Interview: Francesco di Marco – General Manager, Amgen Italy



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Francesco di Marco, General Manager for Amgen Italy, shares his view on the state of the Italian pharmaceutical sector, the turnaround the company has made in the country, and what he sees as the keys to unlocking Italy's potential for innovation over the next few years.

Having worked for Amgen since 2004 in Switzerland, Germany and Italy, you certainly have extensive experience in the company's European operations. To start off, how would you describe the advantages Amgen has as the world's leading biotechnology company, operating in Europe?

We are a very young and extremely innovative company. As such, a continuous strive for change is written in our DNA, and this has helped us adapt to a lot of difficult situations. Especially in Europe during the crisis we have had to consistently reinvent ourselves, and this mindset has allowed us to do that effectively.

When I arrived in Italy the company was the product of a merger between Dompé Biotech and Amgen. So it was a combination of a company with a strong foundation in Italy and another which was much younger, and still very American in its operations and style of management. At the beginning these two entities were still very separate, on top of this we were going through a period of crisis and the work atmosphere was in a good place. So first it was important to bring the

affiliate back to the company's core values. Second, we needed to change our mindset to reflect our commitment to compete and win and be science-based in our operations. My work, and the work of my team, was to bring the affiliate back to that level while dramatically improving the work atmosphere. For two years we went through small reorganizations, and this is the first year in which we have returned to growth. The fruits of this effort are becoming apparent now, as our survey has just placed us as one of the top among Amgen affiliates in terms of workplace atmosphere.

How did your experience in other countries help you achieve this?

Firstly, those experiences have made me able to work around different cultural environments. Secondly it is now easy for me to see how a common set of values can be interpreted and applied in different ways in different countries. So here we looked at how the general global core of the company could be applied to Italy, and we were very successful in this regard. I say 'we' because it was certainly a team effort which made it possible to do that.

How significant would you say the company's Italian operations are in the European strategy?

We are the third-largest affiliate in the group after France and Germany. As such we are part of the European management team. This can be challenging as, although I represent Italy, when we are talking about the company at a European level I need to of course do what is best for our overall operations on the continent. Today success in Europe means first of all, to be successful in Germany, then in France, and then in Italy and Spain.

Globally, Amgen's portfolio is centered on five key areas: cardiovascular disease, inflammation, nephrology, oncology and biosimilars. How are these represented in the company's Italian subsidiary?

Today we are mainly an oncology and nephrology business, but we are opening up very strongly in cardiovascular disease as well. We have just registered drugs in the non-reimbursement market a few weeks ago. So we are at the beginning of a shift which will dramatically but positively change our business. Inflammation is non-existent in Europe, and there are a number of other drugs which will not be marketed here by us, so the focus will remain on cardiovascular, nephrology and oncology for now.

Cardiovascular disease and oncology are certainly areas of high patient need in Italy. As a mission, Amgen seeks to develop new medicines for diseases for which there are no

cure. How has Amgen lived up to this mandate in Italy?

From our side, in Italy we have three hundred thousand patients dying every year from cardiovascular disease. We compare this to a small city disappearing each year, so the need is certainly there. Today we have a number of drugs in this area which are very cheap, but they are not sufficient to significantly impact a problem such as hypercholesterolemia and this needs to be acknowledged on a wider scale. I think the pharmaceutical and academic communities do understand this, but we need to communicate it to the tax-payers and government as well. Our strategy is not to develop drugs which are to be used before statins, but to provide post-statin drugs for patients who have undergone treatment but are still at high risk and which did not have a cure.

I think this reflects our position now at the beginning of the century of biotechnology. At first we were making copies of proteins we had in our own body, the next step was modifying these proteins and improving them. Today, we are entering the engineering phase, which opens up entirely new frontiers for the pharmaceutical industry to explore. This has the potential to provide effective treatments to patients who previously had no options. So although there are currently a lot of drugs for many of these diseases, there are also patients for whom those drugs are not effective enough; that is the area we are targeting.

These drugs are expensive, but we can know well in advance that they are on the way as it takes years for them to reach the market. So we can look at which drugs are going to have the most impact on citizens' lives and dedicate the appropriate resources to fund them.

The consequence of delivering highly innovative drugs is indeed that they tend to come with an appropriately high price-tag. Nevertheless, there is a strong argument to be made that these drugs do contribute to the sustainability of the country's healthcare system by generating savings on hospital costs. How do you view this in Italy?

It is true that highly effective drugs do generate savings in the hospital sector, but unfortunately Italy's healthcare system is not currently structured in such as way so as to be able to take advantage of this. We have silo budgets in healthcare, which means that whatever is saved in hospitals cannot be redirected towards the pharmaceutical sector. This is a big defect in our current system. It is made worse by the fact that here we are dealing with an infrastructure sector on one side, with high fixed costs, and the much more transparent pharmaceutical sector on the other. This means that when the government needs money, it is very difficult to close a hospital while it is much easier to introduce measures such as our current pay-back system where we pay

back around 50% of the budget overruns incurred as a result of overspending. Unfortunately, this does not only put a cap on the system's expenditures, but also on innovation. Bringing new drugs to the market, which is our duty to Italian patients as it improves their lives, is made much more difficult if we know we will have to pay part of the expenditure incurred as a result of that drug back to the government. So far, we have been very resilient in our ability to continue bringing new drugs to Italy, but it cannot last and we need to start budgeting accordingly.

Italy has an advantage over other countries in this area, as we have a web-based registry system which allows us to check whether drugs are being prescribed correctly. This makes the lives of physicians quite complicated, but it allows us to control the use of our drugs which is incredibly valuable. This also means that the government can see that our drugs are being used only in those cases where they are most needed, and that they are effective. In light of this we should not be asked to then pay back part of their cost.

Amgen's mission is simple: 'To Serve Patients'. However, many pharmaceutical companies claim to put patients central to their mission; how is Amgen different in this regard?

Firstly, we develop drugs for serious diseases which have no available cure. We really do save lives with our products. Secondly serving patients has become an attitude. As an example, a few days ago we were confronted with a drug which is not yet available in Italy, and we are not allowed to import or donate it. However, there are patients who are in need of treatment today, so we try to do the impossible to get them the treatment they require. This means having everyone in the company know what they need to do if a new request comes in, how they need to contact AIFA and which processes need to be followed in order to accommodate those requests. There is no connection to sales here, it is about helping those patients and I am proud to have a team which is able to react very quickly in this regard.

Aiming to meet the needs of patients with as-yet incurable diseases is a high-risk, high-reward area of business. However, one benefit must surely be the motivation this brings to employees, knowing that they are truly benefitting society in their work. Is this visible in Italy as well?

Yes, and this is our first consideration when we put together our team. We need people who have the capacity not just to bring results, but who also have the correct mindset. A CV can tell me very easily whether or not someone can do the job I need them to; but it cannot tell me how they might fit in the company culturally. The most important cultural factor to this company is how employees

make patients their motivation, and this is what I look for in an employee.

Where do you see Amgen, and Italy headed over the next few years?

Amgen has a number of products in development which will have a large impact in Italy, so the future is certainly promising. What we need now is to be sure that the state is capable of finding the resources needed to fund truly innovative drugs. Some progress has been made here, but it is not enough. There needs to be a concerted effort to support new biotech companies and to establish strong partnerships between universities and the industry. The potential for Italy is there, now we need to unlock it. To do this we need to stop defending branded generics, and push for innovation. If we can do that, our future will indeed be bright.

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