

# Interview: Peter Drøidal, Country Manager, Denmark

## Scandinavian Head Primary Care Novartis

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*Beginning his career in Bayer Pharma Mr. Drøidal soon found his calling in management, working his way up the ranks of management in Pfizer reaching the position of Head of Marketing before making the move to Novartis in 2007. Since then he has enjoyed much success as Regional Director and Commercial Director of Denmark before taking up the mantle of Scandinavian Head Primary Care & Country Manager for Denmark. With his wealth of experience he shares with Pharmaboardroom his insights into the current state of affairs in Denmark such as the change in tactics and attitudes towards holistics and innovation.*

**Different to most of the MNCs, say Sanofi for example, Novartis globally has performed fairly well in 2012. Can you therefore comment on how the Danish operations have been performing?**

The Danish operations of Novartis Pharma have been performing extremely well. We have been very successful and grew almost 25%. We jumped from being number 5 to the number 2 MNC in the country. Furthermore, with all the Novartis companies combined- Novartis Pharma, Sandoz and Alcon (both with HQ in Copenhagen)— we are the biggest pharma company in Denmark.

**What were the main growth drivers?**

The main growth drivers have been Lucentis for Age-Related Macular Degeneration (AMD) and Gilenya for Multiple Sclerosis (MS); Gilenya has been extremely strong in Denmark.

The prevalence of MS is high in some of the Nordic countries and Denmark has a tradition of being strong in MS research. We have many physicians that have top international careers within MS. Hence, the launch of Gilenya, the first oral treatment option for MS, has been well accepted among the physicians and the patients, and both have been pushing to have access to this treatment.

**Recently, Novartis CEO, Mr. Jimenez commented that the company is not about selling pills but moving into a more holistic approach. How are you doing this in Denmark?**

We're not doing a lot of new things; instead we're strengthening our discussion with the payers and trying to point the right medicine for the right patient at the right time. In order to achieve the most cost effective treatment for the society with the highest value of the medication requires a better dialogue.

Right now in Denmark, we have a tender system within the hospital segment, which is driven to a high degree by price. But, we also see that other elements not only prices are becoming more important. Therefore, we need to have much more focus on the value that medication is actually providing for the right patients.

**It's very interesting how the industry is moving to this holistic approach. How do you think the industry and the payers can share the risks better?**

Of course it is an option to start to share the risk and also share the benefit. For me, the term risk-sharing sounds a bit negative. However, as you mentioned in this new approach it is fundamental to share risks and make sure that the right patient is getting the right medication. If the right medication is not used, then you don't see the benefit and therefore the payer should not pay for it. In that sense, it is correct that it is risk sharing. This concept is a bit complicated in Denmark because we have the tender system; therefore these kinds of models would have to be incorporated into the national tenders. We're starting to look into such solutions but it's not that simple, there a lot of legal elements that need to be considered and the authorities need to be prepared before they can actually enforce anything. However, things are moving in that direction so it is more a matter of time. Meanwhile, we just need to focus in meticulously documenting the value of our medication and really highlighting the patient segments which will get a benefit from

our treatment.

**From many of our interviewees we hear that Danish authorities value innovation. Do you share the same view?**

Absolutely, you can see that in Denmark we take on new medication, but it is getting more difficult. The financial crisis has also hit Denmark and there's a lot of cross containment measures and initiatives from the government on cost and quality. Many of the initiatives that we've been seeing on new reimbursement assessments have a significant cost element. Hence, we need to have a better dialogue with the authorities on the value and where we can provide it instead of just focusing on total patient population and cost and prove that for X or Y segments of patients certain treatment is very cost effective.

**More generally, many of the general managers that we meet are excited about Asia and Latin America due to the growth coming from these markets. So in your perspective, what is still the beauty of mature markets such as Denmark?**

Mature markets are still a significant part of our sales, since we have been growing more than 25%. Our growth rate is actually quite good and with it we can show that it's also possible to grow at a nice rate in the more mature pharmaceutical markets.

**What are your expectations for the growth of Novartis in 2013. Do you think you can keep this 25% growth?**

In Denmark we probably we won't be able to keep the 20% plus growth, although we absolutely expect to grow. We have new launches. We launched Seebri for COPD in late 2012, so we expect to see more growth coming from it and we have other products in the pipeline within COPD coming rather soon, which is a really important area for us.

In the future our strategy is not only growing the hospital brands, but also winning market shares in both primary care and the specialty segments. Our ambition is to be present in both segments and we have the pipeline to justify our presence in both areas.

**After working for Novartis for 6 years, you have been appointed the Scandinavian head of Primary Care and Country manager less than a year ago. What has been the most exciting part about this position?**

It is very exciting to start working with other countries. There's a lot to learn from working in and with our countries and colleagues from other countries. Working with Sweden and Norway, for example, has shown that we have many similarities and differences.

**What would you like to be your final message for our readers about Novartis Denmark and the future of the Danish industry?**

Novartis has a bright future in Denmark. We have a really solid pipeline both within Primary care and Speciality; here I'm referring to MS, Ophthalmics, and Oncology. We have a lot of products coming from the Oncology division so I see a lot of growth potential in that therapeutic area.

On the other hand, it is becoming more and more difficult to get the funding and market access. Therefore, our focus will be to secure that our products have access to the market. I'm confident that we will be successful since Novartis products are offering something new to patients. The most important part of our business is to continue to think about what we can do for the patients and really offer something that is giving value. By doing this, the other things will follow and we will get the market access. As we work in this way I'm very confident that Novartis will continue its leading position in Denmark.

As for the message on the Danish pharma industry— looking at the Danish trend you can see there's still growth within the hospital segment. We see a decline in primary care mostly due to the patent expiries, but there is still an underlying volume growth. In this perspective, we can say that the fundamental drivers of the pharma industry are still positive, they're still important medical needs in many areas and it's up to us to work together with the authorities to secure that we can close these gaps. This is where the outcome based focus will actually come in to make sure that we target the right patient segments where they will get the value from our medication in a cost effective way. Things are moving, we are seeing positive signals but it's also a fact that the economic crisis has hit Denmark so the government needs to prioritize more than they did before. We understand their concerns, therefore we simply need to make sure that they understand what kind of value they are receiving from our medication and see medication as an investment versus merely a cost driver.

**Before you came to Novartis you were in Pfizer for 9 years. So, in a more personal way why did you change from Pfizer which is generally number 1 globally, to Novartis that is number 3 globally?**

Pfizer is number one, but now Novartis is number one in Denmark, so I'm fine with that. I think Novartis is a great place; there are a lot of opportunities, both locally and internationally for people who want to make a difference, so I'm very happy to be part of this company.

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