

# Martin Puchwein - Country President & General Manager Pharma, Novartis Czech Republic

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***The Czech Republic is joining other advanced economies in Europe in terms of economic development but also healthcare standards***

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*Martin Puchwein, country president for Novartis Group Czech Republic, and general manager for pharma, shares his perspectives on launching innovative drugs in the country, including some new therapeutic approaches such as cell and gene therapies. Puchwein also discusses Novartis' ambition to transform its corporate culture towards becoming an*

*organization where people are curious, inspired and unbossed. Finally, he stresses the strategic significance of the Czech Republic for the group as the location of one of its Global Service Centers, as well as the country's large contribution to the clinical development of new drugs.*

**Martin, as the year begins and you are reviewing your performance and achievements, how good of a year was 2019 for Novartis in the Czech Republic and what were the highlights?**

2019 was an outstanding year for us in the Czech Republic as well as Novartis globally. The key to success was and is the unprecedented number of new innovative drugs that we launched on the market. Over the last few years, we have introduced groundbreaking new treatments in cardiology, neurology, dermatology, rheumatology as well as new technologies like cell & gene therapies. Recently we received approval for the reimbursement of our novel migraine treatment, which is now available for Czech patients. We also treated the first patients in central and eastern Europe

with a new cell & gene therapy for those with certain blood cancers and established an outcome-based model for exceptional reimbursement cases. This trend will likely continue in 2020 with the expected approval of several new molecules by the European Medicines Agency (EMA).

**In the case of Novartis Oncology, 2020 started with the fantastic news that all insurance companies agreed to finance the company's ground-breaking CAR-T therapy, where a child facing a second recurrence of leukaemia will soon undergo treatment in the Motol Teaching Hospital in Prague. How important is this achievement for Novartis?**

This is a great example to showcase how joint solutions can happen to enable sustainable access to a whole new class of therapeutic options for the benefit of patients. To get new treatments to patients, all stakeholders from pharma companies, health insurances and the government need to work together to find a consensus in light of strong price pressures. CAR-T therapy was first approved in Europe in August 2018 and this is the first time a cell and gene therapy obtains this status in the Czech Republic. Our oncology team has been working closely with Czech health insurance companies and key hospitals to make it available in the Czech Republic as well. We are now at the finish line, with outcome-based agreements in place with all health insurance companies.

**The Czech Republic has been lagging behind many other European countries when it comes to the entry of rare diseases and orphan drugs into the system. How do you see this evolving?**

Developing therapies for rare diseases, so-called orphan drugs, is a challenge as the development costs are often high, but the number of patients is low. In many cases, we are talking about diseases that are triggered by genetics and that develop at a rather early age. So the patients are on average much younger than for many common chronic diseases. Often, it is not possible to apply the same approach of cost-benefit assessment for those therapies. A different pathway is needed and this is what many EU countries have already done. I am glad that the Czech Republic's government is making this a priority now. As a pharma company, we have to be flexible and explore different models for pricing, such as performance-based pricing where the risk of an unsuccessful treatment is shared between the manufacturer and the payer.

**Going back to when you started as Country President of Novartis Czech Republic, your first adventure leading a foreign affiliate, what strategic priorities did you put into place to leverage opportunities and overcome the challenges you identified?**

For me, there were two kinds of priorities: business priorities and organizational priorities. On the business side, our key priority is and always has been to bring innovative treatments to Czech patients. We need to deliver on this promise with operational excellence ensuring our therapies reach patients as soon as possible. From an organizational perspective, we want to unleash the power of our people by creating an organization where everyone can be curious, inspired and unbossed.

For me, continuous learning is a key ingredient to a *curious* culture. Here in the Czech Republic, we want to foster an environment in which our associates are encouraged to explore new things in order to develop both personally and professionally. This requires a different mindset: instead of only focusing on the task at hand, you have to look left and right to identify new ideas that could be valuable.

The second pillar, *inspire*, has to do with our purpose. When you see the positive impact that launching a new innovative drug can have on patients, it strengthens your sense of purpose and keeps you intrinsically motivated. We need to ensure that this inspirational mission is visible to every associate, irrespective of their job title.

Our third pillar is *unbossed*, which means empowering people by giving them the freedom to operate and pursue their professional and personal goals. It is the exact opposite of the command-and-control style of leadership that used to be, and still is, prevalent in so many companies.

Instead, we want people to be their best, by giving them flexibility and accountability. For instance, we implemented a program called “Anywhere Office” which enables every associate to work from anywhere, wherever they feel most productive. This could be in the office, remotely or from home.

Flexibility is a key ingredient, especially since everyone has different personal circumstances. We want to make sure our associates’ personal circumstances – be that raising a family, caring for relatives, or whatever other responsibility – is compatible with their work-life. The effect so far: associates and managers feel more productive and happier.

**Novartis is the number one pharma company in the Czech Republic. What explains this leading position in the Czech market while the company is ranked third globally?**

In the last few years, Novartis has been reorganizing itself through divestments and strategic acquisitions in select areas to become a focused innovative pharma company. As a result, Novartis has the strongest launch pipeline in the industry, which will help accelerate our growth. On top of our innovative portfolio, we have a leading position in generics and biosimilars through our Sandoz division. With the strong footprint today and an industry-leading pipeline, I believe Novartis is in the best spot today – locally and globally.

**Novartis' footprint in the Czech Republic extends beyond commercial operations. Could you introduce your considerable footprint in the country?**

Novartis has a large footprint in the Czech Republic with more than 1,500 associates in total. Prague is the location of the Novartis Global Service Center, one of five such centres around the world, providing a wide array of services in areas such as Finance, IT, HR and Procurement.

Moreover, Novartis currently conducts more than 90 clinical trials in the country. In some programs, the country contributes as many patients as some of the biggest countries in the EU. It showcases the quality of Czech clinical centres and demonstrates the openness of physicians to work at the forefront of new therapies together with pharmaceutical companies.

**How advanced or ready would you say the Czech Republic is in implementing Big Data and Artificial Intelligence in healthcare?**

Prague has a leadership position in the IT field in Europe. The city has positioned itself as a technology hub thanks to a combination of top universities, a great start-up ecosystem, and big multinational players. In addition, the government has made the development of eHealth a priority. At Novartis, we have an IT hub located in Prague and are very involved in the local ecosystem. We have created InnoTech, a tech incubator within this hub that is currently running different AI pilots. The applications could be plentiful. From improving patient care to delivering better back-office services.

**What would be your final message to our international audience of industry executives?**

The Czech Republic is joining other advanced economies in Europe in terms of economic development but also healthcare standards. At Novartis, we try to do our best to provide patients

with severe diseases with new treatment options. Making sure Czech patients have access to those treatments fast is our key priority.

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