Martin Minarovič – Country Director, Janssen Czech Republic

Focusing resource allocation in defined areas all along the value chain, from R&D to Sales & Marketing, is crucial in the pharma industry

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Martin Minarovič, Janssen's country director Czech Republic, discusses the success factors behind the company's strong growth, not only in terms of revenue but more importantly in terms of the number of patients treated. Moreover, he highlights Janssen's transformation to become a more customer- and patient-centric organization, the progress and areas for improvement of the Czech Republic's healthcare system, and his ambitions for the upcoming years.

Martin, how good of a year was 2019 for Janssen and what were the highlights?

We have been on a rapid upward momentum in the last three years. 2019 was better than 2018, which was already a great year, and 2020 is gearing up to be even better.

In addition to strong financial growth, the number of patients treated by Janssen is accelerating. We are estimating that we treated 1,000 more patients in 2019, and we expect to treat 1,200 more this year, which is equivalent to a 25 percent increase in the number of patients in 2019 and 2020 alike.

I am proud of Janssen's achievements and it gives me a great feeling to see that more patients are benefiting from our highly innovative treatments to address the most serious unmet medical needs such as haematological cancer, prostate cancer, Crohn's disease, schizophrenia, and psoriasis,

among other areas. This amazing sense of “higher purpose” is the reason I work in the industry. It gives me energy and fuels my motivation.

In our last interview in 2016, your ambition was to reach the top ten pharmaceutical companies in the Czech Republic. Today, Janssen is ranked eighth. What priorities did you put in place to achieve this tremendous performance?

The answer is simple: doing our job well. We are lucky to be introducing a very innovative portfolio. The latest launches include Darzalex (daratumumab) for multiple myeloma, Stelara (ustekinumab) for Crohn’s disease, Tremfya (guselkumab) for psoriasis and Imbruvica (ibrutinib) for mantle cell lymphoma (MCL).

At the same time, none of our big brands have lost patent protection in recent years. The last one to be genericized was Velcade (bortezomib) about three years ago.

One of the major events for Janssen since our last encounter was the acquisition of Actelion, establishing Pulmonary Hypertension (PH) as a sixth area of focus. How does Actelion fit within Janssen’s Czech affiliate?

The acquisition of Actelion was a natural decision because of their specialized and innovative portfolio. The strategy of Johnson & Johnson is not to acquire large companies but more smaller ones with a portfolio and pipeline that show great potential.

While Actelion is a relatively small organization in the Czech Republic, representing less than ten percent of our turnover, it does have a great impact on patients who are struggling to live a normal life by suffering from shortness of breath (dyspnea) and fatigue.

Within a year after the acquisition, Actelion was fully integrated with Janssen and today it represents its specific business unit.

When we met with Kris Sterkens, he explained that Janssen has started to make much tougher trade-offs in terms of resource allocation, recognizing that the “one-size-fits-all” formula has become redundant in the new era of personalized medical science and that the company cannot try to be everything to everyone. How have you implemented

a more differentiated and customer-centric approach in the Czech Republic to drive performance and build trust?

I completely agree with Kris. Focusing resource allocation in defined areas all along the value chain, from R&D to Sales & Marketing, is crucial in the pharma industry. This is the reason why we defined six priority therapeutic areas: Oncology, Immunology, Infectious Diseases, Cardio Metabolic, CNS and Pulmonary Hypertension. Here at Janssen, we refer to the areas that are getting more attention and investment as “dynamic champions”.

With Paul Stoffels as Head of R&D, Janssen decided to focus on a limited number of areas and development programs, while making Janssen one of the first pharma companies to open-up to strategic collaborations through joint ventures and incubators. It was a genius move which led to Janssen’s incredible success in the last six years. The company needs to continue focusing on specific areas while broadening collaborations in order to, in the words of Paul Stoffels, partner with the best science.

At the local level, we focus our human resources on customers instead of products. The aim is to minimize the number of products we put on someone’s shoulders, as well as decrease the number of customers they interact with on a daily basis. This involves preferably one, but a maximum of two, kinds of product specializations per employee. Consequently, our employees become experts in that field, and they have frequent interactions with customers. I also encourage simplifying structures and processes as much as the corporate environment allows it in order to deliver solutions to patients more efficiently.

Looking at the macro environment, what would you say makes the Czech Republic stand out within the CEE region?

On the positive side, the Czech Republic is relatively stable, developed and organized. Compared to Slovenia, a country that just a few years ago was ahead of the Czech Republic, we are now on par with or better than them on many aspects. For instance, the Czech Republic is leading the CEE region in terms of quality of care. Moreover, the Czech Republic counts several times more highly educated specialists and professors than my home country of Slovakia which is only half the size. I think the Czech healthcare system is slowly but surely progressing and converging with Western standards.

Nonetheless, compared to Slovenia, Slovakia or Hungary, the regulations involved in permitting access to innovative therapies in the Czech Republic are very complex. It is probably the most regulated country in terms of the number of hurdles encountered prior to bringing a drug to the patient.

The major delays were originally caused by the State Institute for Drug Control (SUKL). However, when Mgr. Irena Storová took over the office, she did a great job in accelerating the assessment procedure. While the timelines are still outside the defined framework, the situation is much better than it was before and continues to improve further.

The main bottleneck is now the negotiation process with payers and budget caps. While insurance funds are increasing their budgets allocated to innovative therapies, the process remains difficult and lengthy. As a result, the Czech Republic is lagging behind other countries in the CEE region, namely Hungary and Slovakia.

While in the end innovative therapies do access the system, we are missing out on many opportunities to help patients. The Czech Republic is a developed country and patients deserve access to medical treatments and medical services at the same level to their European counterparts.

We see a high penetration of biosimilars in the Czech Republic. What is the impact of greater uptake of biosimilars in the market to your bottom line?

Access to biological treatments has widened with the entry of biosimilars for alpha-TNF inhibitors such as infliximab, thus lowering the cost of immunological treatments and making them more available to patients. Much more patients are benefiting from biologic therapy thanks to this.

However, the challenge is that authorities will now use the price of alpha-TNF inhibitors, which has decreased by 40 to 60 percent, as a reference to value the next-generation therapies. This may have the effect of deterring companies to enter the Czech market so as not to affect European reference prices, which ultimately is not in the best interest of patients

As Chairman of the Association of Innovative Pharmaceutical Industry (AIFP), how are you pushing for more collaboration between the industry and the government to close the gap?

The new Minister of Health Adam Vojtěch is much more innovation-oriented than his predecessors and has been proactive in rolling out much-needed legislative proposals.

Today, there are two major proposals being discussed in parliament to accelerate the introduction of highly innovative medicines and orphan drugs. Regrettably, orphan drugs are lacking in the market today as they fail to pass cost-efficiency thresholds.

The government is also introducing an emergency system to ensure medicine availability in case a product runs out at the wholesale level. Under these circumstances, the market authorization holder (MAH) is obliged to supply the product within two business days. Companies will need to adapt to the new supply chain structure, but we do have experience from other countries like Slovakia, where this emergency system is already in place.

We see that health authorities are giving patients a larger voice at the decision-making table through the Patient Council. How are you transforming the organization to magnify the voice of patients?

Janssen, and the industry as a whole, is shifting its business to become more focused on patients. As we will all be a patient one day, it is in everybody’s interest that patients have a bigger say on aspects like reimbursement and product access.

Nonetheless, patients in post-communist countries are not used to being heard and the insurance system does not always promote the voice of patients. We are glad to see that health authorities are giving patients more say in the decision-making process. At the AIFP, we are leading a very successful educational effort called the Academy of Patient Organizations (AOP) which helps patient groups become better advocates for early access to innovative medicines. During the past year, the APO organized trainings on health technology assessment (HTA) so that patient organizations are better prepared to be a part of decision making related to innovative therapies.

Making patients more knowledgeable lies at the heart of patient-centricity. Patients are now looking for more information and opinions on the Internet. The situation today is that there is no communication between patients and pharma companies. In my opinion, the European system is too strict when it comes to regulating direct interactions between pharma companies and patients, which are completely forbidden. While I am not at all an advocate for advertising prescription drugs directly to patients, like is allowed in the United States, I do believe that companies are the best positioned to explain the characteristics of their products.

As an anecdote, during our last EU management meeting, a testimonial was shown from a patient who was suffering from multiple myeloma. Determined to get better, he kept updating his knowledge about his condition, perusing scientific publications and reading about clinical studies. As a matter of fact, he was the one proposing alternatives to his doctor! Finally, they found a clinical trial that was fit for him and today he is healthy. This is a perfect example of how informed patients can contribute to their course of treatment.

Speaking of clinical trials, how does the Czech Republic contribute to Janssen's global clinical research efforts?

We have a whole department dedicated to clinical trials called Global Clinical Operations, which is actually very close or even bigger than our commercial department.

I do believe that the Czech Republic is a good place to carry out clinical trials due to the country's organized system and the high number of well-educated physicians able to provide good quality data at a reasonable cost.

Nonetheless, while some companies like Janssen are increasing their clinical footprint in the country, statistics show that the number of clinical trials is in fact decreasing. This situation calls for more effort from authorities to create a better environment for clinical trials. I consider clinical trials "4xWin/no lose" because, first of all, patients are getting access to the latest innovations. Secondly, physicians are gaining experience in the latest advancements of research. Third, the healthcare system is saving on costs. Finally, companies speed up their research effort.

Finally, as a new year and decade begin, what are your aspirations for Janssen in the Czech Republic?

We are one of the top ten pharmaceutical companies globally, in Europe and now in the Czech Republic as well. In the next few years, we would like to be in the top five. We hope to achieve this by helping more and more patients.

The aspiration of the AIFP is to improve access to innovation in the Czech Republic. With the legislative changes hopefully coming into play this year, access to innovation will improve, which makes me optimistic for the future of Janssen in the country, but more importantly for the health of patients.

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