

Geert Van Hoof - General Manager, Chiesi Belgium



The Chiesi Culture [has] a sense of closeness, both within our affiliate and to our headquarters. Overall: “We are large enough to cope and small enough to care”

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Geert Van Hoof, founding general manager of Chiesi Belgium, shares the exciting milestones of the company’s first decade in Belgium, including their stunning year-on-year double-digit growth, their market leadership in respiratory as well as neonatology, and their growing presence in rare diseases, as well as the attractiveness of the Chiesi Culture to potential employees in Belgium.

Geert, you are the founding general manager of Chiesi Belgium and in 2020, we celebrate the tenth anniversary of the Belgian affiliate. Could you recap the highlights of the past decade?

When we started the business here ten years ago, we were an outsider in the market. Today, we have established ourselves as a full and active player within the pharma industry in both Belgium and Luxembourg. This is to a large extent attributable to our entrepreneurial spirit and culture and the strong support of our headquarters, particularly as Chiesi is a family-owned company. We can compete, as a mid-size company, with the larger multinational players within the market.

Over the past decade, we have grown from a start-up into a company with 85 employees and a turnover of almost EUR 40 million. What has also been a huge achievement for us is the consistent annual double-digit growth the affiliate has experienced over the past decade. In addition, and in spite of our size, we have managed to become market leaders in all the segments we are present in. For example, in neonatology, we are the most important player in Belgium.

These successes have been built on a number of aspects: our people and the strength of our organization, our close relationship and partnership with the overall Belgian healthcare system, local business development and finally, our patient-centric approach. One of our key differentiating factors in Belgium is our BCorp mentality. BCorp is an ingrained culture where creating shared value for society is central, the middle ground between for-profit and non-profit.

Chiesi has traditionally been present in the neonatology and respiratory segments, with a more recent foray into the rare diseases space. How active is Chiesi Belgium within these three segments?

The respiratory and special care businesses are indeed the legacy of Chiesi. Recently both therapeutic areas were merged in a new global structure, under the leadership of Alessandro Chiesi, to ensure a uniform and integrated approach.

Currently, the respiratory segment accounts for almost 90 percent of the local turnover so it is our main revenue driver. The rest is split between neonatology and rare diseases. The main growth drivers within the respiratory portfolio our Inuvair (branded as Foster® in many other European countries), which is a treatment for both asthma and chronic obstructive pulmonary disease (COPD); and our first-in-class triple-combination COPD maintenance therapy, Trimbow®. This is really our rising star; we plan to add another indication for Trimbow® for asthma in the upcoming year.

Neonatology may be a small segment for us in Belgium, but our impact is enormous: our drug Curosurf is lifesaving for premature babies. Our commitment here is in line with the philosophy and passion of the overall Chiesi Group: continue investing in this critical therapeutic area to resolve the medical need for these fragile little patients.

Finally, the rare diseases space is a relatively new strategy for Chiesi Group. Earlier this year, our Global Rare Diseases Business Unit lead by Giacomo Chiesi with headquarters in Boston, USA, was established. In line with this global strategic priority, Chiesi Belgium is also focusing on the rare diseases space and we currently further developing our presence through a dedicated structure and approach.

On a topical note, as a respiratory-focused company, how have you responded to the COVID-19 situation?

When the COVID-19 pandemic began, we identified three priorities: securing the safety of our employees and the overall Chiesi community; maintaining our business and the supply of medicines to our patients, and supporting physicians and the overall healthcare system in Belgium as much as possible in fighting this disease outbreak. We have donated to several COVID-19 support initiatives and contributed to help hospitals. Moreover, we also set up a 'Thank you Heroes' campaign as a way to support healthcare workers in Belgium. We owe it as part of a BCorp-certified group to take our social responsibility.

The pandemic has also emphasized the importance of chronic patients taking good care of themselves as well as emphasizing the severity of respiratory diseases. We anticipate that there will be an increase in respiratory conditions and medical needs in this area because even after COVID-19 patients recover, many face lingering challenges or issues with their respiratory health. Measures are needed to ensure that the healthcare system in Belgium can accommodate them and we will support the system as much as we can.

After ten successful years in Belgium, what is essential for a successful product launch in a market like Belgium?

For a successful product launch in Belgium, there are a number of steps. The first is pre-marketing because you need the endorsement of healthcare practitioners even before you start to introduce your product. The second is navigating the market access, pricing and reimbursement environment, which in Belgium is a quite complex process. You really need to have positive and strong relationships with the different healthcare stakeholders. Finally, when it comes to the actual market launch, the inclusion of healthcare practitioners is critical. In every step, we try to put the patients at the centre and fulfil their needs as much as possible.

Unfortunately, we have the impression that the central role of the patient is not always considered when decision-makers review new applications. Actually, highly innovative products or smaller steps in innovation for existing molecules, often leading to quality of life-enhancing treatments are not always being valued or recognized by the Belgian health care system. And this is not only the case in approving reimbursement for new medicines but can also be seen on a more macro level: the money is not always put on the place where it is most needed.

It is for example often forgotten that respiratory system diseases like COPD, affecting 800.000 inhabitants, is the third cause of death in Belgium while it represents only a fraction of the total medicines budget. Furthermore, investments in prevention of COPD like Smoking Cessation

initiatives, or increasing adherence via patient support programs are very limited, if any, while it could make a huge difference for the patients, their family and society.

In general, the constant pressure on prices, not only during reimbursement negotiations but even after market access together with the tax on turnover paid primarily by the innovative pharmaceutical industry, is creating additional barriers for companies to provide the result of their research to the Belgian patients. This is especially an issue for SME's for which margins and profits become problematic. Therefore, we would like to see more attention given to European SME's that want to keep investing in Europe and in Belgium to limit the dependency on R&D or Production from the rest of the world. During the COVID-19 we have seen again that local R&D and production is highly necessary, but that it should get the necessary support to maintain its viability and be competitive with low-wage countries.

In terms of rare diseases, Belgium has made this a national priority with the 2013 *Plan belge pour les Maladies Rares* and her participation in the Beneluxa initiative to negotiate better prices for orphan drugs. How do you evaluate the overall rare diseases regulatory environment in Belgium today?

One of the pros of the *Plan belge* is the intention to create a stable environment for the reimbursement of orphan drugs. We knew that there would be a certain allocation for such drugs within the overall medicines budget, with savings to be generated from off-patent products. The basic concept was clear, and this created a stable framework in which we could jointly collaborate and negotiate with the government. However, I personally believe that this model has reached its limits. Therefore, we need a new 'pax pharmaceutica' to secure access to innovation while maintaining a minimum level of profitability for all marketed medicines. The latter in order to secure all treatment options and investments in R&D.

In terms of the Beneluxa we regard it as an excellent conceptual initiative. However, the system is as yet not very clear or transparent – for instance, procedures of the different countries are not completely in line, leading to unclarity about data gathering and use – and so far this has deterred many companies from participating in this initiative.

We do believe a European collaboration in pharmaceutical policy can be beneficial, on the condition that this approach leads to efficiencies (for example in Health Technology Assessment) and creates a win-win for society, patients, payers and industry.

From a HR perspective, what do you think is the value proposition of Chiesi when it comes to attracting talent?

I really emphasize our corporate culture and environment. As a family-owned, entrepreneurial, BCorp-certified company, we are really different from many other pharma companies in the market. Being a smaller company also means that we do not work in silos but as one team. Our employees often possess broad responsibilities, are fully empowered and have a lot of autonomy to implement their own ideas. There is room to experiment and develop new things, especially as we are still relatively young. Our rapid growth also provides our employees with a great environment to learn new skills and take control of their own careers. I also like to refer to what I call the Chiesi Culture, which is a sense of closeness, both within our affiliate and to our headquarters. Overall: “We are large enough to cope and small enough to care”.

You highlighted that one of Chiesi’s differentiating factors is patient-centricity. How is this reflected in Belgium?

One of the most exciting initiatives we have here is the annual ‘Climbing for Life’ program, which is a biking challenge organized jointly by a non-profit organization in collaboration with patient associations (for cystic fibrosis and asthma). This program encourages and supports patients with respiratory conditions to participate in a biking event in the Dolomites of Italy. We are the main sponsor, but we do not only participate financially; it is also a total-company event. We work with patients to prepare them for such a physical challenge. Chiesi employees act as buddies to these participants and they go on training rides with the patients, and they join during the challenge in itself. This is a great event that not only raises awareness of respiratory diseases but also supports patients in improving their physical and mental health. It also emphasizes the importance, and possibilities, of such cardiovascular exercise for these patients.

This is only one example, the Chiesi Foundation also launched a digital app (MyPuff) to help patients with their inhalation techniques, we collaborate closely with the Rare-Disease patient association, etc. This patient-centric approach is a pillar in our BCorp philosophy.

Having exited the start-up phase, how are you preparing your team and yourself for the current growth phase?

It is fundamentally important to stay close to your team, to be transparent and to keep them informed on business decisions.

Another important element is 'sharpening the saw'. By this I mean continuing to improve our competences, to stay updated on new trends and technologies, to participate in courses and develop our talents - to be, ultimately, future-proof. This applies to both our team and myself.

One specific area we have identified is digital transformation. Over the past ten years of transition from a start-up to a mid-sized enterprise, we have professionalized our organization and optimized many processes, but we still work in a relatively conventional way. The objective for us now is to digitalize our business model so that we are better equipped to achieve success in the future. This is something that the overall Group is also looking into, and while we might receive the overall framework from headquarters, we are also excited to suggest and develop our own proposals that could eventually be shared with other affiliates.

Ultimately, I feel very engaged and proud because we truly have a fantastic team here at Chiesi Belgium. What we have achieved after 10 years of intense activity is amazing and by far surpassing our initial expectations. The positive working atmosphere and the capabilities here inspire all of us to work hard and as one team to take Chiesi to the next level, always putting patients at the heart of what we do.

Finally, where would you like to see Chiesi Belgium in a few years' time?

We want to continue to be leaders and disease experts, a great place to work, a driving force for innovation within Belgium and, as an affiliate of the largest pharmaceutical BCorp certified organization, set the benchmark for the rest of the industry.

We would like to continue attracting investments into Belgium from our headquarters. For example, in 2018, we invested over EUR 15 million in local clinical trials. These investments benefit the Belgium healthcare system and Belgian patients.

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