Interview: Alessandro di Napoli – CEO, TRB Chemedica, Switzerland



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Alessandro di Napoli, CEO of Swiss family-owned pharmaceutical group, TRB Chemedica, discusses the company's focus on the rheumatology, ophthalmology and neurology niches and the importance of 'Swissness' within its internationalization process.

TRB Chemedica is a family business set up by your father Guido in 1980, now counting 700 employees globally and focused on the three specific areas of rheumatology, ophthalmology and neurology. Could you please introduce the group?

TRB Chemedica was indeed founded in 1980 as Trans Bussan S.A. by my father who was based in Japan at that time. He subsequently came to Switzerland to build up his own company. We started as a worldwide distributor for a company called Fidia, and in the 1990s, we became more independent and therefore we started to have our own products with the know-how that we acquired in those years in rheumatology, ophthalmology and neurology.

Today we are present in over 70 countries and have 15 wholly-owned subsidiaries. We have three production sites; one big solid forms manufacturing centre in Argentina catered for the local and export markets, one site here in Valais, Switzerland for the most "elegant" products (intra articular and ocular injection products, raw material for our neurological products) and finally, a small unit in Brazil. Our Headquarters are in Geneva and there are around 35 of us. We also have an R&D

Laboratory in Valais together with the production site, which is located in Vouvry.

How did the company perform in 2017 and what were some of the major achievements?

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We have had a good year even though, in my opinion, there has been a big change in the Pharma industry. I find that today there is less risk taken and people are afraid to take responsibilities. Each time more tests and certifications are required. We design products to be each time safer. However, this might hinder creativity, it hinders investment and it makes things more complicated for everyone.

How do you explain this?

I think the mentality is changing and I believe it all comes from certain countries.

Nevertheless, we have the chance to have good products that have been tested, especially in rheumatology and ophthalmology where we have products based on hyaluronic acid and which are in the top three in France and Germany. Some of our key points are safety and quality. I really insist that as a Swiss company we also have to sell the “Swissness”. Swissness is part of our vision, and I think this is synonymous of tradition, invention, safety, quality and doing a little questioning here and there. Even in a country like Germany, Swissness still sells well. In general, the Swiss system of quality also signifies seriousness. Being serious and not just milking the customer but giving them something for their money. A Swiss watch is nice; you know that when you buy a Swiss watch you own it for the next generation. It is the same idea. The quality of Swiss drugs is still a selling point, and I think mid-sized companies like ours are right to insist on this Swissness.

Tell us a bit more about your product portfolio and what is driving most of your revenues today. How do you see this evolving in the future?

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We strive to not to only be the best in class but to be the first in class. We have a multitude of products notably in the ophthalmic field, and we have quite a full pipeline with new products that will be coming in the next five years. We are good with intraocular injections and HA eye-drops. We also have Diacerin, which is an IL1. It is quite appreciated for its good results

We will continue with the following principle: if the product is not as good as we wish, we prefer not to sell it or wait until we have better development. In the end, it is the patient who is getting the product. If you inject in a knee something that causes flares or hurts, even if it is the doctor’s fault,

the first thing they will look at is the product.

In ophthalmology, we have expertise in dry eye. It is very competitive but we were the first and we are still the reference in France for dry eye and the product is very well tolerated. Also in this field we have some innovation coming but one of the biggest points is the tolerability of the product and then comes the price. It is like watches; if you want something that works well you buy Swiss.

What about neurology?

Neurology is an old field that was put aside these past years because it is a much more complex area that requires strong science. This being said, today we have a product that we are seriously looking into. It is a natural extract for which I have been doing some studies to find the mode of action of this product. It is actually an old product that has been around for 20 years and that has the power to regenerate nerves. It was used in the 1990s for two studies paid for by NIH, one in spinal cord injury and one in Parkinson's disease with over 400 patients each with good results. But the technology at that time did not permit to understand how it was working.

This is my next big project. The brain is still a unique organ and we do not know how it works clearly. I think it is fascinating. We are therefore working on this brain expertise.

What is the share today of your revenues between rheumatology ophthalmology and neurology?

Number one is rheumatology, then ophthalmology and neurology. With neurology we are present in South America and China. We are also in discussion with the FDA for orphan drug designation for a specific domain. We will invest more here in the coming years.

Moving onto internationalisation, your products are marketed in 70 countries in Europe, Latin America and Asia. Which markets drive your revenues today?

The markets go up and down. The good thing about having all these markets is that we can spread our eggs in different baskets. Take Brazil for example, it is a growing market but every two years there are significant political changes which creates a lot of instability for foreign investors. Europe on the other hand is stable but flat growth. To be able to play well, we will have to diversify countries. Southeast Asia is now going very well, South America performs rather well too, and we are going to be present in MENA – which I think is the new emerging market for us.

What is noticeable in this list of affiliates is the absence of the top-two healthcare pharma markets in the world: the US and Japan. Are there any plans to enter there?

It is not competition that is stopping us in either country. I was actually born in Japan and lived there for eight years. I feel at home when I visit the country. But Japan requires some quite complicated clinical trials and we need to find the right local partner to be present there. As for the US, it is more due to regulation because they are very specific. They also require local clinical studies, and we do not have the complete dossier in hand right now for those two countries. We do plan to enter those markets on the long run, and most probably, with our new products under development. The US is also an expensive country so we need to do things wisely. I would like to prepare a product well, the associated dossiers, find a good partner and then get there.

When working with partners and distributors around the world, although they have knowledge of the marketplace, they do not always convey the corporate ethos of a company in the right manner. How do you ensure that TRB's values are transferred to these partners?

Interestingly, I would say that in a country like Japan, this would be easier for us. The Japanese and the Swiss are similar. I think you can really find good partners, but it is a huge market and you have to have the right one. For China, we are going through our Hong Kong affiliate and, of course, we have long date partners in China. We are planning to open a representation office in China for a regulatory point of view, but not for marketing and sales.

Our philosophy is to leave a great deal of independence for our subsidiaries or distributors to sell the way that the country needs. They have their own strategy, planning and way of selling. In comparison to Big Pharma that controls all aspects, we are an SME and we do not have this power of conviction. We do promotional material for our partners and subsidiaries to understand the message, but if they want to change the image, or the colours or the way they reach the doctors and they explain it to us, we usually accept it. In Italy, you cannot sell the same way you do in Sweden and vice versa. The risk is that you lose a little control but in the end, it is worth it.

Looking forward, where do you see most growth coming from?

The Middle East and China. China has become a very serious country for the last year and a half. There has been a lot of clean-up since the China of the 1980s and 1990s where you could just pay people for distribution. As all of these countries have decided to become more serious, they have become more catholic than the Pope, as we say! Sometimes this is problematic because companies can be unprepared. In my opinion, we are not ready for India yet. It needs time and seriousness to face it.Then there is Africa, where we hope to enter someday soon.

When we come back in five years, what will have changed?

What I would like not to change is the Swissness. We are already best in class, and I would like us to become first in class. Innovation will remain in everything we do. We will still have a very solid a worldwide presence and I would like to have a strong presence in China, the US and Japan too. Finally, we will become a reference player for CNS neuropathies in understanding and in treatment.

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