

Miha Kline - Country Manager, Eli Lilly Czech Republic & Slovakia



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Miha Kline has been with Eli Lilly for the past 15 years, becoming Country Manager Czech Republic and Slovakia four years ago. Kline shares his milestones with the affiliate successfully entering new therapeutic areas and reaching 1bn CZK in sales. Kline also discusses the challenging market access conditions and the company's efforts, together with industry peers, to shorten timelines. Despite this challenge, Kline sees the Czech Republic as a transparent market with significant growth potential and focuses on developing a competent and efficient team to capture opportunities.

Miha, your professional background is somewhat unusual in the industry. After studying business administration, you started your career as a consultant at Deloitte before joining Eli Lilly. Could you introduce yourself to our international readers and your career at Lilly?

I am from Slovenia where, at the time, business education was not yet at the level of Western Europe, so I enrolled in business school in Graz, Austria. Upon graduation, I received an invitation to join Deloitte which is a great bootcamp for learning about business and management. At Deloitte, I had the opportunity to work in US, Germany, and other countries around the world and learn about different industries. One of my last missions was a project for Slovenian pharma

company Lek, later bought by Novartis. This was my bridge to the pharmaceutical sector.

I joined Eli Lilly fifteen years ago and never left, which is not unusual in the company. We pride ourselves in respecting and investing in our people by providing them with career development opportunities. As a result, we have one of the best scores in terms of employee retention in the industry. In my case, Lilly never disappointed me and always gave me new challenges to take on. I first started managing Albania, then Serbia, Slovenia, and four years ago received an offer to take the reins of the affiliate in the Czech Republic and Slovakia.

I got the offer on a Thursday and had three days to decide. My wife did not talk to me for these three days and on Sunday I asked her what we should do. She said: "Miha, why are you asking me? You already decided on Thursday." I accepted the offer and I never regretted it. Prague is one of the nicest cities in Europe and the world. As a Slovene, I do not feel like a complete foreigner as the language and culture are similar.

After going through a tough period of patent cliffs, Phase III failures and a weak pipeline, Eli Lilly is back on track. While remaining a dominant player in diabetes, we are making strong headway in oncology as well as immunology and rheumatology. Our job is to deliver our innovative therapies to Czech patients by working closely with all the key stakeholders. While authorities are also interested in making these therapies available for patients, the main challenge is the financing. Striving to find the right balance and reach compromise is key. This is what motivates me. It is a mission that you never get tired of.

Locally, on the business side, we are building a strong team, and the affiliate is growing rapidly. This year, we achieved a milestone by reaching one billion crowns in sales (EUR 39.2 million).

What are the launches you are most proud of at a local level?

In the last four years, we successfully entered many therapeutic areas. In oncology, we introduced therapies in gastric cancer and, most recently, in breast cancer, two areas with high unmet medical needs. Gastric cancer is an aggressive disease that is difficult to treat, and the prognosis has typically been very poor. Our therapy became the first approved treatment for advanced gastric cancer after prior chemotherapy. Patients did not have any therapeutic option available to them before. After a tough negotiation process with payers, we managed to reach an agreement. Hearing the stories of patients who are finally able to receive our treatments is an amazing feeling.

In breast cancer, our new therapy enables oncologists to effectively treat women with HR+/HER2- advanced breast cancer without compromising their quality of life and improve their overall survival rate while postponing the use of chemotherapy for as long as possible.

We have also made a successful entry in the dermatology space with our treatment for psoriasis, an immune-mediated disease that causes red plaques to appear on the skin. In addition to social stigma, these plaques are often itchy and painful, so patients cannot live a normal life. Our therapy has established a new standard of care by demonstrating remarkable efficacy in partially or completely clearing the skin.

Finally, we launched a small molecule tablet for rheumatoid arthritis, a terrible and debilitating disease which seriously affects patients' quality of life and ability to work.

From this experience, what would you highlight as the key elements of a successful launch in the Czech Republic?

The ultimate goal of a successful launch is to improve the lives of as many patients as possible who are indicated for that therapy. Securing reimbursement from the State Institute of Drug Control (SUKL) and insurance funds is crucial in attaining this goal, as the Czech Republic is a healthcare system where people are not used to paying for healthcare. Without national reimbursement, you have no chance to launch successfully, apart from certain non-life-threatening conditions, like erectile dysfunction. Once an agreement is reached with SUKL and payers, the other half of the challenge is to establish trust with the physicians who will prescribe the treatment to eligible patients.

Based on 2018 figures, Eli Lilly is ranked 13th globally, but in the Czech Republic it is only ranked 24th. What can explain such a discrepancy, and are you doing to close the gap?

Eli Lilly has set the ambitious goal of launching twenty new drugs in the ten years between 2014 and 2023. At the end of last year, the company had already launched ten globally. However, as market access timelines in the Czech Republic lag behind the European average, we are usually two years behind in terms of new launches. Out of the ten new molecules, we have launched seven and are in negotiations with payers to introduce the remaining three.

As an industry, through the Association of Innovative Pharmaceutical Industry (AIFP), we are trying to shorten the market access timeline. Minister of Health Adam Vojtěch and Irena Storová, Director of SUKL, understand the issue and engage in regular and open discussions with the industry, which is a positive sign and a unique situation in Europe. While we may not agree on everything, at least there is a constructive dialogue, which is the first step. Being able to receive reimbursement for our products and launch them earlier would help us get closer to the global ranking of Eli Lilly.

More generally, I think the Czech Republic is quite a bureaucratic country, which may stem from its communist history. I think the country could benefit greatly from streamlining and shortening processes in order to foster a business-friendly environment.

We are also very active in demonstrating the value of innovative therapies, not only for patients but for society at large. For instance, Lilly is co-chairing the *Innovation for Life* project of the AIFP. In November, the AIFP published the *Innovation for Life* study which shows how innovative therapies generate economic, demographic and social benefits. Innovative therapies not only improve the survival and quality of life of patients but also lead to shorter hospitalization and lower disability costs. In rheumatoid arthritis, for instance, it shows how treatments help patients go back to work. In oncology, treatments help patients live longer lives and avoid or postpone chemotherapy. We are trying to communicate to authorities that innovative therapies should not be seen as a one-off expense, but rather as an investment leading to significant returns. I feel they are listening.

Despite challenges, the Czech market has transparent rules and is developing rapidly. We see significant growth potential. In the coming years, the industry is expected to experience double-digit growth. In order to capitalize on this potential, we have built a competent and effective team who is dedicated to making sure every dollar invested in the Czech Republic generates the best return. By the measure of profitability, we are one of the highest performing affiliates. We have the pipeline and the market potential; now it is about connecting the two.

The Czech Republic has one of the lowest unemployment rates compared to its European neighbours. How do you make sure that the best talent chooses to join Eli Lilly?

The unemployment rate in Prague is close to zero. Apart from people who do not want to work, everybody else is employed. As a result, attracting and retaining talent is a fight. Nevertheless, we are doing better than our peers in this respect. While we do lose people occasionally, our retention

rate is better than the industry average. We try to create an environment in which people feel respected and valued, where they can talk openly, bring something to the table and have an impact.

What direction would you like to see the country take in the coming years?

As the population ages, the country should invest more in healthcare. The Czech Republic invests a lower percentage of its GDP in healthcare than many other European countries. As resources are limited, innovative medicines are not prioritized. Even a single additional percentage point would go a long way in giving more space to innovation. Fortunately, it seems things are going in this direction.

What are your priorities in the upcoming years to continue driving the performance of the affiliate?

We will continue to make sure that patients get access to our new products in a timely manner. Patients in the Czech Republic should have access to innovative therapies at relatively the same time as their neighbours in Germany. In fact, all patients in Europe should have equal access to innovative therapies. Moreover, we will continue to establish Eli Lilly as a partner to all the stakeholders through our competent team of people.

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