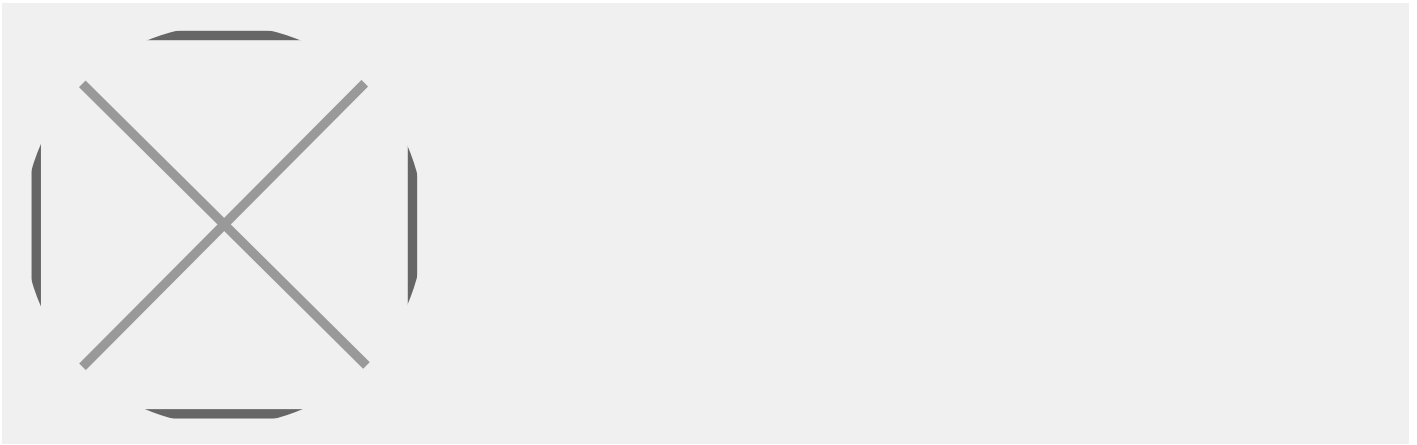


Interview with Robin Bhattacharjee, General Manager, Actelion UK and Ireland



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Prior to your current position you served in a number of marketing and managerial roles including at Bayer and Sanofi-Synthelabo. What drove you to move from those larger generalized multinational groups to a company like Actelion that specializes in rare diseases?

I spent the first major part of my career with Bayer in a number of different roles, first in the UK and then two years in the global group based out of Connecticut. In 2002 I moved back to the UK to join Sanofi-Synthelabo and soon after I began to realize the need to do something different. I felt the need to move away from big pharma and move on to something more entrepreneurial where my decisions would have greater impact. In 2004 I joined CV Therapeutics (CVT) as the Marketing Director for Europe in what was then a very small office and just a start up operation. I went on to become the Head of Europe for CVT Europe, enjoying some excellent successes, and I stayed with them until the company was bought out by Gilead in 2009. My motivation for moving from “BigPharma” to the smaller company biopharmaceutical sector was that a small company could provide a much leaner and more flexible business model to work with. Ultimately the driving factor was that I needed to feel like I could genuinely make a difference rather than being a small cog in a huge behemoth organisation. The opportunities to be involved at a higher strategic level and have a real influence as to how a company develops are so much greater in a small pharmaceutical company.

When I started looking for such opportunities in 2009, the position at Actelion immediately caught my attention. It is a relatively small biopharmaceutical company but has established fully-functional affiliates across Europe, which was my vision for what I hoped to achieve at CVT. Furthermore, Actelion represented the lean biotech ethos that I was looking for and it is a company that is extremely science-focused in serving unmet medical needs. At Actelion, how passionate and committed you are to our products is just as important to sheer numbers and figures. Ultimately, it's about the contribution you are making to society – I am not a doctor so I cannot treat patients directly, but at least I know I am playing my part in the work that my company does and the products that we bring to the market. Actelion is a company that has clearly been commercially successful yet is also genuinely concerned in improving the lives of patients that suffer from the rare and ultra orphan diseases that their products target. Small biotech companies often conduct amazing research and develop great products, yet many have no real commercial expertise to market these products and so they do not realize their full potential. Actelion is different – it has made the leap from just R&D to a commercial organisation and is one of the true success stories of the biotech world.

Now that you are behind the wheel of Actelion UK, how are you today attracting and retaining the best talent for the company?

Recruitment is essential for us for a number of reasons, the first being that as the UK affiliate of a successful biopharmaceutical company we have to interact and have a good impact with our customers and therefore need to have the right people working for us. Furthermore, as a small biopharma company, we have a relatively small number of staff and therefore each one of them is essential to the success of the affiliate. I have one person per function, so there is no hiding place in a company of this size. Everyone is fully accountable for their responsibilities, which is also positive because it empowers our employees to the maximum extent. In a company of our size, the work is very hands on and you have to be extremely flexible in accepting different tasks and roles that someone in the same position at a larger company may not be ready to do. When I recruit someone I try to make this as clear as possible because I want them to understand what the working environment is like and that it is different from that of a larger corporation. At a small entrepreneurial biopharma company like Actelion you cannot be worried about things such as the size of your office or having to fill in for one of your colleagues, because we all work as a team and help each other out. Some people look for this kind of environment and others don't, and when I recruit someone I make sure that the person is passionate about being able to work in an environment where they are fully accountable for their work because it makes a huge difference for the company.

How would you assess the performance of Actelion in the UK over the last 3 years and what is the importance of the British market for the group as a whole?

As a European company, the region makes up a high proportion of our sales and the UK is amongst the top five markets in the region. This is not always the case for other companies and some have moved away from viewing the UK as a key market. For Actelion, however, the UK remains a key market. Because we focus on rare and orphan diseases, there is controlled prescribing of our products, for example, pulmonary hypertension, our lead product, Tracleer, can only be prescribed by specialists who work in one of the national pulmonary hypertension centres. We have embraced this prescribing environment and work alongside our customers and if you look at our growth and where it is coming from, it is clear that the UK is one of the important markets that are driving our sales in the region.

The UK pharmaceutical industry certainly punches above its weight when you consider the size of the market in a global context. It is amongst the top three most important industries for the national economy, probably second only to the financial services sector. This is quite remarkable when you consider the global situation of the pharmaceutical industry and the fact that here in the UK it has been able to maintain its position as one of the most important sectors over the years. It is essential that the UK maintain a thriving and healthy pharmaceutical industry, and this is something that perhaps the Department of Health and the NHS do not always fully appreciate. Just last year a report was published that highlighted the slow uptake of new medications in the UK for certain therapies, so there certainly is room for improvement in the provision of healthcare. This, however, does not undermine the fact that the UK has world-class centres of excellence and leading international opinion leaders, as well as cutting edge scientific community.

As part of your corporate strategy, Actelion has developed strategic alliances with other pharmaceutical companies to market some of your products. What advantages have these partnerships brought you here in the UK?

In terms of our daily operations in the UK, I can't say that the partnerships affect us too much. We have two licensed products in the UK, one is Tracleer for pulmonary hypertension and the other is Zavesca that is mainly used for an ultra-rare condition known as Niemann-Pick disease and we market these products alone. The company does have a number of strategic alliances and projects in place but these are more focussed on R&D initiatives and are handled at our HQ in Basel. As and when new products come to market, we will determine whether or not we have the capability and quality to commercialize these products alone or whether a marketing agreement in each country might be more favourable.

Given the rich scientific community and biopharma sector of the UK are you currently looking for future partnerships with other companies, whether in research or for commercial agreements?

This is an ongoing process that will depend on future circumstances. As you can imagine I do receive a number of offers and expressions of interests from companies here in the UK, but I tend to divert these enquiries to headquarters. I have been involved in one or two evaluations and the UK office will continue to respond any approaches that are made to us.

Actelion does have a number of needs, one of them being the need for later-stage development opportunities. The company needs to bring new products into the market to maintain the success it experienced in the past and still lives on.

As you previously mentioned, the NHS is known to be slow on the uptake of innovative new products and the UK has the lowest average prices for pharmaceuticals in all of Europe. How has this affected Actelion's sales in the UK?

One of the reasons that the UK seems to have the lowest prices at this moment is due to the fluctuations of the exchange rate. Whereas previously the British Pound was 1.5 to the Euro, it recently has been moving towards a position of parity. This has certainly affected the prices of pharmaceuticals and the perception of them being very low. Actelion is no different in that the price of our products have been stable within the UK but, due to the exchange rate fluctuation, have decreased when referenced across Europe.

Looking at the bigger picture, if you look at UK pharmaceutical prices 10 years ago, you will find that in general it was one of the highest priced markets in the region. Together with Germany, the UK is the only market in Europe to still have free pricing for pharmaceutical products.

There is of course also a major issue with the Government's announcement that, as part of the health reforms, we will move to a new, value based pricing model from the start of 2014. The big danger is that there is the risk that as the Department of Health comes under increasing pressure to cut costs and subsequently look to reduce the prices, then the UK will become less attractive for pharmaceutical companies. In addition, if the UK remains a low price market then companies will look carefully at their product launch strategies and may decide not to define this country as a priority. This is particularly true for companies that have products in the rare and orphan disease areas, because these are lower volume/high price products. The risk then becomes that these companies decide not to initially launch their products in the UK until they have determined their price and initial uptake in other European markets such as Germany and France, and maybe even Italy and Spain. Due to reference pricing, the UK has a great influence in determining prices for the rest of the region and the risk of a low price in the UK is one that companies may not be willing to take.

All of these issues threaten the longer-term investment by the Industry into the UK. Having just been elected to the ABPI Board of Management I will have the opportunity to do what I can to address these issues as appropriate.

The 2011 Healthcare Bill calls for an overhaul of the NHS including a switch from the Pharmaceutical Price Regulation Scheme (PPRS) to the value-based pricing (VBP) regime. What impact will the new healthcare bill bear on Actelion's UK operations?

If you speak to the Government authorities they will tell you that the reform to the NHS is not all about cost-cutting – it's about savings through efficiencies. If value-based pricing is implemented and genuinely rewards innovation by taking into account factors such as potential market size for a product, then it very well might be a good thing. It will be interesting to see what happens, and I think no one knows yet what VBP is going to look like, but it for the reasons that I have outlined, it definitely needs to be something that is beneficial for the Industry as much as it is for the NHS. Otherwise, we will be in a situation where companies start to disinvest from the UK, and we have already seen one or two examples of this.

There also remains the issue of what will happen to products already on the market when the current PPRS scheme ends at the end of 2013 and VBP comes in. These will of course be the vast majority of the market for a number of years.

Given this context, what are your plans for Actelion in the UK for the next five years?

Firstly, I certainly plan to still be here because building and developing an organisation is a long-term project and one that I am completely committed to. I am confident that we will continue to be successful with our current portfolio as we expand and consolidate our position in the pulmonary hypertension area. But to really grow to the next level we will need to add new products to the portfolio and it will be exciting to have some of our development products for different therapeutic areas come through to market and we diversify into these new areas.

We have our own Actelion UK vision for the next 5 years, to double in size, without losing what makes Actelion different and special. If we achieve this, then I will consider that we have been successful.

What is your final message regarding the UK pharmaceutical market and Actelion's commitment to it?

Without a doubt the UK pharmaceutical sector is a tough market, but the Industry remains central to the Country's economy and the biopharma sector remains a key driver to the development of the Industry. I believe that we shouldn't run away from a tough environment, but rather as an industry we should engage with the right stakeholders to play our part in evolving the environment positively.

As for Actelion UK and Ireland, we continue to be successful because of the genuine understanding that we have to our customer needs and the support to their services that we provide and is why we are one of the main affiliates providing growth to the group as a whole.

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