

# Interview: Bryan Meehan - General Manager, MSD

## Carlow, Ireland

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*In 2008, MSD began building a human vaccine facility in Carlow—a 220MN EUR investment that the company expanded upon last year with an additional 7Mn EUR. What is the importance of this site to MSD's strategy? Why did the company choose Ireland for this investment?*

We started designing our facility here in Ireland in 2007, and broke ground in 2008 with a ceremony that was attended by the then-Taoiseach, Brian Cowen TD, and Mr Willie Deese, President of Merck Manufacturing Division

This is MSD's first investment in manufacturing vaccines outside of North America. We recognized the need to diversify ourselves in order to move into the European market. We also had several products in our biologics pipeline that needed a new manufacturing facility in order to accommodate their production. Our clinical and biological vaccine pipeline is now coming to fruition, so we are working very hard to bring our lineup of vaccines to the marketplace.

We had done a global search for the most suitable manufacturing locations to invest in. In 2007, we had not merged with Schering-Plough and had one manufacturing site in Ireland: our facility in Ballydine, Co. Tipperary. For over 35 years, this site had always been one of our most successful and productive sites, so we became convinced that the company would have a much easier transition towards setting up a new operations facility if we chose Ireland.

We have also enjoyed a great relationship with the Irish Government—particularly IDA Ireland (the agency responsible for industrial development in Ireland) —and not just in relation to tax

incentives. We have found great support in sourcing the most skilled and suitable employees to work with us. Right now, the most complicated vaccine in the world is made in Ireland, which says a lot about the calibre of talent that is available here. The fact that we have access to this talent pool is a primary incentive for choosing Ireland for investment.

IDA Ireland is a brilliant agency. I have worked with comparable organizations around the world, but the IDA are the best. They know our business, and they know how our executives make decisions.

***In an article you wrote for an Irish business publication in 2010, you said, “the global pharmaceutical sector faces a challenging decade ahead, and in order to grow the Irish pharma industry, we need to plan how best to meet those challenges head on.” What specific challenges were you referring to, and how is the Irish industry, and MSD in particular, evolving to overcome them?***

From my perspective, our challenges are around cost. I am committed to making sure that our Carlow manufacturing facility can compete on an international scale. I’m convinced we can do that, thanks to our level of automation and thanks to the skilled employees we have working at the facility.

We undertake a significant amount of process development work in our Carlow plant to discern how our products can be made with utmost efficiency. The Government has supported that work with R&D grants and tax credits.

We have an excellent cost structure here in Ireland that enables us to supply Europe, North America and Japan, and also offers us the opportunity to deliver our vaccines to the developing world. By 2020, MSD wants to ensure that its vaccines are available to anybody who needs them. In North America and Europe, the discussion revolves more around the risk inherent in vaccine administration, because most people have never seen measles, mumps, or rubella. However, in many places in the developing world, the risk of contracting these diseases remains considerable, so MSD is committed to making sure that that risk is eliminated—regardless of the location.

At the moment, MSD is investing heavily in India and in China. More vaccines are made in India than anywhere else in the world. They are currently not licensed for European or American markets, but I wouldn’t underestimate the speed in which they will catch-up. Therefore, it is important that we can remain competitive with our cost structure in Ireland.

MSD's total output of vaccine doses last year approached 150 million; our Carlow plant is capable of producing that amount on its own. At the moment, our focus in Carlow is on clinical supply, but once we get our commercial licence, we will have the capability, depending on product mix, to meet global demand from our facilities here.

It is an amazing time for our plant. The Irish Medicines Board (IMB) will be here next month, having already visited us in 2011 for an engineering assessment. On this occasion, they will conduct a clinical supply and clinical and medicinal licence investigation. Once successfully completed, their approvals will allow us to send some really exciting products from Carlow to clinics across Europe, Asia and North America.

2013 is going to be a breakthrough year for our Carlow operation. We have to make clinical material for 5 different products, while preparing ourselves for commercial supply—so it will be a highly complex process of operations management when we consider all of the new tasks and high volumes of staff, both internal and third party, who will be working together for our company.

A big part of my own personal responsibility within the plant is to develop the right culture. Defining the culture within a company can sometimes be slightly intangible, but MSD uses surveys and employee interaction to help our company better understand and quantify how we're performing as an employer. I would say that our performance, in two recent culture surveys, has been the best in this industry, which I'm really proud about.

Another marker for work culture is health and safety, and our performance in that regard has been world class—but there is still room for improvement.

### ***Are people's jobs secure here in Ireland?***

The culture has definitely changed, in that one is no longer guaranteed a job for life in the Irish pharma industry. There are now much bigger cost pressures going forward. A lot of the 'easier' diseases have been cured, and there are a lot of difficult diseases to cure in the future—so R&D costs will be considerable.

Equally, when you're tied to a pipeline, you're tied to a pipeline. Things can sometimes change. We do have a large contingent of contractors here, firstly because some of the work is transient. Ireland, in my experience, has a uniquely robust contractor market.

In the past if a phase 3 product has come to a halt because it didn't do as well in clinics as we expected it to, then our challenge becomes 'what products do we slot in?' rather than, 'who do we

let go?' Thankfully, our pipeline is robust enough to withstand challenges in late-stage drugs. MSD is committed to maximizing the potential of its facility here in Carlow in terms of output.

***Ultimately, what will be the role of FDI from the pharmaceutical industry, and the export operations of companies like MSD, in driving Ireland's economic recovery?***

Exports have gone up in this sector, whereas costs have gone down. Certainly, that model has to continue, and we have to offer improvement each year in terms of output and cycle time, to drive down costs. I think Ireland can succeed and prevail at this aspect of the industry, even if prices have gone down. I think that there has also been a shift towards moving further up the value stream in relation to R&D and process development in Ireland, which is a growing trend.

***After more than two decades with MSD, what has been your proudest moment?***

The success of the Carlow plant, from a personal and professional perspective, has been my proudest moment with the company. I've worked in various positions with MSD, and my previous role was head of our global process engineering operations; so it is a huge change to move from overseeing operations, to actually being on site.

I remember the evolution of this plant, from 70 green acres of land; to the day that a representative of the IDA handed me the keys to the building and I came inside by myself and simply looked around at the facilities and sat down in my office; to having over 450 people working here, and having one of the best safety records and company cultures across all of MSD's operations.

When we deliver our line-up of products for 2013, we will have done something here that no one else has ever done. We've gone from a green field site, to bringing 5 new clinical products to the market. One of the products is going from phase 1 directly to phase 3 because it is moving so fast, so these are big deliverables. It is a big task for the employees, but they are meeting these demands very well.

Business aside, the local fundraising and engagement with the community is very important, particularly the STEM module that MSD has sponsored across the country for the Junior Achievement Program, so it is very rewarding to be involved in bringing even more science to the curriculum in the local primary schools here in Carlow.

***Do you have any final message to our readers?***

I believe it is a great time to be involved in the vaccine industry, and the world is beginning to realize the true importance of these products. I am quite happy to be working here in Ireland and

very thankful to the staff in our other sites, along with the staff here in Carlow. Our competitors are also very helpful if we need assistance. The interaction between industry, government and third level education is really amazing in Ireland, and I see a lot of potential for further development in that area. Overall, Ireland is an excellent place to work.

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