Rafael Mella – General Manager, Nordic Pharma Spain and Portugal



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Rafael Mella, general manager of Nordic Pharma Spain & Portugal, highlights the steps he has taken to set-up the foundations for the company in the Spanish market and how he has overcome the challenges of the fragmented healthcare system. Furthermore, he gives insight into the Nordic's game-changing Rheumatoid Arthritis product, NORDiMET®, and the need for Spain to better value incremental innovation in the future.

How was the experience of opening the affiliate?

It was a really exciting experience for myself and I have been working in the pharmaceutical industry now for 27 years, mostly in Big Pharma. I initially worked at Schering, which is now Bayer, in Spain and in the European HQ in Germany. I then moved to BMS as Strategic Planning Director for Iberia. This allowed me to witness the German style of business as well as the American style and following my time at BMS, I took up a regional position as EMEA Strategic Planning & Commercial Operations Director at Casen Fleet. Over the following three years I worked to successfully change the business model and culture, before the company was eventually bought by Recordati.

In 2014, I was given the opportunity to set up the affiliate of Nordic Pharma from scratch, and it was the right moment for myself professionally to start something new. The first two years were

pretty tough and required a lot of legal and administrative work.

We were quickly able to hire our first employees and register our first two products in the field of gynaecology. These treatments had little sales potential but were a good starting point to work from. I had the option to start with a gastric cancer product, though chose not to move into the oncology sector as in Spain it is an extremely competitive and saturated market.

At Nordic Pharma Spain, we chose to stay within niche hospital therapeutic prescription products with unmet medical needs. Therefore, we have targeted Rheumatology, which the company had success with in France, and an area in which Nordic Pharma offers an exciting range of innovative products. In this regard, in 2017 and 2018 we launched rheumatological products: iMETH ® MTX Prefilled Syringe and NORDiMET ® MXT Autoinjector, and they have been very well received by doctors and patients.

What is the culture of Nordic Pharma?

The company is still very young and here in Spain, we are given the freedom to build our own culture and company within the group; a very attractive proposition for myself and something that has been a pleasure to undertake. Building the culture and values of Nordic Pharma Spain is one of my key priorities. Today we have 25 members of staff in Spain and we keep the structure very much focused on business, outsourcing any processes we can, such as legal, regulatory, pharmacovigilance, etc. We have a clear focus on attracting, retaining and developing talent, and age for us is not an issue; in fact, we have quite a senior sales force with a lot of experience in the industry. For me this is a clear asset.

How strategically important is Nordic Pharma Spain for the global company?

We are the youngest branch of Nordic Pharma, though Spain offers great potential in Europe as a top-5 market and a top-3 market in terms of Rheumatoid Arthritis. Last year, we became the fourth largest market for the company, and we experienced the most growth out of any subsidiary, a great achievement considering we only began operations in 2014. Our goal now is to become a top-3 subsidiary, and this will be driven by the aforementioned, NORDiMET® Autoinjector, the first Autoinjector launched on the Spanish market to help treat Rheumatoid Arthritis.

What challenges does the fragmented Spanish healthcare system bring and how do you overcome them?

Spain has 17 autonomous communities that control their healthcare expenditure. This is a headache for the healthcare companies as you must deal with national, regional and even sub-regional governments, and cost-containment measures are placed at each level, even down to each hospital in some cases.

To combat this, the pharmaceutical industry has built up large market access departments, along with their medical and sales teams. We have a different approach because with those structures there is a loss of communication and customer experience. We have decided at Nordic Pharma Spain to have the same people dealing with the market access, as well as with promotion. This builds a closer relationship with the client and makes them more satisfied in the end. This is a challenge in itself, as it requires us to hire people with a unique professional profile, but thus far the excellent results have proven we have made the correct decision in this approach

How have you built the company brand in Spain?

Firstly, we saw that Rheumatoid Arthritis was a market dominated by a large player with 98 percent of the market share, so there was room for competition. Taking the company’s expertise from the French market, we launched in this area, and had an aggressive commercial plan which is working quite well.

One of the first steps was to grow the awareness of Nordic Pharma in Spain. We engaged with key opinion leaders and with the Spanish Society of Rheumatology. Furthermore, we collaborated with nurses face to face and with national meetings. This was very important as they are the ones showing the patients how to use our products. Also, we are working with other associations, patient groups and retail pharmacies.

How much of a game changer is NORDiMET® for patients and how well valued is this type of innovation?

It is a product that makes the lives of patients much easier as it improves the administration of the compound, which is great for many patients with mobility issues. Furthermore, it uses a thinner needle, therefore causing less trauma to the patient’s body. Although it is incremental innovation,

it is a game changer for these people’s lives.

The valuing of this innovation is a different story. The compound being used in NORDiMET® is older and is within the Spanish reference pricing system. Unfortunately, the health authorities are not taking into consideration that this mature compound is being administered in an innovative way by our Pen, so in the end, it is being priced at the same level as inferior medical devices; there is no differentiation between our game-changing product and older devices.

Nevertheless, there is a movement by the Ministry of Health to look at better valuing this incremental innovation that changes people’s lives, rather than in the past where only large leaps in innovation were truly valued. In this regard, we hope our products are reviewed properly and we are working with authorities and hope to have a positive outcome soon, though, with the national elections in April, it may slow up the process.

What are the next products you are looking to bring to the Spanish market?

Within the company’s internal R&D Department, we have five ongoing projects in rheumatology and gynaecology that will most probably be ready for market from 2021 onwards. On a different level, we are looking for licensing agreements, and have two leads thus far; one for the group across Europe and the other specifically for Spain. We are actively looking for licensing agreements to help diversify our portfolio as 95 percent of our sales are in Rheumatology. We need to diversify into new therapeutic areas to spread the risk, though we will continue to focus on niche, hospital prescription products.

What do you see as your main priorities in the future?

We must continue to grow in a profitable manner, like we have done over the last year, and continue to become larger players within the Nordic Pharma company across Europe. Additionally, we must focus on retaining and developing staff so they can progress in their career. Finally, we must ensure we make operational efficiency a priority and launch new products in the short and medium term.

Externally, it is important to make sure we are always looking at the best ways to deal with the fragmented Spanish healthcare system. This system’s sustainability is always a talking point, and overall it will go through organizational and technological changes in the future, and Nordic Pharma must adapt to this shift. Maybe in the future processes are even more centralized, rather than

being divided between the 17 regions that make up Spain.

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