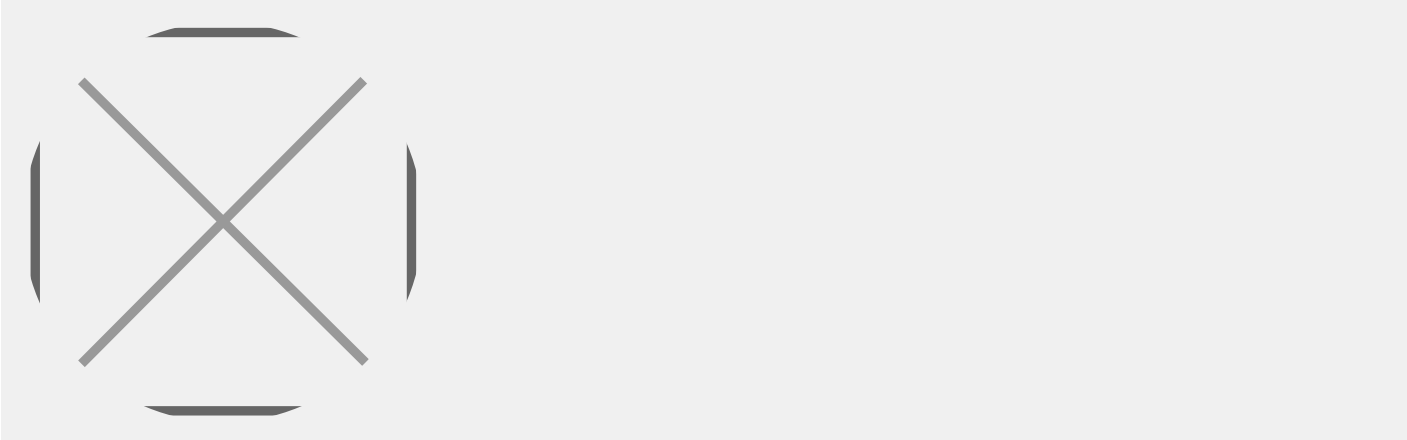
Interview with Arvydas Norvaisas, Genreal Manager, Torrex Chiesi Poland



15.07.2012

Tags: Torrex Chiesi Poland

Would you begin by explaining to the readers of Pharmaceutical Executive the importance of the operation in Poland for the company?

Indeed Poland because of largest in CEE pharmaceutical market size was always very attractive for all pharmaceutical companies, although it is a very complex market. For those coming to Poland it is sometimes difficult to understand the challenges presented by this country. The same like many other companies Torrex Chiesi Polska took this challenge and 2001 established a representation office.

Before 2009 the operation in Poland was just a small affiliate, with hospital portfolio focused on niche markets and having sales in the range of €2-3 million, what is low sales as comparing to the size of the market. However, in 2009 the operation here experienced a breakthrough with reimbursement for our biggest corporate product Fostex and immediately the company's sales tripled. Last year the company finished with around €10 million in sales; 60-65% deriving from this one product.

Poland contributed a lot to the success of the Fostex in CEE.

Chiesi Group President, Dr. Alberto Chiesi is expecting a lot from Poland in the future and expressed a vision Poland being among five major markets in Europe for the corporation.

Regarding the respiratory therapeutic area, Mr. Jacek Barlinski of Nycomed he said: 'I do not like to say that Polish patients are not treated properly, but the rate of diagnosis

especially in COPD is very low'. How would you assess the situation?

I totally share Mr. Barlinski point of view. Indeed COPD is a very trappy, long lasting and complicated disease which does not show symptoms immediately, though making patients unaware of their disease and consequently, – not visiting doctor in an early stage of it. Usually the individual adapts to the progress of the disease and come to the doctor when changes are already irreversible and prognosis is not too optimistic.Up to 14% of the population are suffering from COPD and if we imagine that this number of people is not properly treated there will be a very grave economic consequences for the country.

The target therefore for all stake holders is first of all to make aware patients and physicians about the disease, diagnose it properly in an early stage of development and agree on how to tackle the problem. Companies I think can contribute a lot in this process.

Mr. Fatalot of Chiesi in France said that there is a schizophrenic state in the market between biotechnology and generics. How hard is it to find the golden mean between margins and volumes?

Beside this I see another schizophrenic state pervading across Europe – – governments cost-containment measures. There is a passage in the book: 'The leader's way' by the Dalai Lama which is pertinent to this situation, – "while the amount of information is growing exponentially, people are becoming narrower in their worldview and are no longer able to understand how all these ideas for moving society interact. On the one side business moves in the direction of profits whilst society attempts to limit these profits." Yet, the purpose of the pharmaceutical business lies elsewhere. The industry is providing solutions to the healthcare needs of society and naturally should be fairly compensated for providing these solutions.

You often hear that pharmaceutical companies have big margins and government should save costs and support cheap generics. Yes thats right, – governments are saving costs, but does officials explain at which price, what is in fact this price for saving? Maybe its innovation? What does it mean innovation in pharmaceutical industry for society? Maybe health? I have a feeling, that as Dalai Lama said before, that in this era of hypercommunication, hyperinformation, informational noise people and governments are loosing capability to see and understand the essence of the matter, – we should not talk about budgets, – we should all together talk about long-term health needs of the population and the ways to satisfy those needs. At this level all stakeholders should have common understanding and strategy. It's a pity that still a lot of mistrust, misinterpretation and misunderstandings among governments and companies does not allow to bloom healthy process of communication between them. Solutions are there, – just necessary to come to them from both sides.

Mr. Huigen of Chiesi Netherlands said that innovation is in the end the only way to survive. With the rising cost for the development of new drugs, patent expiry and generic competition what do you see as the value of innovation?

Partly I touched this topic while answering your previous question. Indeed If to look to the market, currently 60% of the Polish market is generics and in fact most local producers are generics companies. However, there are increasing trends in the industry towards investing in innovation. Certainly Adamed and Bioton are moving more towards innovation and this is the trend of the future. Companies increasingly understand that simply copying drugs is not a sustainable model. Authorities too need to understand that if we do not maintain the pipeline of innovative drugs we will not address the health needs of the nation. Simple cost-cutting is not the solution. Innovation is the greatest value the pharmaceutical industry can bring.

Does it help being a family run company in being able to maintain a long-term strategy without the pressure of shareholders?

Being closely engaged in business Chiesi family is looking long term and this gives certain comfort in working for a family-owned company like Torrex Chiesi Polska. Definitely long term objectives will never appear if there will not be short term ones, but healthy balance among them make feel good at work.

Another distinct benefit deriving from Chiesi being a family-run business is the degree of flexibility it creates and in allowing innovative approaches. The CEE region is a very varied region requiring fast decision-making and a flexible organisation. Chiesi must be like this in order to seek out all the opportunities arising in the market.

This flexibility extends to our ability to find and work with potential partners.

Earlier this month, Torrex Chiesi won the European award for family-work balance. What are the main attributes of the company as an employer of choice in Poland?

We have very competitive employment package, social package and motivational system, but this is not the core. We have something more, something special, what is not included neither in packages nor in procedures, but what makes people seek employment in Chiesi Poland. I believe we have created a special atmosphere here and this attracts people to our company. Of course I can describe you everything in details, but it will be what I think, but if you want to hear what really people talk about Chiesi Poland, you can check for information in internet in different forums, where people are exchanging their impressions about different employers.

“It is the task of the leader to create a company with a strong and warm heart…” (Dalai Lama) I think I follow that way. Personally I like the idea of holistic management whereby you do not manage names or positions but people. And I do deeply believe in team work. If you create the

proper structure, conditions and provide employees with the proper tools giving them the proper support then you will attain impressive results. I feel like a gardener collecting different flowers and ensuring that each one of them blooms.

Each division director had the capacity to employ people but we all discuss a potential new employee together and assess whether they have the right values to fit within our organisation. Because we hand select our employees they feel like they belong with the company. Chiesi has a very low rate of employee turnover and they often stay for 6-7 years eventually becoming managers.

Turning to your ambitions where will we see Chiesi in 5-years time?

I share the vision of our President Dr. Alberto Chiesi, – we'll be among 5 major markets for Chiesi corporation in Europe, we'll be among leading players in respiratory field and we'll be successful happy organization with happy people working in it.

What would be your final message to the readers of Pharmaceutical Executive about your operation in Poland?

What is extremely important is understanding the interdependence that we wish to create to find long-term health solutions. I would like to see a real discussion created among the various healthcare stakeholders. In 1977 a man called Peter Bracker wrote: 'business cannot be defined or explained in terms of profit'. Asked what a business is and a typical businessman is likely to say an organisation to make profit. The typical economist is likely to give the same answer. This answer is not only false; it is irrelevant. The concept of profit-maximization is in fact meaningless. Profitability is not the purpose of, but in fact the limiting factor of business enterprise. Profit is not the explanation, cause or rationale of these decisions but a test of their validity. The purpose of business must lie outside of business itself. In fact, it must lie in society since business enterprise is an order of society'.

That paragraph sums up my perspective. Naturally a business must make profits in order to survive, but the business is made to serve society. We must create a real discussion among all stakeholders to deal with health and life issues. We must work alltogether to be successful . Chiesi are using all possible forms of communication to convey this message to government and I remain hopeful that this dialogue will eventually produce positive results.

See more interviews