

Interview: Rui Ferreira Santos, Country Manager, Almirall Portugal



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Almirall Portugal stopped all commercial activity in 2011 to focus only on the market access of new, innovative products being introduced through the organization's active R&D pipeline. Country Manager Rui Santos explains this process and how he plans to tackle the tough Portuguese marketplace.

Almirall has been in Portugal for 20 years. What added value does having an affiliate here have, being so close to headquarters in Barcelona?

This affiliate was not born as Almirall. The company started in 1993 as an affiliate of Prodesfarma until 1997, when Almirall merged with Prodesfarma, resulting in the acquisition of this affiliate and another in Belgium. This expansion to other markets outside of Spain was not part of the organization's horizons in 1997. But in 2002, the slowdown of the Spanish market and the growth of Almirall through its own R&D and in-licensing from big pharma, allowed for greater international expansion. At the time, Portugal was adding significant value. We had products in the Portuguese market that were growing at double digit rates. Unfortunately, that growth has become stagnant in more recent times.

Spain made more immediate measures to cut expenses in their national health system, whereas Portugal was slower and the processes differed. Access to doctors is different between Spain and

Portugal, and the prescription system is electronic in Portugal and not in Spain. Furthermore, Spain's healthcare is operated at a regional level, so each region has its own budget. Portugal's budget is centralized. Almirall's primary focus is in respiratory and dermatology, but also has an interest in gastroenterology and pain. Those four areas are our future. We have almost reached our goal to provide truly new and innovative products to the Portuguese market, which differentiates us from other countries. Our R&D and business development departments have provided new products that give Almirall Portugal the optimism for a prosperous future.

You became Country Manager of Almirall Portugal in 2011, in the midst of the country's crisis. What was your initial objective?

I started in Almirall in 2005 in marketing and in 2011 I had the opportunity to become head of the affiliate. At the end of 2010, our portfolio was very mature, affected by generics and strong erosion of sales. We took the tough but courageous decision to stop all commercial activity in Portugal. Since 2011 we do not have any field force promoting products. My small team here is focused on the access of new products we were expecting from our own R&D and licensing agreements. Thus, in response to the crisis, rather than work on mature products, we prepared the market and ground to bring new products.

Acridinium and Sativex have done well for the organization this year. Will those be primary growth drivers in Portugal?

Because our current portfolio is very mature and in decline, all of Almirall's new products will be growth drivers. Acridinium and Sativex will indeed be very important as well, as well as Constella, which has been in-licensed from Ironwood. Our dermatology business will also be of more importance; Almirall submitted some products that are dermatology leaders in other countries that are currently not marketed or are marketed but not being promoted. Similarly, we believe that the dermatology franchise has real growth potential in Portugal. I am confident that the Portuguese authorities will recognize the added value of our products for the future.

Has Almirall Portugal enjoyed recent successes for reimbursement?

We started market access activities in December 2011, when our first product was submitted for reimbursement. We were aware of the reimbursement difficulties, and we have enjoyed some successes to a minor degree, despite having observed a delay by the authorities in following procedures and law in terms of timelines for evaluation of technology. At the present moment, reimbursement of Acridinium was reached, and this was Almirall Portugal's first major success. We have even moved forward in the reimbursement process with Sativex, despite the product's

complex characteristics, patient group, and cost; nevertheless it is an added value for patients. We bring a solution for a symptom that impacts patients, and authorities recognize that.

Will Almirall Portugal invest in clinical trials?

The Almirall organization has been developing a significant amount of clinical trials for new molecules, and one of my objectives is to bring those kinds of investments to Portugal.

What is the role of mid-sized companies like Almirall in the Portuguese market?

Almirall is currently ranked in the top 60, but we expect in the future to grow in that ranking. Based on Almirall's expansion over the last ten years, we expect the company to be able to bring more innovative products to various markets at the European level. Contrastingly, big pharma does not invest as much money as Almirall does in R&D; rather, they buy innovation. Small to medium sized companies develop molecules that make a difference in people's lives. We do have some licenses, but we also have a history of bringing new, innovative molecules to the market in different fields. This is one of the key reasons why we can face the future with optimism. I think Almirall will become one of the top companies in Europe.

Is the mixture of R&D and in-licensing advantageous in a market like Portugal?

It is advantageous because special licensing of products maximizes opportunities for our molecules. We in-license in countries where we are not present, and where we are present we maximize through our own capabilities but also take advantage of other companies' abilities through partnerships.

What was your motivation to move from big pharma to medium pharma?

I was motivated by the challenge. Working previously in marketing at Pfizer was great during the big boom of company's new molecules. But the days of blockbusters are over. There was a moment in my professional career where I felt that in big pharma there is a loss of control of everything linked with your product. I lived the era of launching a product and becoming a market leader. It was more of a personal challenge to work in a company with a lower level of resources that wants to expand in a growth period that is not immediate. This was about how to create your own space and survive when you do not have the same resources. You stop thinking big, and start thinking effective. Generally, Almirall has reached some goals for a medium sized company between 2005 and 2010 that are substantial, attaining market leadership in specialty pharma as we do not have the resources to be market leaders in primary care.

Are there any particular strategies you have implemented in the last couple of years that other general managers could learn from?

We decided to be drastic instead of being dramatic every year. Some companies decided to postpone several measures and are surviving. Almirall was more radical in its decision-making but our strategy is different from most other companies; we have been waiting for new products, knowing they would drive growth for the future. Other companies are losing sales but adapt year by year. In our particular case, we did not leave the pressure of sales, as we were aware that with zero promotion we would lose sales. Fortunately, things happened as we expected, but there was the pressure of market access: how to speed up processes, how to be as early as possible, and bringing new innovation to the market. What I learned was that during the crisis, you need to be patient in a very unpredictable environment, meaning you need to be prepared to wait for the right moment to act. Sometimes the barriers to postpone a launch will be huge. In some cases, the processes of INFARMED took three or four months. Acridinium was submitted in September 2012, and the approval by INFARMED in March 2013. In December we expect the approval for reimbursement. There were rumors that the Secretary of State of Health would block a number of drugs, and such challenges cannot be anticipated. Our Spanish headquarters also have the same difficulties, so they understand our difficulties. My counterparts with Swiss or American companies have more difficulty explaining their difficulties to their headquarters.

What would you like to achieve in the short to medium term?

We would like to ensure stability. The time to bring products is more predictable in other European markets. I hope there are no more changes in legislation; we have reference countries for pricing. With that it will be easier for companies' headquarters to bring investment, and subsequently country managers can bring investment in clinical trials or manufacturing. Most companies stopped manufacturing here, which is a shame given the low production costs here. So labor laws must become more flexible. Portugal is experiencing tough times, but we have the confidence, we are hard working, and we will learn from all of this. In five years, things will be different but for the better.

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