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After achieving the highest sales figures in the affiliate's history in 2023, general manager of Teva Pharmaceuticals Portugal Marta Gonzalez Casal outlines the restructuring efforts that have taken place in Portugal to strengthen its commercial operations. She also reviews the company's shift towards innovation and the challenges of Teva's hospital generics business and the price erosion that has impacted it

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Upon joining Teva, what observations did you make about the company’s internal dynamics, and how have you worked towards transforming its culture and operations?

When I joined it was evident that the affiliate was performing well commercially but lacked certain foundational elements. The organisation was too hierarchical and overly focused on achieving results. To address these issues and instigate positive change, we embarked on a journey to modernise the company’s internal dynamics. We have implemented a more contemporary approach, emphasising diversity and inclusivity. This includes the establishment of a work-from-home policy and initiatives such as a mentoring programs and awareness campaigns. We have also moved away from a traditional, single-person-centric approach, embracing a more collective and

inclusive decision-making model.

Our low employee turnover is of course a positive, but does create a challenge in terms of promoting diversity within the organisation. Nevertheless, we have worked to raise awareness through various campaigns, focusing not just on gender but also on embracing the uniqueness of every individual.

Our achievements during this transformation include the introduction of a groundbreaking medicine for migraine prevention. This biologic product represents a significant leap forward in therapeutic options. We are particularly proud of the impact it has had on providing hope to patients and enabling them to lead normal, fulfilling lives. Moreover, we have successfully launched products such as a low-dose corticoid inhaler for asthma in primary care, demonstrating our commitment to improving patient outcomes while minimising side effects.

In addition to these achievements, our ongoing commitment to launching new generics plays a vital role in supporting the National Health System. By doing so, we contribute to its sustainability, allowing for investment in innovation and other critical areas.

How has the company’s approach to product launches evolved?

Product launches are a significant part of Teva’s operations, especially in the generics sector where we consistently introduce numerous products each year. My background, however, is more rooted in innovation. When I first joined Teva, I was struck by the efficiency of the well-established process for generic product launches. It is a well-oiled machine, a testament to the company’s expertise in this area.

While generics continue to be a core focus, there has been a strategic shift towards emphasising innovation, as reflected in our pivot to growth strategy. This does not mean moving away from generics but rather placing greater emphasis on the innovative side of our business. As we move forward, we anticipate seeing increased activity and focus on innovation, aligning with our commitment to providing impactful and groundbreaking solutions.

How is Teva’s ‘pivot to growth’ strategy being implemented in mid-sized European markets like Portugal, where the growth prospects are not as spectacular as in the US or Asia?

Implementing this strategy in a country like Portugal involves recognising the differences in potential and investment compared to a larger market like the US. While the potential might not be as high in a midsize country, the lower investment requirements can yield a favorable return. In the US, we have a robust pipeline of new assets, but in Europe, we are currently focused only on one, with two more slated for launch in the next two to three years.

Preparing for these launches involves significant investments in research and development, navigating regulatory processes, and strategic planning. During this period, where the results are not yet evident, we continue to capitalise on our existing assets. This phase is crucial as we transition towards a more innovation-focused strategy.

The pivot to growth strategy also underscores the importance of maintaining a strong presence in generic products. We aim to create a “generic powerhouse” by enhancing the efficiency of our generic business. As a hybrid company, this approach ensures that resources are freed up and redirected towards innovation; mirroring the ‘closed loop’ approach of well-functioning national health systems.

With Teva’s focus on rationalisation, have you encountered situations where certain products had to be reconsidered or eliminated from the portfolio?

The generic landscape varies significantly from country to country, and generic regulation plays a crucial role in this context; the implementation is tailored to each country’s specific dynamics. In markets heavily reliant on tenders, rationalisation becomes more critical, and companies may need to carefully assess their portfolios. Fortunately, in Portugal, our approach is more portfolio-oriented, addressing the diverse needs of pharmacists and patients.

However, challenges persist, particularly in hospital settings, where rapid price erosion post-generic launch can render certain products unsustainable. As a result, we routinely evaluate our portfolio and withdraw products that are no longer viable. This ongoing process helps us adapt to market dynamics and maintain a sustainable business model.

Yet, a noteworthy challenge lies in the risk of decreasing diversity in manufacturing sources. As companies withdraw products due to sustainability issues, the industry may see a consolidation of manufacturers for specific generics. This could potentially lead to shortages, impacting patient access. Balancing sustainability with the need for diversity in the market is a delicate challenge that requires ongoing attention and strategic planning.

How has the Portuguese government reacted to shortages of some key generic products in recent years?

I am proud of Portugal's response to the challenges we faced, particularly post-COVID, with issues related to the lack of product and stock. Portugal took bold steps, being one of the first countries to address the situation. In the retail sector, there was an adjustment where prices were raised, allowing companies to maintain sustainability. However, it is important to note that these measures were specific to retail products and did not extend to hospital products in tenders. Nevertheless, the Portuguese administration has shown receptiveness to such interventions, and Portugal's actions have set an example that has been shared throughout Europe.

What does the market scenario for biosimilars look like in Portugal today?

Biosimilars represent a crucial component in healthcare, and while Teva has a robust biosimilars portfolio in the US, our presence in Europe is currently more limited. Looking ahead, the expiration of patents on many smaller molecules in the next few years will likely drive increased focus on biologic products. This shift underscores the relevance of biosimilars as a key driver for the sustainability of the industry, allowing for continued investment in innovation.

However, the challenge lies in how governments perceive and treat biosimilars. There is a temptation to apply a similar approach as with generics, given the cost-saving potential. In Portugal, particularly in the hospital business where prices erode rapidly, the inclination to seek savings is understandable. Yet, treating biosimilars exactly like generics poses a significant threat. If products become completely interchangeable, subject to frequent tenders and constant price erosion, companies may be forced to withdraw. The lack of competition could ultimately lead to product unavailability, and prices may escalate in the medium to long term.

It is crucial for governments to recognise that biosimilars differ significantly from generics, both in terms of complexity and cost. While seeking cost-effectiveness, it is equally important to foster an environment that encourages competition and investment. For Portugal, attracting investment from multinational companies in the biosimilars space requires a balanced approach. If the focus is solely on price without considering the value brought by the country, there is a risk of hindering investment and limiting competition. Achieving a sustainable and balanced approach to biosimilars is paramount for the benefit of both the pharmaceutical industry and the healthcare system.

What can you share about the reimbursement and market entry experience in Portugal, particularly in terms of educating healthcare professionals on the value of your innovative treatments?

The launch of our migraine prevention therapy in Portugal has been a fulfilling yet challenging journey. One notable challenge was the prolonged process of pricing and reimbursement negotiations, which, despite the broadly held desire to help patients swiftly, took an extended period. Additionally, we have encountered difficulties in reaching the desired number of patients who could benefit from the treatment.

Educating healthcare professionals has been crucial, especially considering that migraines are sometimes perceived as non-serious or lacking a clear endpoint. Overcoming this perception has been challenging, but essential, as migraines significantly impact the quality of life for patients. The prevailing attitude, often framed as “you don’t die from migraines,” disregards the profound impact on daily living, productivity, and overall well-being.

The broader challenge lies in demonstrating the value of innovative treatments during the negotiation phase. Beyond direct costs, such as medication expenses, there are indirect costs related to lost productivity, missed workdays, and diminished performance. These indirect costs, often overlooked, have a substantial impact on patients and the economy.

As we look forward to launching additional products, we aim to address these challenges more effectively during negotiations. This involves leveraging data to articulate the true value of innovative treatments, not just in terms of direct costs but also the broader positive impact on patients’ lives, work productivity, and societal well-being. The goal is to foster a more comprehensive understanding of the value proposition and ultimately improve access to innovative therapies that genuinely enhance patients’ lives.

How do you plan to adapt and align the organisation for future product launches?

Recognising the unique challenges and opportunities in the Portuguese market, we are working on aligning our organisation to be more than just a commercial entity. As part of this initiative, we have conducted a phase four study for our migraine therapy, marking the first time we have undertaken such an effort in Portugal. This underscores our commitment to gathering local data that can be instrumental in tailoring our approach to the market.

While the plan for the launch of the other two assets is not fully defined yet, we see the intrinsic value in collecting local data. This approach enables us to engage more effectively with healthcare professionals and stakeholders in Portugal. Although data from other European markets may be valid, the impact of locally generated data is unparalleled. It fosters greater engagement and understanding among Portuguese healthcare professionals, ensuring that our approach is not only evidence-based but also culturally and contextually relevant.

Moving forward, our strategy will include a focus on leveraging local capabilities for conducting studies and gathering data. This ensures that our future product launches are informed by insights specific to the Portuguese market, optimising our ability to meet the needs of patients and healthcare professionals in this unique context.

How much potential does Portugal truly hold as a clinical trial destination?

We see Portugal as a promising and advantageous location for clinical trials, especially with the new European legislation providing a fresh perspective. The unique characteristics of Portugal, including lower costs, a highly qualified workforce, and favourable regulations supporting R&D investments, make it an attractive destination.

We are keen on contributing to Portugal’s growing prominence in clinical trials. The country’s ability to attract and retain talent, both locally and internationally, is a significant asset. The presence of highly skilled professionals, often proficient in multiple languages, adds to the appeal of conducting trials in Portugal. Moreover, the country’s overall financial stability and quality of life make it an enticing location for investment.

While salaries in Portugal may not match those in larger European countries, the combination of other factors creates a compelling case for conducting clinical trials in the country. Teva is actively exploring opportunities to leverage these advantages and contribute to Portugal’s position as a superpower in clinical trials. Our aim is to bring more clinical resources to Portugal, supporting the country’s efforts in becoming a preferred destination for pharmaceutical research and development.

How does Teva’s global commitment to Environmental, Social and Corporate Governance (ESG) manifest in Portugal?

Teva’s strong commitment to ESG reflects our responsibility as a large manufacturer. We focus on environmental impact and invest in social initiatives, making medicines accessible, especially in countries with lower income. Our programs aim to progress in these areas, aligning with our values. It is crucial to highlight that Teva stands out as one of the few companies with its own raw materials manufacturing in Europe, contributing significantly to the European strategy. This showcases our dedication to producing medicines responsibly and underscores our commitment to the overall well-being of our patients.

Considering your diverse portfolio, are you exploring the development of certain assets to drive incremental sales and seeking synergies that were not as apparent before?

Sustaining success over consecutive years poses challenges, especially given the dynamics of our portfolio. While some assets offer substantial growth potential, the notable hurdle lies in the hospital generic business, where rapid price erosion is a prevalent factor. Balancing this with the slower growth in primary care products is indeed a delicate challenge.

Our strategy involves a nuanced approach. We are confident in the substantial growth potential of certain assets, and we are actively exploring ways to further develop and leverage them. The key is to establish a foundation that allows for sustainable and steady growth. While offsetting the impact of fast price erosion in the hospital business with growth in primary care products may not happen overnight, we are focused on building a foundation for continued success.

The objective is not necessarily to achieve monumental growth every year, but rather to ensure that the growth is sustainable and steady. By doing so, we aim to fortify our position and navigate the challenges ahead.

What restructuring efforts contributed most to Teva Portugal’s positive 2023 and what are your expectations and aspirations for 2024?

In 2023, we witnessed remarkable success in Portugal, achieving the highest sales figures in the country’s history. This outstanding performance was driven by strategic opportunities that we capitalised on during the year. To further enhance our capabilities and set the stage for continued growth, we initiated a slight restructuring of the team, introducing new roles and reorganising our commercial structure.

The adjustments made in 2023 have laid the foundation for a more robust and agile commercial structure, positioning us well for future opportunities. As we enter 2024, I have high hopes and expectations for the continued success of Teva in Portugal. The restructuring efforts, combined with the talent and capabilities of our team, make me confident that we are well-positioned to achieve even greater milestones in the upcoming year. While some might consider this optimism, I truly believe in the potential of our team and our ability to make a positive impact on the pharmaceutical landscape in Portugal.

Reflecting on your leadership journey over the past four years, what lessons have you learned and how do you view the importance of diversity in leadership, particularly in the context of Portugal?

One key lesson I have learned is the importance of trusting your team as a leader. While it is common to expect trust from the team, establishing trust in the team's capabilities is equally vital. Providing them with the space and confidence to excel has been a cornerstone of my leadership approach.

In terms of diversity, I have observed that there are many talented women leaders, but sometimes they may not be as forward in pursuing leadership roles. Recognising their potential and offering the support and encouragement they need can make a significant difference. Culturally, Portugal has had a more hierarchical approach, which might have made it challenging for some women to step into leadership positions. However, the shift towards a more inclusive mindset is underway, and it's rewarding to witness women thriving when given the confidence and trust they deserve.

Having had discussions with women in the life sciences sector, we acknowledge that societal attitudes towards women in leadership roles are evolving. In life sciences, there is already a significant presence of women. The goal should not be limited to achieving a 50/50 gender balance but rather to strive for even greater representation, considering the substantial female presence in the life sciences sector across various roles. The aim is to foster an environment where women in leadership positions are not just accepted but celebrated for their valuable contributions.

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