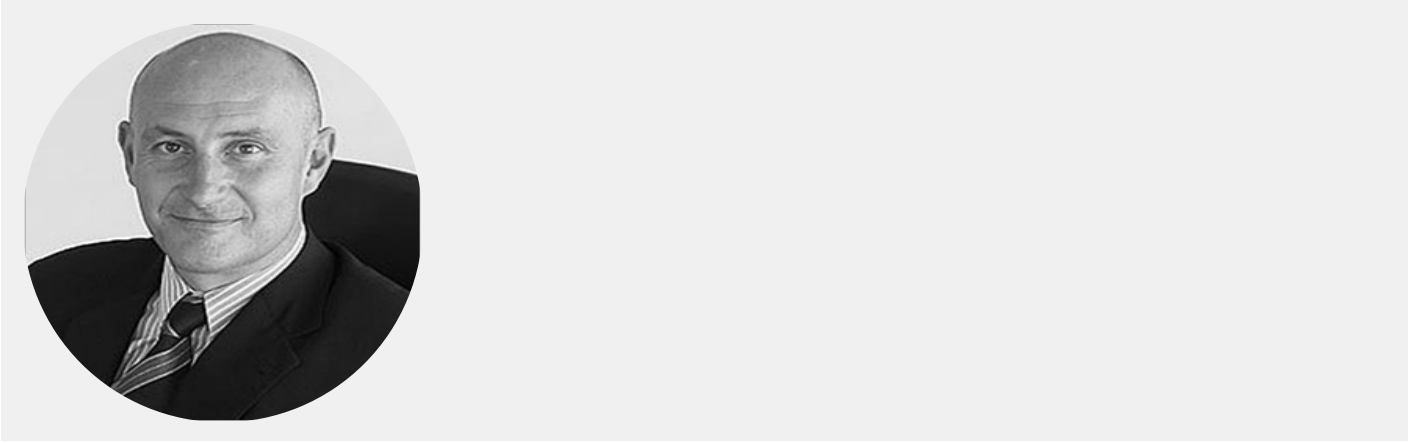
Interview: Jordi Martí, VP Managing Director, Celgene, Spain & Portugal



14.07.2014

Tags: R&D

When Jordi Martí came to Celgene in December 2012, one of his main goals was to create a change in the affiliate's model. The VP Managing Director of Celgene Spain & Portugal explains the new methods implemented in the affiliate, and the importance of the company's research center in Seville, which is the only such center of Celgene's outside the US.

What were the strategies involved?

The strategy was to readapt the organization to the new challenges that we have, especially regarding how we can bring innovation to Spain while adopting a "customer-centricity" approach. Undoubtedly, the healthcare budget is administered regionally and consequently Celgene is trying to regionalize its business mode. Celgene Spain is organized by typical business units based on therapeutic areas such as Oncology/Hematology or Inmunology/Inflamation. Simultaneously, the subsidiary must also act as one voice with an aligned message for the customer, both at a national and regional level. We have to develop a compelling value proposition which needs to conveniently address different stakeholders' interests. We must ensure a cross functional collaboration through well defined processes and the right corporate culture. On the other hand we must be innovative away from our R&D machine and become more than a provider, with the legitimate aspiration of becoming health partners for our stakeholders. A high level of transparency and social commitment is needed to succeed on this as a truly collaborative approach. We implemented all these changes in early 2013 and we are quite satisfied so far.

Given that Celgene's products are mainly for rare diseases and thus must go to a specific patient population, do you have more leveraging with authorities than typical pharma companies?

People act differently for different products. Innovative products are of course preferred but you will always have troubles and hurdles. Innovation is costly but we must create value propositions for this innovation. Before the crisis, the science behind a product was enough. Anything with a new mechanism of action was sufficient for getting price and reimbursement; access and it was a limited pressure at hospital level depending on the product. Today, science is not enough; you have to move from science to value, otherwise you will fail. Some believe that a great product removes potential problems. This is not true. Payers always want to know the budget impact of any product and this is a problem, especially with innovation, which does not exist at low cost. Removing all budget impact is almost impossible. The only way of approaching this is through a collaborative negotiation with payers based on transparency and a long term commitment from both sides. We must remember that R&D and innovation is a long term cycle which needs to be treated consequently ensuring predictability and avoiding changing the rules of the game continuously.

Partnerships with specific patient groups or specialists are much more common now in the industry. How do you does Celgene engage with such groups?

There are many challenges but also many opportunities. As an industry we have to be less risk-averse and create value proposition beyond pills. We need to add value through services. Looking at the centricity of a patient and his or her journey requires us to try to develop services that will help disease treatment. This is not just about drugs, but also the process itself, including areas like treatment adherence or proactive medicine. Regarding specific services, I think the industry has made a mistake in trying to organize silos for different stakeholders, such as specialists, pharmacists, market access teams, etc. All the different functions in a company are contributing, but not in cohesion to create the best value proposition. This is a must. We have these different services based on patient centricity that ultimately benefit all stakeholders and the more relevant, contributing to improve relevant health care metrics. There are many things that could be done from this perspective. Another example is establishing value through innovative pricing models which is quite challenging. The reality is that people are being treated differently and the willingness by the government to pay will be different based on the treatment. But both industry and payers have to be supportive in this.

Celgene has about nine products in early to mid-stage development, six of which will release results later this year. How active is Spain in R&D?

R&D is one of Spain's own advantages. Not only is Spain in the top five in Europe for R&D, but academically speaking, Spain has fantastic groups not only for research but in clinical practice and we have KOLs in all specialties. The country's hospitals are also superb, with many opinion leaders participating in research. This kind of investment has not dropped despite the challenges from the commercial side. That is because the quality is very high. Celgene Spain itself is currently participating in about 30 trials with 3000 patients. The affiliate also has a translational research center in Seville, and is Celgene's only center outside of the US. This center's research is a clear example of our commitment for innovation as the fact that more than 20 percent of earnings go straight to R&D.

What is the footprint of this center?

Our center is running several programs in areas like epigenetics and cell therapy in very early stages. We also established the BioBank in Seville in 2010, which coordinates all investigation around Europe in computational biology. There are around 30 highly qualified science professionals who run this center, which is clearly showing the quality of Spanish innovation, of which we are very proud.

2014 has been an interesting year for Celgene so far, especially with Revlimid coming under patent dispute. How do these issues manifest themselves in Spain in terms of generic competition?

We will always be committed to defend innovation and intellectual property as we think that innovative products will continue changing people's lives.

On the other hand we are permanently working together with different payers to ensure product's access to patients through a compelling value proposition and trying to contribute on our NHS sustainability.

Celgene earned $6.5 billion in revenue in 2013; how is Spain represented in this organization?

We are in the EU top five; we have developed our marketed products very well, and thus we have excellent metrics. This is particularly impressive considering we certainly have some of the lowest prices in Europe. Growth for 2015 will be fuelled by new launches. In fact, Imnovid has just being approved earlier than in other comparable countries in Europe. This is a myeloma drug that

represents a valuable option for patients that have relapsed after available treatments delivering significant survival extension. On the other hand we are in the process of launching Abraxane (nab-paclitaxel) for pancreatic metastatic cancer which represents a change in treatment paradigm, and finally we are projecting to introduce a new oral compound (Apremilast) for the treatment of psoriasis and psoriatic arthritis.

Where can we expect to find Celgene Spain in the next five years?

The companies that will succeed are the ones that will have the ability to partnering with stakeholders, particularly payers. We need to create more trust, which is still weak on both sides. It is tragic to see conflict at the table of negotiation. The only way to be sustainable is to communicate with each other. I am thinking about the importance of having a “collaborative negotiation” process. In the past, the industry tended to talk about our own history, the conditions and not caring about “other side” problem. We must realize that there is a problem. I think politicians and the government need to make tough decisions to create sustainability. If they want innovation, they should not try to obtain it at a low cost, which would result in other changes in copayments for example. Spain is not the only country with these problems, but due to the financial crisis these problems are more extreme. Figuring out who will pay for new innovation will be an issue everywhere. We have known this for a while and someone must decide on how to do this.

Ultimately, the paramount idea here is to create value that positions us in a way in which it makes sense to provide our drugs to patients. We also need to start creating metrics for health value. We have metrics on cost and some of them are not accurate. Some diseases have different survival rates, and pharmaceutical companies need to adapt accordingly. There needs to be a greater emphasis on reference centers for complex diseases, and efficiency in general must be managed. Spain has traditionally been not so good at measuring metric and we need to improve on this.

Another method of collaborative negotiation is being dynamic with payers. You have to engage them and create trust. That will be the future. We have the right professionals for this but we need to unlearn a lot of what we learned – we have been doing things that are useless in the future and we have to develop people in order to get that. Normally we pick people from the same industry and the key challenge is how to develop these people to be talented for our new, current reality.

To read more interviews and articles on Spain, and to download the latest free report on the country, click here.

See more interviews