,” Pamba reports. “Many have come, tried, and left. It takes a certain type of leadership to say, ‘We are going to invest in Africa. We are going to try to really have impact there and build an ambition there.’ It takes a can-win mindset, and it takes patience, because it takes a long time to get a return. Companies can’t get frustrated when the growth curve is not a straight line but a jagged curve. Many, when they hit the bottom, say, ‘OK, now we are leaving.’ But you must know that growth will go like that—zigzag all the way up.”

Working to make an impact in LMICs demands entrepreneurship, resilience, patience, and determination because progress is not linear and can be unpredictable. Decision makers in these settings must demonstrate cultural sensitivity, resourcefulness, and the ability to navigate unique local challenges, limited infrastructure, and complex stakeholder environments. However, success is possible with the right kind of leadership. “Leadership involves networking and partnerships, entrepreneurship, innovation, emotional intelligence, and executional excellence,” Agrawal notes. “At the end of the day, success is about leadership and [the] ‘tone from the top.’ Our CEO is an ambassador and with his leadership team has driven alignment across all parts of the business. Then you focus on execution by recruiting talent who ultimately care, have tenacity, are open for transformation, and have the network to really deliver partnerships.”

Samuel feels that global health care companies should recruit from the countries in which they are operating and should pay attention to the feedback they get from their employees. “Multinational health care companies need a diverse level of understanding,” he says. “You must recognize that it is necessary to have people from the geographies you are trying to set up operations in.”

Pamba explains why it is important to draw talent directly from LMICs. “I grew up on the continent. I have experienced the range of diseases, both as a patient and as a physician. This perspective allowed me to clearly show the impact Roche’s technology can have. And I believe senior leadership needed to hear that.”

But it’s not enough simply to recruit from LMICs. As Samuel explains, “You must respect what you hear from [your employees in LMICs], because what you hear might not align with your preconceived notions.” He further suggests that both hiring and development are needed to build the cohort of health care leaders who will finally make expansion into LMICs a reality. “You must hire locally, and you must invest in the development of said hires,” he asserts. “The training should be cross-pollination training, where the employees in upper-income countries spend time in LMIC geographies to understand the social and economic issues there, and employees in LMICs spend time in the upper-income countries to understand processes, governance, business conduct, and compliance.”

Barton explains that it is no longer acceptable or effective to send employees from the head-office country to countries in Africa. Instead, he recommends that companies focus on hiring local talent or recruiting professionals from the African diaspora—people originally from Africa who have been living, studying, or working abroad. “If you want to build part of your business in Africa, then you need to hire people locally or hire people in the diaspora and bring them back,” he advises.

On the flip side, head-office leaders must be empathetic, open-minded, and willing to listen to local insights. “Listen to your people on the ground, in-country,” Barton continues.

“The future of pharma growth runs through LMICs. To ignore them is not only unethical—it’s bad business.”

Merck’s Agrawal

“Have respect for local knowledge and local capability. The decolonizing of business is not just about how we hire and the way in which we develop people; it’s about the way in which we trust and respect our colleagues’ opinions and their knowledge.”

Mercier highlights the dual nature of leadership required for success in LMICs. “You may have to act locally, but you must think globally. It really starts with leadership,” she explains. “At Gilead, we have a leader and a leadership team that believe in what we are doing globally and thinking about how we gain access in a sustainable way to LMICs.”

Having a diversity of backgrounds, skills, and experience on her team is important to Agrawal. “I’ve got about 10 different nationalities on my team, coming from Africa, India, Thailand, with about 100 combined years of experience across commercial, access, medicine, policy, strategy, and consulting,” she says. “I’ve got very commercially oriented people, I have people that understand the nuts and bolts of CSR, and I have people who have very strong external and internal networks. Then right at the core of everything is that they really care. It is not business as usual.”

Talent development plays a critical role in success in LMICs. For example, Roche maintains a global talent management system that identifies and develops people with the capabilities needed for general management across different countries. Employees are given targeted training and exposure to prepare them for leadership roles, creating a global talent pool that can be deployed wherever needed—for example, a Nigerian general manager working in Kenya or a Chilean manager placed in Morocco. This approach allows the company, which specializes in disease prevention, diagnosis, and treatment, to quickly fill key positions with skilled decision makers from around the world.

“We have a global talent pipeline for general management that is very tightly managed, and those who are identified as likely to move in that direction are given the training that they need and exposure that they need to grow in that path,” Pamba explains. “And of course, these general managers need cultural intelligence and emotional intelligence and

the softer skills needed to work across cultures. So, when we started this mission in Africa, I could get talent from anywhere in the world from Roche, and that allowed me time to grow the talent to drive the business locally.”

Looking to the Future

Sustainable success in LMICs demands more than market entry; it also requires a fundamental transformation in business models and leadership mindset. Multinational health care companies that are prepared to rethink their business models and leadership approach will be best positioned to unlock both growth and health impact in the dynamic—and growing—markets of LMICs.

Pamba highlights the importance of humility and investment in people. “For success, health care company leadership should approach LMICs with humility,” he stresses. “Be curious and approach with an open mind. And invest in your talent pool. If you spend time in building the right teams, the magic will happen.”

While investing in LMICs is becoming more commonplace, there are still tremendous opportunities for health care organizations and their leadership willing to do the work. “The future of pharma growth runs through LMICs,” Agrawal says. “To ignore them is not only unethical—it’s bad business.”

Endnotes

- 1 Amay Hattangadi and Jitania Kandhari, "Navigating Emerging Markets Healthcare Trends," Morgan Stanley Investment Management, October 2023. https://www.morganstanley.com/im/publication/insights/articles/article_navigatingemergingmarketshealthcare_itr.pdf.
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