Konstantinos Kofinas – Managing Director Greece & Cyprus, Merck



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Appointed in the midst of the Greek economic crisis, compounded by significant changes at the corporate Merck brand, Merck Greece's MD, Konstantinos Kofinas, did not shy away from challenges. He speaks about his leadership approach, Merck's key therapeutic areas in Greece, as well as industry collaboration in creating a sustainable healthcare environment.

Mr. Kofinas, you valiantly assumed the role of Managing Director in 2014, leading the company amidst a period when Merck was undergoing significant changes at the global level, exacerbated by the challenges brought on by some of the most difficult times of the Greek economic crisis. What was your leadership approach coming into the role?

When I took the role of Managing Director in 2014, the crisis was perceived to be at its end, although the capital measures imposed in 2015 were indicative of a longer road ahead. I assumed the position armed with 20 years of experience in the pharmaceutical industry, with ten years spent in managing companies, which enabled me to lead the revamping of Merck Hellas from a classic sales and marketing company into a franchise model. The focus remained predominantly on neurology and fertility, as well as on the relaunch of the oncology business.

In essence, Merck is a biopharmaceutical company pillared on four areas, namely, neurology, oncology, fertility and cardiometabolic care, plus a local life science unit. In line with the global vision of Merck's CEO, Stefan Oschmann, at the core of the Merck brand is being a global specialty

innovator. This has manifested itself in our operations through expanding activities in the United States and having a primary focus on the aforementioned areas. Historically, for example, Merck has been strong in multiple sclerosis, for a long time holding the number one position among interferons and number two overall. For fertility and growth hormone products, we also hold the number one position. Moreover, our diabetes products are regarded as the substances of reference around the globe.

In regards to my personal footprint, it is my goal to increase the marketing competence here, as well reverse the trend and increase the top line, especially through the relaunched oncology department. Moreover, we have successfully defended the neurology part of the business, which today holds among the highest market shares in Europe, and we have also maintained our footprint in fertility despite increased competition and biosimilars.

Regardless of the dire financial situation at the macroeconomic level, there are no shortages of patients with inelastic needs, and therefore it is commendable in and of itself that many multinationals stayed committed to the Greek market. There has been no major restructuring and large-scale layoffs as companies are withstanding the crisis with the understanding that the focus needs to remain with both the patients and the people within the organization.

In 2012, a controversial decision was made to halt the supply of an important cancer-saving drug, Erbitux. Is this product back on the market now? Why or why not?

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Relaunching Erbitux was among my key objectives upon assuming the position, which we were able to achieve in early 2015. It had been an integral part of my plan to set up a new oncology team from scratch and have a fresh take reviving the product into the market. There remained a gap in the market for treatments for colorectal and head & neck cancer and therefore it was imperative for us to find a way to bring this product to Greek patients, where the need is imminent.

From conducting interviews with your counterparts in other countries such as Rene Bastl in the Czech Republic and Pierre-Henry Longeray in France, there seems to be a growing importance of fertility as a therapeutic area for Merck. Do you see this to be a case in Greece?

This trend also holds true in Greece. Normally, when a society undergoes a crisis, many people hold reservations about giving birth. However, when people revert to basics, they also begin to see this as a beacon of hope that extends beyond the crisis and promotes positive thinking amongst

the citizens as a way forward. It is remarkable how many couples in Greece are looking beyond the crisis. Moreover, Greece also attracts plenty of medicinal tools and technologies, which also invites other couples from abroad to explore the vast array of fertility centers in Greece, which are well above the European average in terms of numbers and quality.

Having spoken to both Mihalis Himonas, President of SFEE and Theodore Tryfon, President of PEF, both have addressed the issue of market access of new medicines as one of the primary challenges in Greece. What has been/are the biggest obstacles for Merck when entering the Greek market? Are there new products forecasted to be launched in the market?

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We are planning to launch new products by the end of 2017. On average, multinationals here in Greece aim to bring in new products every other year or as often as their pipeline permits them, but in the case of Greece, the state has a different opinion. As recently announced by our MoH but not proved by any evidence, new products are accountable for the excess of pharmaceutical spending, therefore they are now devising new measures to deal with this. Surprisingly though, instead of introducing structural reforms actually needed and simple metrics that would instantly regulate prescription volume (e.g. induction of therapeutic protocols with patient registries) we are following a rather horizontal cut approach and in essence delay of market launches if the currently discussed measures (e.g. multi HTAs needed or/and incremental rebate 25 percent on new products). These would clearly exclude Greek patients' access to new innovative medications, so instead of going forward represent a clear step backwards whereas we do want development. On this issue both multinational and local companies agree in full as they are both interrelated with contracts on local distribution, production or/and co-promotion of the aforementioned products.

What is Merck's role in fostering a spirit of collaboration between the industry, the association, the regulators and all the stakeholders involved?

As Merck, we are fully aligned with SFEE objectives which encompass the rights of the whole industry as invoked by its name, the Pan-Hellenic Association of Pharmaceutical Companies. Moreover, as Merck we believe in the necessity to align with the key guidelines of EFPIA, especially in regards to innovative companies that constitutionally bring innovation to the market. For this, we have developed a local innovation forum (aptly named the Pharmaceutical Innovation Forum) where Merck is also a member in an effort to stress the value, as well as the cost, of innovation to patient and the state overall.

As part of the association, we relay our message to our ministers as a collective and enter discussions on feasible ways to mitigate the challenges in the market. We have also made ourselves available to participate on a technical level to assess impact analysis of the measures to be introduced and provide alternatives where possible. For example, given that one of the measures is to reduce clawbacks, we have submitted a consolidated rebate scheme that would balance the rebate contribution of products depending on their size but not over-proportionally to low volume most expensive ones. That, along with other reforms mentioned, such as the introduction of therapeutic protocols or the introduction of patient registries, can take us a step further instead of simply asking marketers pay for the data accrued in the absence of the real structural reforms that are needed. We need to capitalize on our strengths, such as electronic prescriptions, which is known to be one of the most sophisticated systems in Europe. We need to understand the different steps involved in order to move towards providing rational care and building a sustainable healthcare system.

Merck Hellas has a range of CSR initiatives, especially in the area of Health, Children, Environment and Education. Why is it important to show commitment to Greece beyond the scope of business activities?

As a multinational company, it is imperative that we show commitment and engagement to the local community beyond the activities of the business. Apart from health and environmental initiatives, we also engage in causes such as providing social pharmacies for orphanages and offering medicine to geographies with plenty of refugees who are in need of treatment. Merck Hellas wants to have a holistic presence in Greece and ensure that we prioritize the healthcare needs of Greek patients and look after the wellbeing of the Greek society.

Acting responsibly means looking, listening and doing things better. We respect the interests of our employees, customers, shareholders, and society, an approach that ensures our business success.

What is the overarching vision for Merck? What can we expect from Merck Hellas in the near future, especially given all the changes at the global level and the conditions of the Greek market?

Our goal for 2020 is to strengthen our activities in neurology, oncology and immuno-oncology in terms of therapeutic areas and new product development. We also have a focus on business development, particularly for our fertility business. Additionally, we are aiming to invest more strongly in R&D, implemented globally and locally. I believe that, given the challenges of market access in Greece, there needs to be a particular focus on business development in the upcoming years. We must walk the road ahead with foresight and understanding that we are all working

together towards recovery.

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