

Interview: Anders Fogstrup, Country Manager, Norpharma, Denmark



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Country Manager of Norpharma, Denmark, discusses how the company has been able to remain a market competitor while maintaining satisfactory payer prices.

Since Norpharma's founding in 1192, what are some of its key areas and products?

We work in a number of strategic areas; pain management is where our heritage is and thus this is our biggest area today. We recently launched our first product in respiratory, and we also have products within hematology oncology. Besides being present in these therapeutic areas we also have what we call the rough diamonds, or the rest of our products. For example, in Denmark, we have a range of products for the treatment of head lice called Hedrin.

What makes Norpharma special?

We are part of a network of independent associated companies and one of a few companies that is blessed with a lot of local freedom to operate. We expect a lot from our people, we create exciting jobs, and we tailor our local platform to the individual market. It is very exciting to work for a company that is demanding in these ways, it offers good opportunities for personal development.

I can testify this last point, since when I joined Norpharma in mid-2006, already in 2007 I was asked to go work for our European services provider, Mundipharma International (MINT). I worked there as a European brand manager for two years. Then I was asked to evaluate a new business area for

our companies in Europe. After this I subsequently came back to Norpharma in Denmark in January 2011. This is the essence of working for this company, the ability, if you are willing of course, to develop a lot of different capabilities at an early stage and be exposed to different environments and challenges.

In the areas in which Norpharma is present, what would you say are the company's star products?

Our heritage is within Pain management. The biggest product that we have had is OxyContin®. It has become one of the major oral pain management brands in Europe. We also have Norspan®, which is a 7-day low-dose opioid patch for moderate pain.

One of the main capabilities of the brands I mentioned is their formulation technology. One of our core strength is to make existing molecules better by re-formulating them into better propositions for both the patient and the payer.

Speaking about the payers, how receptive have they been to your products?

It really depends on what area we are talking about. In the pain area for example, in Denmark we see a very cost-conscious environment. Chronic pain is a huge expense for society, hence payers really want to limit the cost of new medicines.

I believe that in general, the days where companies can expect reimbursement for the duration of brand life (until patent expiry) are gone. Denmark is probably ahead of other European territories in this regard, but similar measures such as overnight mandatory price cuts are seen elsewhere.

What is the potential growth that you see for Norpharma in Denmark?

We want to be a market leader in pain management, so our product portfolio and pipeline in this therapy area will bring us growth in the future. Also, our other business areas will certainly contribute to our future growth as well. Finally, we are open to do local deals. If we identify, or are approached, with an offering which presents a good fit to our portfolio, a co-promotion proposition or alliance of some kind, we give it thorough consideration. We wish to maximize our assets and resources fully.

One of our core strategic pillars is to be 'fast and flexible', given our structure, we have the freedom to operate in flexible ways. If we see an opportunity with a partner, want to build an alliance with a company that has some products that match our portfolio, do a co-marketing agreement, or even acquire a brand or a portfolio from a local company which is divesting, it

is feasible since we have the remit to do local and/or regional deals.

Norpharma has a good portfolio of products with an innovative approach, can you explain then why the company is not that well known?

Historically, we have been skilled in promoting our brands, but not the company itself. In fact, one of the main challenges that we have when we are recruiting people is that they do not know the company. However, once we start to talk about the company, the roles that we offer here, the structure and the way we do things, very quickly the right candidates become interested. Therefore, we need to think creatively about how we communicate and promote the benefits of our company since this will help us to attract the best talent.

Mundipharma is one of the few companies that is still family owned. Apart from flexibility, what are some other advantages?

It gives us the possibility of having a longer-term perspective, since we do not have to report to the stock exchange every three months. It also allows for investment in projects that might take a bit longer to mature, but in the long run will pay off better.

Talent in this industry is highly sought-after. What kind of people does Norpharma look for?

The people that work here need to be more entrepreneurial and be willing to do a full palette of activities. We execute local brand plans, so we need people that like to take on full ownership of a range of activities.

Having been appointed country manager for Denmark and Iceland in January this year (2013), what are your main objectives?

I have two main objectives. The first is to build excellent relationships with the authorities; we want to be really transparent and to cooperate with them. Today, I believe it is essential to work with the authorities in order to achieve joint objectives. For this reason, we need to focus on joint projects and building alliances, which benefit both sides of the equation.

The second goal is more internal; to keep developing our culture, execute against our strategy, attracting the best talent and building the right structure to operate a lean organization. Given the constantly changing environment of the industry, we need to keep a fit and lean organization. We wish to maximize the return on all the resources we put to work.

Within your objectives you mentioned that you want to work alongside the authorities, but this is something that the entire industry is striving to do. How are you planning to do it differently?

We are fast and flexible, which is something we can do better than other companies. We don't have many management layers so things move quite fast, which certainly adds value. This will enable us to be a valuable partner by designing outcome projects that can support various authorities in learning and making decisions on how medicines impact real world patients.

Within this holistic approach, do you believe that soon there will be a balance between what the payers want to spend and what the companies can offer?

Absolutely. For a long time the pharma industry in general has been blessed by earning above average returns every year. Given the situation of financial distress across the globe, those days are getting fewer, and today we have to re-think our business model and what we can do to provide additional value to authorities, payers and most importantly patients.

My role as a country manager for Norpharma is to pursue integrity, transparency and excellence. We want Norpharma to be looked upon as an innovative pharma company, because we want to develop our business in sync, or preferably a little ahead, of the surrounding environment.

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