Interview with Steve Howson, General Manager, Ferring Pharmaceuticals UK

23.06.2011

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Shire’s International Marketing to being COO of start-up medical device company, Medicsight. What about Ferring and your current role attracted you to take this job and what are you bringing on board that is unique from your past experiences?

As you mentioned, I have quite an extensive career and would like to think that this is something positive I brought on board when I joined Ferring. As far as my experience goes, I first did about 4 to 5 years of biotech research before I joined the pharmaceutical industry. My first venture into the sector was with Lundbeck for whom I ended up working about 10 years in a number of different commercial roles, of course, all related to CNS as that is what the company specializes in. I then moved to Innovex for a few years so that I could obtain breadth of experience in other therapeutic areas and move away from CNS. Ironically, I was then approached by Shire precisely because of my expertise with CNS as they were gearing up to launch Reminyl which is their product for Alzheimer’s. At Shire I worked through various roles, including head of their hospital unit, head of international marketing and then took over global management of five mature Brands. I was also in charge of setting up the international training & pharmaco-economic functions of the company as well as management of the EU roll-out of CRM systems, which were all essential infrastructures to build European growth. I later became General Manager in Spain, so that I could gain some experience in that role and also to gain exposure to a different market and culture. The assignment there was very specific as it involved a key product that had not been approved for reimbursement

and my task was to change the situation and launch the product successfully, which was achieved. During that time I was approached by Medicsight, and this appealed to me as an opportunity to work outside of big pharma and experience another sector of the healthcare industry. That company specialized in software for the automatic detection of polyps that would support radiologists with cancer screenings. This also gave me an opportunity to explore other geographies because in that role I was responsible for the US, China and Japan. These weren't large operations—we're talking about 10 to 12 people in each of the China and Japan offices, and slightly smaller in the US—but it meant getting the company and products off the ground, through the licensing and approval processes. Right around the point when I felt that the job had been done, Ferring approached me for this current position.

In part, Ferring was attractive to me because it is unique in that it is a family-owned company. Here at Ferring we have a saying that "people come first", and this is certainly true. Part of the reason why we have just moved into new offices is so that we could provide our people with a better working environment. These new offices also have more meeting space which will allow us to significantly increase contact with our key stakeholders and customers in the NHS and the greater industry.

In an interview with you for InPharm in May of last year you stated that your mandate as the incoming General Manager of Ferring UK was to accelerate the growth of the company in this market. How are you doing with that objective and are you on track with your goals?

In the year that I have been managing the operations in the UK there have been many challenges in the external market environment. I believe any pharmaceutical company will tell you the same thing simply because the environment is no longer stable. In essence, our only customer in the UK is the NHS and since the proposed reforms of the institution were published, it has become a very introspective organization. When the timeline for changes to occur was outlined, many NHS employees became nervous because it was too much, too soon. This has also affected the decision-making processes inside the NHS and the focus is now firmly on the current financial year rather than looking at longer term health gains. In this kind of environment it is very challenging for organisations like Ferring to secure agreements for the long term.

Given this changing environment it is hard to say with certainty if we are on track with our goals. We have implemented most of the internal changes that I wanted to make during my first year. Our products are growing well, but this is also in parallel to the increase in number and type of challenges and I can see this continuing for another year or two. The whole healthcare sector, both industry and NHS has just had a period in which we had to stand back for a few months whilst the government reconsidered their original proposals. The proposals have been watered down to some

extent, but I do believe that the majority of the proposed changes will eventually be implemented. These changes are occurring in parallel to the discussion of value-based pricing which gives further uncertainty as to what the environment will look like for industry in a few years time.

Given that you expect these challenges to continue for the next couple of years, what is your strategy to overcome them?

The main thing to do is to keep close contact with our customers and stakeholders. That includes our patients with whom we already do a lot of work through advocacy groups and the eight patient groups that we support within our therapeutic areas. It also includes the full range of prescriber stakeholders including GPs and hospital clinicians. Most of our products are specialist-driven and we have yet to see how this will change considering the proposed increased empowerment of the primary care sector under the new system. Ultimately, it is essential that hospital doctors and pharmaceutical companies alike have a dialogue with the new stakeholders that will be making the decisions in the proposed system.
In addition to clinicians we regularly participate in industry forums and are active members of EMIG which is a very proactive organization. We have also established relationships with the Department of Health (DH) and the Department for Business, Innovation and Skills (DBIS), because it is important for DBIS to understand how NHS decisions will impact the future of the pharmaceutical industry, which is a significant investor in the national economy.

Considering Ferring’s corporate strategy to grow through partnerships, what outlook does the company have in tapping the rich UK biosector either through strategic collaborations or maybe even an acquisition?

As regards partnerships, I think it is essential for pharmaceutical companies today to look beyond the traditional “box of pills” and work through partnerships to develop services. This includes partnerships with different sectors of the industry and government authorities. It would not surprise me if in the future some companies decide to sell only integrated services as part of their evolutionary process.
Taking into account the opportunities and challenges that the UK pharma market has to offer compounded with your vast professional experience, what piece of advice would you give to an incoming UK general manager for a global pharmaceutical company?
My main piece of advice for any manager is to get a thorough grounding of where the NHS is seeking to go. Furthermore, they must come to grips with managing uncertainty because that is the name of the game over the next year or two. Any GM needs to think in 3 to 5 year terms

In that case, what are your 3 to 5 year objectives?

My main objectives are to consolidate our product portfolio and to get through the challenges of value-based pricing and the changes of the PPRS system. In general I would like to weather the NHS reforms and come out of them ahead of where we went into them; all of this in a way that delivers better service and products for patients. Some of the people I am now in touch with inside the NHS are looking for true partnerships with companies in order to make decisions based on the added value of a product rather than simply the cost. Those people are very pragmatic and they understand that as companies we need to make a profit despite the trend of falling prices in the UK market.

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