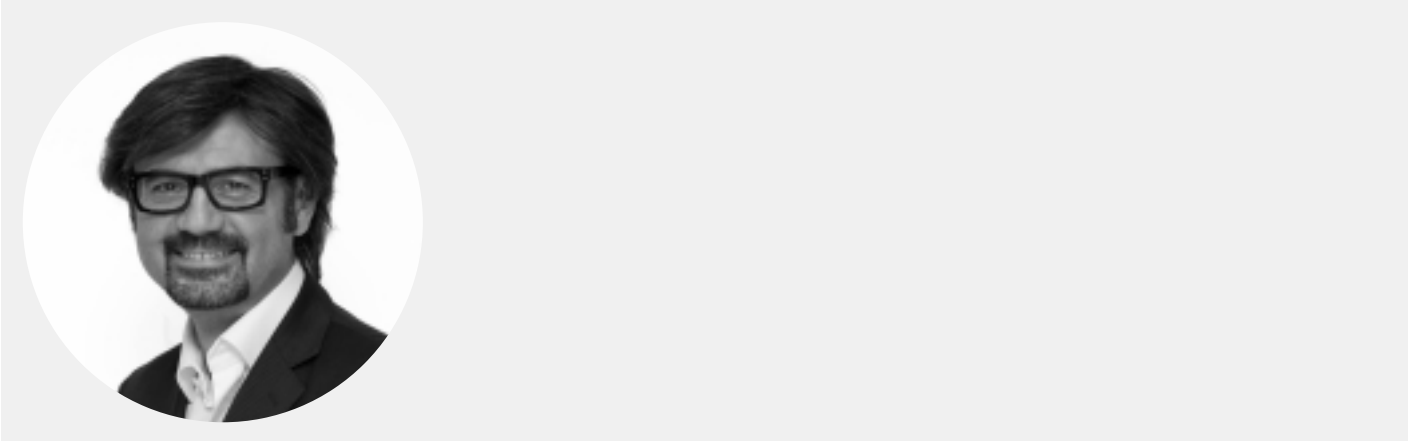
Interview: Massimo Visentin – Country Leader, Pfizer Italy



04.02.2016

Tags: Pharma, Pharmaceuticals, Pfizer, Italy, Massimo Visentin, Government Relations, Cardiovascular, Oncology, Biosimilars, Acquisitions, Hospira, Allergan, Innovation, Interview, Insight , Exclusive

Massimo Visentin, Country Leader for Pfizer Italy, discusses the company's remarkable success in 2015, his hopes and ambitions for the new year, and the need of the industry and Pfizer specifically to engage the government in the development of a more sustainable healthcare system.

To start off, we are approaching the end of 2015, how would you rate Pfizer's performance this year in terms of targets achieved, and how have you positioned the company for success in 2016?

I would rate Pfizer's performance in Italy over the course of 2015 as very good, we achieved or exceeded all of the targets we had set with our headquarters in New York. We have also begun the integration of Hospira, which will be important for us as it will expand our footprint in the country from three to four production plants, with three thousand employees and 1.2 billion euros in turnover. We have also been successful in our efforts to partner with institutions in the country, especially with regards to market access and reimbursement. Finally, this year Pfizer was able to improve the way in which we communicate the importance of patients to the company, and crucially what the company can do for patients themselves.

2016 will see us continuing this journey, but it will also be a year in which we face some significant challenges as an organization, in terms of loss of patent protection and increasing competition in the marketplace. At the same time, we need to realize the full potential of the products which we have launched over the last two years and make them more accessible to our patients. On the production side investments will continue, and projects such as Zero-Defects and our green initiative continue to be top priorities for our presence in Italy.

Operating in the fourth-largest pharmaceutical market in Europe, how would you rate the significance of the company's Italian operations in the overall European strategy?

As part of 'Develop Europe', we are very aligned with the overall European strategy for Pfizer. Most of the big countries in the continent are facing similar challenges in terms of the accessibility and affordability of new drugs, so it is important that we are aware of what is happening and that we move in the same direction. There is a healthy competition between the countries within Pfizer, as there is in any large company, and Italy will continue to play a crucial role here alongside our European colleagues.

Pfizer operates in a wide range of therapeutic areas from anti-infectives and cardiovascular disease, to oncology. Which of these would you say provide the best fit with the needs of the Italian market and its patients?

When we stay within a certain therapeutic area, we do so because we see remaining needs in that area either in the terms of unique therapies we can offer patients or because we have promising research which can produce tangible results, so in that sense every area is crucial.

On the commercial side I do see significant opportunities for our prevention business; our vaccines program for adults is the largest in the European sector, and Italy has the highest penetration within that group. Cardiovascular is our history, but it is also our future, in 2014 we introduced new anticoagulant drugs which are best-in-class and are making serious progress in terms of accessibility. We also continue to invest in inflammation and immunology, while anti-infectives will remain a core business for our operations in Italy. Oncology is also seeing new drugs introduced to the market on a yearly basis.

When we spoke with Cees Heiman in 2009, he saw the, then ongoing, acquisition of Wyeth as a crucial strategic move for the company, which would allow it to catch up with, and eventually surpass, its competition in Italy to establish an even stronger presence in the country. Where do you see the opportunities for Pfizer Italy today?

Broadly speaking there are two kinds of opportunities for Pfizer in Italy. On the one hand we have high-level strategic opportunities exploited through acquisitions such as Hospira and Allergan. Hospira for example fits perfectly with our strategy to enter new sectors such as biosimilars, in which we previously had no presence. Acquisitions bring not only complementary products but also continue our ability to innovate.

On that note, moving forward, innovation will continue to be our core strength. We have reached our current position in the marketplace through innovation, and our aim is to be the number one biopharmaceutical company in the world. To continue this, we will need to bring out new products which fulfill unmet needs, and we are looking towards oncology and rare disease to be drivers here both through acquisitions and investments.

You have mentioned the integration of Hospira, how is this progressing?

Very well, we are currently in the process of defining how we would like the final organization to look. There are a lot of synergies to be exploited between our two companies, so it will be very important to maintain the knowledge Hospira has built up over the years, and to bring this into Pfizer successfully. In every aspect, the integration is on track and proceeding well.

As one of the three largest pharmaceutical companies in Italy, how do you seek to position yourself as a partner to the government, with a view towards building a more sustainable healthcare system?

I would say that the majority of my time in 2015 was spent negotiating with the government. I do believe that we, as a large company, have a responsibility to help the authorities to find a sustainable solution. The system today is certainly not sustainable, in particular when you isolate the hospital business which is seeing, and will continue to see, the introduction of the majority of the most innovative and expensive new drugs. Here there is a clear limit to the amount the government is willing to spend, and it is far below the real demand. This gap currently stands at around 1.5 billion euros, and considering the fact that the total budget is currently 3.8 billion euros, this shows that the budget is simply not matching the country’s needs.

We are partnering with institutions in our efforts to demonstrate the value our therapies create. For Pfizer we are eager to communicate that there is a realistic way out of this problem, and that it is a three-fold solution. First, there is prevention, which is a great way of saving money and improving people’s lives. Second is the need to realize that the pharmaceutical budget only represents a portion of the total healthcare spending and that the two are not equal. Therefore, saving in pharmaceuticals while hospital sector costs continue to spiral out of control will not be sustainable,

or correct. Finally, there needs to be a broader shift in attitude towards viewing pharmaceuticals as part of the solution, rather than purely as a cost. This requires shifting savings generated by our industry in the hospital sector to fund the wider access of innovative medicines, and that is something which we have not seen to the extent that we would like. This is where we are working with institutions to find new solutions.

One good example of this was the meeting between our CEO, Ian Read, and Prime Minister Renzi and Minister Lorenzin last September, in which he discussed the need to find an alternative to the current pay-back mechanism as that mechanism puts Italy in an uncompetitive position compared to other European countries.

How would you characterize your relationship with AIFA?

We have a very good relationship with AIFA. Clearly, we have very different objectives, however it is important to recognize that solutions will be forged out of compromises made between us. In the past, AIFA has faced several challenges, especially in terms of understaffing and lack of resources. There was also a tendency to step back from the problem and say that they were simply implementing. Now we are seeing some movement here, and the agency is able to fulfill its role in influencing not only the industry but also the government. That is the direction we need to move towards, as we are all part of the same mechanism and should work together to improve our situation.

AIFA is the central regulatory authority, however as Italy is a very regionalized market, how do you engage stakeholders at that level as well?

Between 2011 and 2014 we have made a serious effort to shift the focus of our organization towards reinforcing our commitment towards payers, and especially regional payers. We have an organization called ‘Health and Value in Corporate Affairs’, which looks after the regional needs of stakeholders. This is an example of a larger action to move from a one-size-fits-all approach to a more specialized strategy where we listen closely to our regional customers to identify their needs.

There are huge differences between Italy’s regions, which means our approach must necessarily also be different. What we have been doing so far is to customize our value proposition based on the dynamic of the region from a payer’s or a physician’s point of view for example.

What are the characteristics of the Italian market and industry which you portray to headquarters when competing with countries such as France, Germany and the UK for investment?

When I communicate with my headquarters, I do so by looking at our track record in the country. This will involve the past launch of new products, our success in negotiations with the government, and our record in terms of production. Headquarters looks at countries as a whole, and for Italy that means they base their evaluation on both the production and commercial side as a single organization.

From my side I do clearly recognize the challenges we face as a company in Italy, and although the excellence we possess in our human resources is very high, it is nonetheless difficult to counter the obvious difficulties we still need to overcome with regards to the time-to-market and sustainability of our healthcare system. In that sense the only lever I have is the passion and commitment my team demonstrates continuously in their efforts to be successful and to support our patients.

Given the challenges and opportunities you have described, could you share your own ambitions for Pfizer Italy over the next few years? What story would you tell us in two years' time?

There are two main objectives. The first is that given our size, we have a responsibility to help shape the healthcare system. It would be very good if in two years' time I could tell you that we have replaced the claw-back mechanism with the implementation of a perfect connection between pharmaceutical spending and hospitalization costs. This would mean that Italy is evolving very strongly in its perception of pharmaceuticals, and that we can demonstrate this to the world.

Second, for Pfizer itself I would like to be able to say that the organization is recognized as a leading company by our patients. By this I mean that given the size of our portfolio, we have the capability to support all of our patients and to continue the journey we have started in which we go beyond the provision of pharmaceuticals, and add services to our value proposition as well. This means developing machines which can more effectively detect diseases early on, nursery programs which can ensure a more effective use of medicines, and continuing our investments around narrative medicine.

In summary I would like to be able to tell you that we have changed the healthcare system to make it more sustainable, and that we are being recognized by patients as the key, committed stakeholder in ensuring their wellbeing.

Click here to read more articles and interviews from Italy, and to download the latest free pharma report on the country.

See more interviews