Olav Fromm – Managing Director, Chiesi Nordics



The creation of Chiesi Nordics in 2014 marked the dawn of a new era for the group in the region

11.09.2019

Tags: Sweden, Rare Diseases, Chiesi, Research

Olav Fromm, managing director of Chiesi Nordics, explains the deep roots of Chiesi in Sweden, where its blockbuster drug,

a surfactant for treating neonatal babies, was developed. He also touches upon the strategic importance of the region to Chiesi, with the recent creation of a fully-fledged Nordic subsidiary, which will house the group's rare diseases research and development. Fromm then delves into the complexities of the Swedish regionalised healthcare system and shares his priorities going forward to further develop Chiesi's footprint in the region.

You have been running Chiesi Nordics since it was created in 2014, aggregating Denmark, Finland, Norway and Sweden. Could you give our readers an overview of the importance of the Nordic region for the Chiesi Group?

Even though Chiesi did not have a direct presence in the Nordic countries until recently, the history of the group is deeply rooted in the region. Back in the 1980s, two scientists at the Karolinska Institute, Bengt Robertson and Tore Curstedt, succeeded in extracting a surfactant from pig lungs and developed a drug. Surfactant is naturally produced in the lungs even in humans, but prematurely born babies do not have sufficient amounts of the substance which can lead to shortness of breath, oxygen deficiency and, eventually, death.

After a very successful first test where a child with acute breathing problems was quickly restored by the treatment, the researchers sought collaboration with the pharmaceutical industry to be able to produce it on a larger scale. After unsuccessfully reaching out to Pharmacia, a Swedish company later acquired by Pfizer, and other companies, they found a committed partner in Paolo Chiesi who chose to invest in the project. At the time, he was research director at Chiesi Farmaceutici. Over the last 27 years, the lives of nearly one million babies in 97 countries were saved thanks to the drug.

After the launch of the surfactant, research collaboration between Chiesi and the Karolinska Institute has continued and has resulted in improved and less invasive methods for the administration of the surfactant. Today, research is underway to develop a synthetic surfactant.

For his long-standing collaboration with the Karolinska Institute to develop vital treatment of the lungs of premature babies, a few weeks ago, on May 10th 2019, Dr Paolo Chiesi, who at 79 years old is still head of R&D at Chiesi, was awarded an honorary doctorate during a ceremony at the Blue Hall in Stockholm City Hall, where the Nobel Banquet is held annually. The members of the Chiesi family and CEO Ugo di Francesco were present as well as the staff from Chiesi Nordics.

How are you aiming to build on this strong historic footprint?

Building on this legacy, the creation of Chiesi Nordics in 2014 marked the dawn of a new era for the group in the region which has taken an all-new strategic significance. As part of its ambition to become a leader in rare diseases, in 2013, Chiesi acquired Zymenex, a Danish-Swedish biologics company specialized in the development of therapeutics for rare diseases. Last year, Zymenex was integrated in Chiesi Nordics and from now on Chiesi’s entire rare diseases biotech R&D will be localized in Stockholm. Our biotech research center, headed by Nina Herne, currently employs almost 20 researchers, a number that will increase substantially in the near future. One of the diseases the team is working on is alpha-mannosidosis. The enzyme replacement treatment received EMA approval last year and has already been launched in the Nordic countries. We have been focusing on launching and relaunching the entire Chiesi portfolio on the Nordic market. In the respiratory area, we were among the first subsidiaries to launch Chiesi’s new triple combination therapy for COPD treatment, in all the Nordic countries. Finally, we signed a partnership agreement with the Karolinska Institute and will be moving our research facilities there in the beginning of next year. The circle is now complete.

To conclude, while at the beginning Chiesi only had a marketing and sales presence in the Nordics, we are now a full-fledged subsidiary employing about 70 people across all the key functions including R&D, medical affairs, compliance, pharmacovigilance, etc. We are committed to continuing this growth and are investing in the internal infrastructure to sustain it.

In the respiratory area, AstraZeneca is ranked number two globally and is particularly well-established in Sweden, especially among physicians. What has been your strategy to position Chiesi as a respected brand in the field?

While Chiesi has been well-established in the neonatology field for a long time, we were totally unknown as a respiratory and rare diseases company eight years ago in the Nordics. We have been working hard with key stakeholders to build the Chiesi brand. Despite being a small team, we have successfully rivalled competitors in our communication with physicians, including highly effective external speaker programs. However, we still have a long way to go but are also committed to becoming a primary partner in the respiratory and rare diseases fields. In both areas, Chiesi products are addressing unmet medical needs for vulnerable patient populations. For instance, in the respiratory area, Chiesi products based on the innovative formulation technology Modulite are addressing unmet medical needs by allowing the creation of spray solutions for inhalation able to deliver extra-fine particles down into the lungs.

When we interviewed Alberto Chiesi in 2016, he mentioned that in Italy and Spain, the group faces the challenge of decentralized healthcare systems which complicate market access and creates unequal care access for patients. This could also be said for Sweden. How do you navigate the complexities of Sweden’s regionalized healthcare system?

In Sweden, there are 21 different regions with their own governments and the ability to levy taxes. These regions are responsible for financing and providing healthcare to their citizens. Because some regions are bigger and have more resources than others, inequalities in terms of access to care are quite substantial between regions.

In the respiratory area, drug formulary or recommendation lists are crucial to receiving funding. And as a new company with relatively small resources compared to the big dragons, being included on these lists can prove difficult, even though the product might add substantial value to patient groups.

For rare diseases, because financing is crucial, the system is even trickier to navigate. Even if a product receives approval from the European authorities and is approved at the national level, some regions might decide to fund it while others may not, which creates unpredictability.

Despite these challenges, Chiesi Nordics has been successful in launching new products, building credibility and is now a full-fledged subsidiary within the group. What was instrumental in this success story?

We started from a very lean marketing and sales organization and methodically built it bit by bit, following a strategy established from the beginning. Because Chiesi is a family-owned company investing with its own money, we first had to show results before the group decided to dedicate more resources to the subsidiary, while other companies might instead directly set up a full-fledged affiliate. We have now established a solid enough foundation for corporate to approve significant investments.

What are your key priorities to further develop Chiesi's footprint in the Nordic region?

We are committed to successfully launching all the products that come out of the group's research pipeline in the next years. We are also open to local business development in our key therapeutic areas if we find opportunities that match our portfolio, which is something that differentiates us from other companies which only go with their own portfolio.

In order to grow Chiesi Nordics, we need to attract and retain the best talent, which is why we should strive to be a good employer and provide our employees with opportunities to thrive. In Sweden, we will soon apply for the Great Place to Work certification. We should also strive to be a sustainable company, in Sweden and worldwide. In this regard, Chiesi Group is the first international pharmaceutical company to receive the B Corp certification. Chiesi Nordics will, of course, be part of this endeavour by considering and improving the impact of our decisions on employees, customers, suppliers, the community, and the environment.

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