Interview: Abramo Brandi – Managing Director, Octapharma Italy



10.05.2016

Tags: Pharma, Pharmaceuticals, Italy, Octapharma, Tender, Abramo Brandi, SME, Management Strategy, Interview, Insight, Exclusive, Free, Executive

Abramo Brandi, Octapharma Italy's MD, discusses the challenges of the tender system in Italy and how he has grown the company year-on-year in the midst of a global economic crisis.

What are some of your major achievements since becoming Managing Director of Octapharma Italy in 2008?

I was asked to join Octapharma when the company decided to enter the Italian market eight years ago. Firstly, I had to decide where to set up the company. The initial idea was to settle in Milan, which is a business hub with many skilled people. Nevertheless, the final decision was taken to set up the Italian affiliate in Pisa, primarily for one reason: in 2008 Baxter was moving from Pisa to Rome and I was able to hire skilled personnel that wanted to remain in Pisa. The first milestone was that Octapharma Italy was fully operative within six months; the second was that we surpassed our break-even point within the first 12 months, something that I am certainly very proud of.

We have a relatively small organization in Italy with eight people in the Pisa offices and four Key Account managers on the field. The ambience in the company is fantastic and rests on teamwork. We have certainly been successful in this market, considering we started the operations at the brink of the economic crisis.

What is the rationale behind running such lean operations?

Our competitors have been in this market for many years, in particular Kedrion, with its relevant structure and two Italian production sites, has always been the main player both in the commercial market and in the national self-sufficiency program. We only decided to enter Italy in 2008. Entering with the idea to grow in the country, we had to build up our presence step-by-step. Therefore we exploited the opportunity of taking part in the main national congresses of the field in order to meet healthcare professionals, to make both our brand and products known. The main reason why Octapharma only has four sales representatives on the field is that we decided to pursue the hospitals and regions where we have a chance of winning the tenders in order to teach the healthcare professionals how to use our products.

What is the strategic importance of Italy to the Octapharma group?

Globally, Octapharma's turnover is EUR 1.5 billion. In Italy, we contribute around EUR 15 million, about 1% of the total revenue. While these numbers do not seem very impactful, our growth trajectory however does. We started with a turnover of EUR 2 million in 2009 and have grown year on year, apart from 2011 where we experienced an issue with Octagam at global level. In this respect, as an evidence of the company's strength, Octapharma was able to understand the root causes of this issue, identify a solution accordingly, and return the product back to market within one year.

The Italian market is traditionally a tender market. However, the number of tenders has significantly decreased: whereas we used to have a lot of tenders per year at local level, we now have few regional tenders every two or three years. Competition is increasingly focused on price, and in Italy products are set at a low price level compared to other countries in Europe, North America, or China. Regardless, Octapharma has been committed to patient care and medical innovation since 1983 and has always aimed to make its life-saving treatments available to the widest range of people. Consequently, while we are growing year-on-year, we are growing in a sustainable way.

Can you give us a breakdown of your activities in critical care, hematology and immunotherapy in Italy?

Our main growth driver is the critical care segment, with products such as albumin and plasma S/D. The second area that exhibits strong growth is immunotherapy with our range of immunoglobulin therapies, both intravenous and subcutaneous. Lastly, we are growing in hematology. We have not been active in this area for a very long time but have finally decided to make the move. While other country affiliates have led the way introducing hemophilia products, Italy is following through

with this move as well by using strategic collaborations with local companies.

Octapharma is investing in a number of important clinical trials – either ongoing or beginnig in 2016 – including the Nuwiq® PUP study (NuProtect), and personalised prophylaxis study (NuPreviq), the panzyga® study in neurology. Are some of these studies conducted in Italy?

Italy is participating in the Nuwiq PUP (Previously Untreated Patients) study as well as other studies ongoing concerning pharmacokinetics. The purpose of this personalized prophylaxis is twofold: firstly, to save time and reduce the number of injections for patients and secondly, to save costs for the health authorities.

What role do partnerships play in the current and future growth of Octapharma Italy?

When we initially decided to introduce Nuwiq, we evaluated the market conditions and determined that it would be best to partner with Kedrion in the commercialization of the product. Indeed, we gave Kedrion the right to commercialize three of our products, mainly to cover the hemophilia segment for which the market requires an important Sales & Marketing structure. Moreover Octapharma Italy has been accredited to take part to the national self-sufficiency program and is currently preparing, through various strategies, to play an important role on this respect.

How is the Octapharma brand perceived by the public authorities?

The Octapharma brand is very well perceived by doctors as well as the health authorities. We have a good relationship with the Istituto Superiore di Sanità and AIFA. The quality of information we provide to our stakeholders is excellent. While we do have a very small sales force we aim to participate in all the main congresses to nurture the relationships with the healthcare professionals. The perception of our brand among doctors and authorities is important – we are considered as a reliable partner to both.

What is your vision for the Italian affiliate for the next three to five years?

I want to stabilize the company, preparing it to launch new products successfully. I would like to increase the presence of our portfolio as well as our market share at the same time. We will achieve this by introducing new products as well as by improving existing ones. Octapharma pursues innovation to give to both patients and healthcare professionals the most advanced therapeutic tools. Finally, we want to enter the self-sufficiency system in Italy and I envisage a three-year timeline for this to be realized, as we need the time to set up a strategic and organizational challenge.

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

See more interviews