Interview: Kari Sarvanto – Group CEO, Primex Pharmaceuticals, Switzerland



"For big pharma, pediatric patients only become of interest at the end of the life cycle with extension to patent times: we see them as a core customer, innovating and developing new formulations and packs specifically for children."

07.11.2016

Tags: Switzerland, Primex, Strategy, SME, Innovation, Pharma, Pharmaceuticals

Kari Sarvanto introduces Primex, an innovative

fast-growing company spearheading a new pharmaceutical business model, strongly focusing on anesthesiology. He talks about entrepreneurship, innovation and new ways of achieving success in the pharmaceutical business today.

Primex calls itself *'an innovative and fast-growing company spearheading a new pharmaceutical business model'*. What exactly does that mean?

As a young company, we were able to create a strategy that does not have to carry any past legacy, but rather focus on quickly changing the pharmaceutical landscape based on interaction with the clinicians. Big pharmaceutical companies are very dominant, but are often disconnected from the market. We recognized this, and focused on understanding market realities through our interaction with people. We are close to our customers, that is for example our partners, hospitals and patients. The first thing we do is go to clients in a new market and simply ask them what they lack. Our focus is on anesthesia and other demanding products. We have just submitted the first pediatric anesthetic to the EU and Swiss authorities for marketing authority. For big pharma, pediatric patients only become of interest at the end of the life cycle with extension to patent times: we see them as a core customer, innovating and developing new formulations and packs specifically for children.

Why did you decide to focus your business on this area in particular?

In 2011 we acquired Recofol from Bayer. It was the first propofol after the originator, and the first advanced lipids version, thus leading us to become involved in the anesthesia market. Since the first propofol arrived decades ago, there have not been many new products in anesthetics, but today we are bringing a new pediatric anesthetic to the market; a product that, once registered, will become the first sedative for children in Europe. As a pediatric product, it has been developed and studied for children, and we have already gained experience with some 10 000 pediatric patients during the last years of clinical use in the University Hospital of Amiens in France.

Could you give us an overview of your current product portfolio? Over the last few years Primex has demonstrated extremely strong revenue growth. What products account for such growth?

Recofol has been our key revenue driver, together with our intravenous acute heart failure therapy, Dobuject. Everything in this business takes time, but in anesthesia we have an exciting upcoming pipeline of products. To define our portfolio strategy, we use the metaphor of the triad of anesthesia: which is associated with hypnosis, or sedation, or being unconscious; but there are also the two other corners that the anesthesiologist needs daily: the analgesics, or pain management, and the third corner of muscle relaxants and their reversants. All these need to be considered when working in anesthesia.

[Featured_in]

When we go to new markets, in particular undeveloped ones, we recognize that the greatest products, together with a sales force, will not do the job alone. Therefore, we focus on unlocking markets through interaction with policy makers and hospital buyers, and delivering European quality to the standards appreciated by the local authorities. For example, in Indonesia, we work with a major local player – it is our strategy to be local. On the other hand, there are the subsidiaries of big multinationals run by foreigners and, as a result, there is often a lack of dialogue with the local stakeholders. In the past, we needed to knock on doors around the world and introduce Primex, but now it is easier, as we are receiving brand name recognition through our products and global marketing efforts.

Primex’s success relies on building a global partner network operating in over 40 countries. What criteria do you look for when selecting your partners?

We are open minded and look for partners who are both ethical and local. We value entrepreneurship and face to face interactions. This is a culture that will reach the final clients as well. In the Middle East, Asia and Latin America, we have been recognized as a company which has a personal presence with our frequent visits to the local partners.

It all comes down to corporate culture; we are less people and we can define our values, or better said, drive the values of our people. Primex is entrepreneurial, collaborative, fast and efficient. The recruitment process is very important to us. We work with people that share our values, and we have hired experts from big companies simply because they wanted to work in an environment which offers more speed, flexibility and opportunities.

In February 2016 Primex announced a deal with the French pharmaceutical laboratory Advicenne, acquiring an advanced oral pharmaceutical candidate for pediatric anesthesiology. With an annual sales potential estimated to between 100 and 350 million euros, to what extent can this product revolutionize the face of Primex?

We acquired the product from Advicenne, a highly specialized French pharmaceuticals development company. There is a significant unmet need in the field of pediatric anesthesia. Our target groups for safer mild sedation are very broad, and include patients of all ages, and undergoing many medical procedures. When meeting anesthesiologists, we discover new areas of use, often outside of the specialty, as a sedative is needed where the patient might be anxious or need to stay still, from diagnostics to many minor procedures. So far, there is no pediatric anesthetic in Europe, thus children are either not sedated at all, or they are subjected to general anesthesia with e.g. propofol. This, in turn, has its risks and requires monitoring and an anesthesiologist to be present. Today, before the commercial launch expected in 2017, we are targeting the pediatric need for mild sedation and anxiolytic in medical procedures, as well as a pre-medication before general anesthesia. Children make up for some 10 percent of the patient population, but once we establish a strong foothold within the pediatric anesthesia, we will be looking to expand into additional specialties such as dental.

With a product that has so much potential, why did Advicenne choose you as a partner?

There was indeed a strong competition over this novel sedative within the big pharma companies. Advicenne was founded by seasoned international development specialists, with a similar entrepreneurial spirit that we see in Primex. The negotiation process was a ‘win-win’ outcome based on trust and mutual long term interest. Furthermore, Advicenne saw that we can offer them a quicker decision, access to global markets, and bring fast financial relief for expansion of their

business.

Earlier this month you returned from the World Congress of Anesthesiologists in Hong Kong, alongside some of biggest names in this sector. How was Primex's clinical pre-launch of the first pediatric sedative received at this prestigious venue?

It was a real success. Some 650 delegates attended our symposium on pediatric sedation, even though the venue was only meant to accommodate 500 visitors – I have never seen so many physicians sitting on the floor! This was the result of the true unmet need for a safer sedation in pediatrics, and anesthesiologists seeking new products which have been shown to work within the scientific clinical studies.

Why will you focus on launching this product exclusively in Europe?

We recognize that the US is an important market, but we also have to allocate our resources in a sensible way. The US has different regulations, which require more time and studies before approval. We aim to launch in the US after the product is launched in Europe. Moreover, Primex has been growing its presence in the Emerging Markets, which strongly respect approved regulatory data coming from Europe. Once again, this explains our initial plan to focus only on European markets and then spread worldwide. Partners are very important to us, and we are constantly on the lookout to expand and collaborate with local players.

Beyond being involved in anesthetics and cardiology, Primex is focused on launching products in the areas of pediatrics and even dental surgery. What will be the relevant importance of each of these areas in the future?

[related_story]

As a business, we are focusing on anesthesiology and other demanding areas such as pediatrics at large. Cardiology becomes less important with only one product in the segment. In addition, we recently acquired a dental pharmaceutical business with complementary products to our anesthetics portfolio. The company, OGNA, is the only full-range dental pharma company in Italy, and it has been established for over 100 years. Italy is highly respected in dental medicine and it is the world's 3rd country in the dental industry. OGNA's international expansion will provide a new sales channel for the novel safer pediatric sedative into the global dental markets as well.

How helpful has your varied personal past experience, leading successful consultancy projects, been when running Primex?

My consultancy experience and the fact I came from a non-pharmaceutical background, led me to question typical thinking and establish new strategies and ways of operating. Many of these were proven earlier with my international clients. Moreover, from my Navy officer time, I have been able to implement leadership and strategy skills. Planning and analysis is one side of the coin, however, if you cannot execute, all of your great plans are a waste of your precious time.

You have had a career working with pharmaceuticals, consumer marketing, technology, finance and government. What is it that particularly excites you about working now exclusively in the pharma industry?

During my consulting years I was always involved in pharmaceutical business, so it was not new to me, and I had already tried to read my grandpa's pharmaceutical books as a child. Additionally, working with sales strategy and marketing campaigns for big pharma companies I learned a lot from the clients, the physicians. I have to say, the pharma industry is an endless ocean of challenges! I have had a very strong personal interest in the field, but I also needed a good team, one that understood the sector and the particularities of the business and creating lasting value there.

To what extent has being a Swiss headquartered company been instrumental to your success? What role has it played in building the global new generation pharma company that Primex is today?

The Swiss authorities understand the global pharma landscape because there are so many international companies established here and operating worldwide. Switzerland has a reputation for quality and credibility. Being a Swiss company, we are more reputable in the emerging world especially. All of our products are manufactured in Western Europe, which also serves as a stamp of quality. As the Swiss have the know-how, employing experts is easier here than anywhere else in the world. We were recently able to appoint a global CFO and global head of marketing into our Swiss office.

Primex has had a rapid development path since its establishment. What will the Primex of the near future look like?

We will be very well known worldwide, whether a private or a public company. Moreover, we will be much stronger in terms of our anesthetic portfolio, with our new developments and products for many unmet needs coming to market. We are equally interested in gadgets and digital applications. These innovations are combining medical technology and pharmaceuticals, and they are of great value, for example, by bringing less invasive solutions for patients, thus reducing need

for general anesthesia associated with higher risks and costs. Obviously, we need also to expand into other areas of unmet needs, such as pediatrics, to accompany the growth of our anesthesiology category.

On a personal note, what motivates you the most in your job?

People and the results. When I say people, I do not only mean the people at Primex, but equally the anesthesiologists, professors and regulators who understand the potential of our company and our products. Just as in my prior Navy days, I am focusing on the journey – reaching the final destination is an effort only done together with the best team and partners everywhere.

See more interviews